DiGiSPICE

TRANSFORMING LIVES THROUGH TECHNOLOGY PLATFORMS

ANNUAL REPORT
2020-21

korero
Platforms

Spice money
तो Life बनी

travel Union
Khulenge naye raaste ...

DiGiSPICE

Important Information for Shareholders

E-VOTING THROUGH SINGLE LOGIN CREDENTIAL

All individual shareholders holding securities in Demat mode can now exercise e-voting by way of a single login credential through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

TRANSFER OF PHYSICAL SHARES PROHIBITED

As per Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository.

Shareholders, holding shares in physical form, are requested to get physical shares dematerialized at the earliest to avoid any inconvenience in future for transferring these shares.

TRANSFER OF SHARES/ UNPAID DIVIDEND TO IEPF

All shares in respect of which dividend has not been paid or claimed for seven consecutive years or more are liable to be transferred to the Demat Account of the Investor Education and Protection Fund.

Any dividend transferred to the Unpaid Dividend Account which remains unpaid/unclaimed for a period of seven years from the date of such transfer is liable to be transferred to the Fund established by the Investor Education and Protection Fund.

To avoid such transfer of unpaid dividend/ shares to IEPF, shareholders are advised to claim their unpaid/unclaimed dividend, the details of which are available on the Company's website www.digispice.com under the heading 'Investor Relations'.

DiGiSPICE

Contents

DiGiSPICE Technologies Limited

Chairman's Statement

Dear Shareholders,

It gives me great pleasure to connect with all of you to present the performance for the financial year 20-21 and the outlook for the future. I am excited to share with you all the work we have been doing to lay the foundation for the coming years.

The financial year 20-21 has been a transformative foundation year for the Company as we start our new journey towards building Digital Platforms and Solutions in new growth segments. Overall, during the year we achieved a consolidated revenue of Rs. 712 cr which represented a 74.9% YOY growth compared to financial year 19-20, which closed at a consolidated revenue of Rs. 407 cr. We also reported positive growth in earnings at both EBITDA and PAT level with consolidated EBITDA (before other income and exceptional items) at Rs. 13 cr and consolidated PAT at approx. Rs. 5 cr for the financial year 20-21 compared to a consolidated EBITDA of Rs. 7 cr and consolidated losses of Rs. 55 cr in the financial year 19-20. So it was heartening to see the company back in profits at a consolidated level.

The main driver for our growth has been our Digital Financial Technologies business, housed within Spice Money, a subsidiary of DigiSpice. Let me first talk about this business.

1) **Digital Financial Technologies Services:**

   At Spice Money, as I explained in my previous report to you, our mission is to build a **Digital services platform for Bharat, or consumers in rural India that will allow them to enjoy the efficiency, access and convenience of the digital revolution in location and formats they feel comfortable with.** As a start, we have enrolled merchants and entrepreneurs in semi-urban and rural India on to our platform to serve as the human interface for the consumers in rural India and provide them access to the same services as are available to the savvy urban consumers.

The entrepreneurs are attracted to the earning potential we offer as we share with them a part of the transaction fee we are paid by businesses looking to reach out to service their customers in rural/semi-urban areas using the digital channels. The success of this model can be gauged by the following metrics:

(a) As of the close of the last financial year, we on-boarded close to 576,000 entrepreneurs (Spice Money Adhikaris) on our platform which represented a 2.4X growth YOY.

(b) Our merchants are present in all the districts and almost every pin code across the country.

(c) This contributed to our overall GTV (Gross Transaction Value) reaching close to Rs. 82,000 cr for the last financial year which represented a similar growth of close to 2.3X compared to the previous financial year which closed at an overall GTV of Rs. 36,000 cr.

This growth in transactions and GTV was mainly on account of growth in cash withdrawal transactions, wherein our Spice Money Adhikaris used our platform to allow customers in rural/semi-urban areas withdraw cash from their DBT accounts. This was partly driven by the increase in subsidies disbursed by the Governments both at a Central and State levels. The Aadhar-enabled Payment System (AEPS) run by NPCI forms the backbone on which we run our cash withdrawal services, and the bank consumer is able to access his account information and his cash by authenticating himself using the Aadhar biometric (so no need to carry any card or remember any pin or password). We provisioned about 13.7% of all the AEPS transactions value in the financial year 20-21 in the country, as compared to 11.8% in the financial year 19-20.

It is gratifying to be able to contribute as a platform towards connecting millions of customers in small town and rural India to their bank accounts when they need it the most. We will continue to build out our Adhikari network density to reach even closer to the doorstep of our target consumer.

Going forward, our focus will remain on expanding our market share within the AEPS industry segment by both scaling up our Adhikari network as well as making our platform the most preferred platform of choice for our Adhikaris.

We launched a cash management product for enterprises in the last financial year 20-21. This allows enterprises operating in rural areas to reduce their cost of collections, and get the cash faster in their accounts thus reducing working capital need. Microfinance companies and NBFCs have been the early adopters as their agents and consumers deposit cash into company bank accounts at our Adhikari points. We have seen this product scale in terms of GTV to around Rs. 419 cr in 20-21. We will continue to focus on this product and work towards closer integration of our platform with our enterprise customers.

We are also working to make utility payments (like electricity, water, gas, telecom, insurance etc.) very convenient for semi-urban and rural households. Our utility payment transactions value grew from Rs. 394 cr in financial year 19-20 to Rs. 893 cr in financial year 20-21. As a BBPSOU (Bharat Bill Payment Services Operating Unit), we expect more billers to join our platform in the coming year resulting in more customers being able to use our platform to pay more of their bills closer to where they live.

The next product vertical that we are focused on is the Travel product. This vertical got negatively impacted last year due to the intermittent lockdowns across the country. We used this time to re-invent our approach to this product and in Q2 of this financial year 21-22, we launched **Travel Union, a new B2B Traveltech platform targeted towards travel agents in small town and rural India** in partnership with Sonu Sood. Our hypothesis here is that there are many travel agents in semi-urban and rural India who do not have access to products and services akin to travel agents in urban India and, therefore, the Travel Union digital platform has been designed keeping their requirements in mind. I will keep you all updated on the progress with reference to adoption of this platform in our regular quarterly investor updates.

Going forward, we see our Spice Money platform working on multiple use cases targeted towards the needs of the rural consumers as we build towards our mission of providing them with the same service access as available to users in urban India. We are constantly running pilots in partnership with strategic players in the tech and non-tech eco-system who would be interested in serving our target markets. I hope that some of these pilots will convert into scalable and profitable products, and I will continue to share with you updates on the progress of these initiatives.

Our main proposition to our partners (businesses) is both around rural customer access, convenience, education and around economic viability, i.e. Enabling product and service providers to access the large semi-urban and rural market in an economically viable manner. I am confident that going forward we will be able to become the rural digital platform of choice for our partners and customers.

2) **Digital Technology Services:**

This refers to our legacy product segment serving the telco industry that has been showing de-growth in recent years. We have been working to turn this business around and have decided to focus on building and growing Digital Platforms and Solutions within the expanded customer base of Telco, BFSI and Technology companies.

We launched Korero Platforms in Q1 of this financial year (21-22), our new C-PaaS (Communications Platform as a Service) offering for customers within our target markets. We see this as a promising opportunity in emerging markets as enterprises automate their customer engagement journeys. A trend we are observing for not only the large but also the micro enterprises. Through Korero Platforms, we expect to extend the benefits of such new industry platforms to small and medium sized enterprises. In the financial year 20-21, we on-boarded 30 enterprises for our communications enterprise business and our enterprise revenues grew from Rs. 65 cr in financial year 19-20 to Rs. 87 cr in financial year 20-21. Going forward, our focus will be to both increase number of enterprises on to our C-PaaS Korero Platform as well as drive higher customer engagement (in terms of both number of transactions per customer as well as number of communication channels used per customer).

For the Telco segment, as I indicated in my last Annual report, we are focusing on building digital products for leading Telcos in select markets. In the financial year 20-21, while our overall Telco segment revenues YOY dropped to Rs. 47 cr from Rs. 91 cr in financial year 19-20, our revenues from the Digital Telco products grew from Rs. 3 cr in financial year 19-20 to Rs. 6 cr in financial year 20-21. Going forward, our focus will be to both drive the adoption of each of the digital products deployed in every Telco customer as well as drive number of Telco customers.

Overall Summary:

To summarise, we as DigiSpice Technologies remain committed to building relevant Digital platforms and solutions for the emerging digital consumer, a journey we started on about 3 years back. We see huge opportunities in our chosen space, as well as challenges that require us to remain agile in terms of defining and executing our strategic and operational actions in response to changes in the market landscape and technologies. We will thus continue to run many experiments around product development and business models as we go after these emerging opportunities. At the heart of everything we do will be 2 things: a) whether we are solving a real problem for our target customer while building something scalable and b) can we build an economically viable business. Given that "Digital" is the new normal, I do hope that we will be able to create a valuable business that is relevant, impactful and scalable.

I thank all the members of our family at Digispice Technologies group, our employees and partners for their unstinting commitment, hard work and support over the last one year. I look forward to an even exciting year ahead with all of you as we explore ever new territories and build first of its kind products leveraging technology and the evolving Digital eco-system. I would like to also take this opportunity to thank all our shareholders for their belief and trust in the management and the company vision.

We will work hard every day to live up to this trust that you have imposed on us and hope to build a company for you that will grow on its core values of innovation, integrity and intensity.

Wishing you and all your families a very happy new year ahead. Please stay safe.

Best wishes,
Dilip Modi

COMPANY INFORMATION

DiGiSPICE Technologies Limited

BOARD OF DIRECTORS

Mr. Dilip Modi – Non Executive Chairman
Mr. Rohit Ahuja – Executive Director
Mr. Mayank Jain – Independent Director
Dr. (Ms.) Rashmi Aggarwal – Independent Director
Mr. Subramanian Murali – Non Executive Director
Mr. Suman Ghose Hazra – Independent Director

Company Secretary & Compliance Officer
Mr. M. R. Bothra

KEY COMMITTEES OF THE BOARD

I) Audit Committee
Mr. Suman Ghose Hazra – Chairman
Dr. (Ms.) Rashmi Aggarwal
Mr. Subramanian Murali

II) Nomination and Remuneration Committee
Dr. (Ms.) Rashmi Aggarwal – Chairperson
Mr. Subramanian Murali
Mr. Suman Ghose Hazra

III) Stakeholders Relationship Committee
Mr. Subramanian Murali – Chairman
Dr. (Ms.) Rashmi Aggarwal
Mr. Suman Ghose Hazra

IV) Risk Management Committee
Mr. Rohit Ahuja – Chairman
Mr. Mayank Jain
Dr. (Ms.) Rashmi Aggarwal
Mr. M.R. Bothra
Mr.Vinit Kishore

V) Corporate Social Responsibility Committee
Mr. Dilip Modi – Chairman
Mr. Subramanian Murali
Mr. Suman Ghose Hazra

Chief Financial Officer
Mr.Vinit Kishore

CIN: L72900DL1986PLC330369

Registered Office
622, 6th Floor, DLF Tower A, Jasola Distt. Centre,
New Delhi -110025
Phone: 011-41251965
E-mail : complianceofficer@digispice.com
Website : www.digispice.com

Corporate Office
Spice Global Knowledge Park, 19A & 19B, Sector 125,
Noida, District Gautam Budh Nagar, U.P.-201301
Phone :0120-5029101

Statutory Auditors
Singhi & Co.
Chartered Accountants
Noida

Internal Auditors
G S A & Associates LLP
Chartered Accountants
New Delhi

Secretarial Auditors
Sanjay Grover & Associates
Company Secretaries
New Delhi

Registrar & Share Transfer Agent
MAS Services Ltd.
T-34, 2nd Floor, Okhla Industrial Area
Phase-II, New Delhi-110 020
Phone : 011-26387281/82/83
E-mail : info@masserv.com

Bankers
HDFC Bank Limited
IndusInd Bank Limited

Symbol/Scrip ID at NSE /BSE
BSE and NSE Symbol : DIGISPICE
BSE Scrip ID : 517214

Green Initiative: In order to enable the Company to send various documents through electronic mode, the members of the Company are requested to register/update their e-mail addresses with the Company in case the shares are held in Physical mode and with the concerned Depository Participant in case the shares are held in Demat mode.

BOARD OF DIRECTORS

Mr. Dilip Modi
Non Executive Chairman

Mr. Dilip Modi was appointed to the Board on 21st August, 2006 as Director and has been Chairman of the Company since 18th February, 2014 and was redesignated as Non Executive Chairman w.e.f. 1st October, 2019.

Mr. Dilip Modi is one of India's most successful young entrepreneurs and has pioneered several new technologies in the mobility and technology sector in India. As a young entrepreneur, Mr. Modi is passionate about creating usable and affordable technologies that can help improve lives of people. Driven by his firm belief that technology can become a key enabler for achieving inclusive growth in the country, his group's current business interests in the digital technologies, fintech and mobility spaces exemplify this vision by furthering the digital and financial inclusion goals.

In the last two decades, he has created a strong portfolio of businesses within the mobility and technology sector, starting from successfully launching India's first mobile service – Modi Telstra in 1995 that also hosted the very first mobile phone call made in India. After a successful divestment of Modi Telstra in the year 2000, he launched Spice Communications in Punjab and Karnataka, which soon became one of the most valuable and enduring brands in the two highly profitable mobile markets of the country.

As Chairman of DiGiSPICE, Mr. Modi leads the Group's businesses spread across Asia and Africa in the mobility & digital technologies space.

Mr. Dilip Modi has also been closely involved in industry forums and has held the position of Chairman of the Cellular Operators Association of India (COAI) and has also had the honour of being the youngest ever President of ASSOCHAM (Associated Chambers of Commerce), working on key industry programs such as "Making Inclusive Transformation Happen". His efforts in the industry were duly recognized as he was conferred the "Youth Icon Award" by the Gujarat Chamber of Commerce and Industry.

An alumnus of the prestigious Imperial College in London, Mr. Modi completed his Master's in Business Administration with a specialization in Finance. He also holds a First Class Bachelor of Science Degree in Management Technology from Brunel University, London.

Mr. Rohit Ahuja
Executive Director

Mr. Rohit Ahuja was appointed to the Board on 5th May, 2020 as an Executive Director.

After completing his education, he became the Founder and Managing Director of a Manufacturing Facility, Menthol India, for Mint based products and Aromatic Chemicals, and had set-up a state of the art manufacturing facility for Mint products with Sulzer, Germany. He also represented Indian Menthol Exporters in prestigious IFEAT conferences.

Mr. Ahuja also served as a Managing Director of Non-Banking Finance Company, Trozen Finance & Securities Pvt. Ltd., which specialized in real estate finance & investments. He has been the Founder & CEO of a IATA accredited Travel and Tourism Company, Odyssey World, which became the leading hospitality company in India serving Judiciary, Government Officials and Diplomats. He was also the Founder and Managing Director of Super Speciality Medical Centre, Empathy MedCare Pvt. Ltd., which had OPD, IPD by full time doctors from FORTIS Healthcare and Pathology Lab by Dr Lal Path Labs, providing full medical treatment.

Mr. Ahuja has been associated with the Company since 2015 as Advisor to the Chairman. He was instrumental in defining strategy, growth and operational plans for strategic projects from the Chairman's office across the group. He plays a key role in business development in new geographies for the group and heads both the Businesses i.e. Telco Business and Enterprise Business of the Company.

Mr. Rohit Ahuja has completed his Bachelor of Science in Accounting and Finance from USA in the year 1997.

BOARD OF DIRECTORS

Mr. Mayank Jain
Independent Director

Mr. Mayank Jain was appointed to the Board on 1st October, 2019 as an Independent Director.

Mr. Mayank Jain started his career with Tata Motors and worked for two years in both Jamshedpur and Pune. Mr. Mayank then worked at one of the big 4 consulting firms in Toronto, Deloitte Consulting. Here he helped several clients in the mining industry in Northern Ontario to streamline and improve their business processes. He also assisted Bell Canada establish their new billing system for Broadband services.

After his stint at Deloitte, Mr. Mayank went on to join Siebel Systems in the United States, the largest Customer Relationship Management (CRM) company in the world. Siebel also became the fastest growing company globally during the early 2000s. Mr. Mayank held the position of Senior Director of Products for Automotive and Manufacturing industries for a number of years with Siebel.

In 2006, Mr. Mayank moved back home to India to pursue business opportunities, and over the last few years, he has built an internet and Cyber Security business spanning across 5 States in India and growing at a very fast pace. His company is also partners with Facebook Express Wifi Project providing WiFi Services to many offices, hospitals, malls and outdoor customers.

Mr. Mayank Jain has done Bachelor in Engineering. Also, Mr. Mayank holds the degree of MBA from Richard Ivey School of Business at the University of Western Ontario in London, Ontario. Mr. Mayank holds the distinction of being named to the Dean's Honour List in his MBA class.

Dr. (Ms.) Rashmi Aggarwal
Independent Director

Dr. (Ms.) Rashmi Aggarwal was appointed to the Board on 2nd November, 2018 as an Independent Director.

She started her career as an advocate in the Punjab and Haryana High Court and Supreme Court of India before joining academics. Dr. Aggarwal is presently associated with IMT Ghaziabad since 2007. She is currently a faculty in the area of Economics, Environment and Policy at IMT Ghaziabad and visiting faculty with IIMs and Management Institutes in France and Dubai.

Dr. Aggarwal research domains are predominately in the area of Corporate Laws, Corporate Governance, Cybercrimes, Labour Laws and Intellectual Property Rights with more than 70 reputed publications to her credit, including books, international research publications, book chapters, book reviews and case studies. Dr. Aggarwal has presented her research work in national and international conferences in India and abroad including USA, Japan, UK, Hong Kong, UAE and Italy. She has designed and delivered numerous executive training programmes both as a facilitator and Program Director for In-company and Open Company and conducts workshops and training programs for Higher Education accreditation.

Dr. (Ms.) Rashmi Aggarwal is Bachelor of Science, Law Graduate, Masters' in Law and PhD (Patents Law) from Law Department, Punjab University, Chandigarh.

BOARD OF DIRECTORS

Mr. Subramanian Murali
Non Executive Director

Mr. Subramanian Murali was appointed to the Board on 7th May, 2015 as Non Executive Director.

He was associated with leading organizations such as A.F. Ferguson and HCL Group of companies in several senior positions.

Over more than 35 years of experience in industries like IT, Office automation, Telecom and Mobility, he has gained extensive knowledge and expertise in the areas of fund raising, M&As, Business restructuring, Process Re-engineering, Business turnarounds, Corporate Finance and Management.

Presently, Mr. Murali is Executive Director-Finance of Spice Connect Ltd., Company's holding company and oversees the entire group's finance function. He has been associated with the group for 13 years and is actively involved in Shareholders value creation, Business planning, Corporate Finance, Capital allocation, Treasury management, Management review and overall productivity of all resources within the Spice Connect Group.

His association with the group helped in managing different business cycles ranging from start ups, steady state growth, rapid and exponential growth, slow downs and closures.

Mr. Murali is a Fellow Member of the Institute of Chartered Accountants of India ("ICAI").

Mr. Suman Ghose Hazra
Independent Director

Mr. Suman Ghose Hazra was appointed to the Board on 7th May, 2015 and has been re-appointed for a second term of 5 years w.e.f. 7th May, 2020 as an Independent Director.

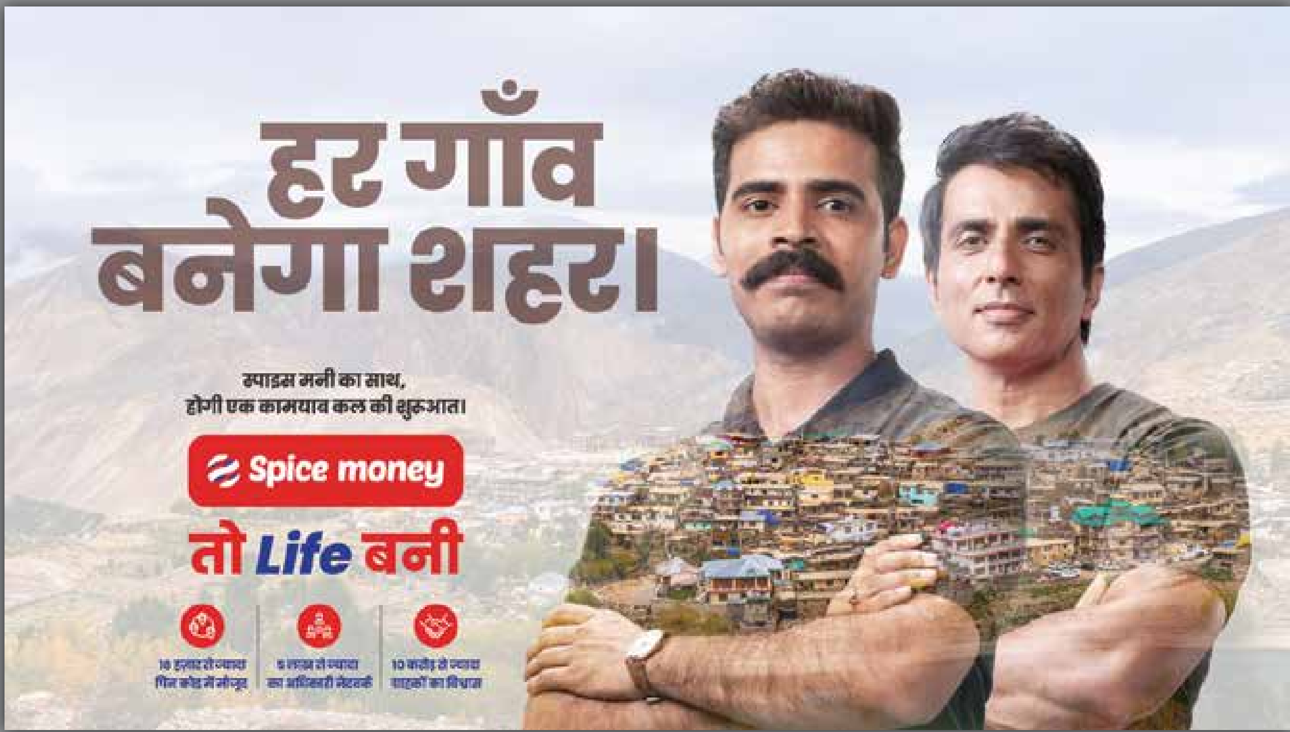
Mr. Ghose Hazra is a former General Counsel and Executive Vice President – Legal of HCL Infosystems Ltd.

Mr. Ghose Hazra began his career in the year 1976 as Zonal Accounts Officer of Tata Iron & Steel Co. Ltd. He specializes in area of Taxation including Income Tax, Sales Tax / VAT, Excise Tax, Service Tax, Custom Duty, Merger, Acquisition, Disinvestment and successfully handled CBI and FEMA/FERA cases. He has helped several Indian companies in the process of acquisition and sale.

He has actively issued necessary guidelines to various regions/ plant on all India basis for the compliance with the various statutory requirements under Indirect Taxation. He has also participated as a member in the High Powered Committee on Electronic Commerce and Taxation appointed by the Central Board of Taxes, Department of Revenue, Ministry of Finance, New Delhi.

He was a Legal Consultant and Senior Advisor to MAIT.

Mr. Ghose Hazra is a Fellow Member of the Institute of Chartered Accountants of India and a qualified Cost Accountant and also a Law Graduate.


हर गाँव
बनेगा शहर।
स्पाइस मनी का साथ,
होगी एक कामयाब कल की शुरुआत।
Spice money
तो Life बनी


होगा कमाल,
जब हर गाँव बनेगा
आत्मनिर्भरता की मिसाल।
स्पाइस मनी का साथ,
होगी एक कामयाब कल की शुरुआत।
Spice money
तो Life बनी


Spice money
तो Life बनी
अब बारी तुम्हारी!
खुद का व्यापार
शुरू करने की।
हमसे जुड़ें,
और ज़ीरो लागत के साथ अपनी डिजिटल दुकान खोलें।
लागत 0%
• ज़ीरो अधिकारी ID शुल्क
• ज़ीरो आजीवन मासिक शुल्क
• ज़ीरो मिनी ATM निवेश*
*मिनी ATM 100% रिफंडेबल सिक्योरिटी डिपॉज़िट स्कीम पर उपलब्ध है, यह एक वैकल्पिक स्कीम है।


Spice money
तो Life बनी
Digital Dukaan
Aadhaar Withdrawal
Mini ATM
Money Transfer
Tours & Travels
Bill Payments
Cash Collection
Loans
Insurance
Online Shopping
Scan this QR Code to connect with Customer Care
spicemoney.com
spicemoney
spicemoneyofficial
+91 9356726786

BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty Third Annual Report together with the Audited Financial Statements of the Company for the financial year ended on 31st March, 2021.

FINANCIAL RESULTS

The consolidated and standalone financial performance of the Company for the financial year ended 31st March, 2021 is summarized below:–

(Amount in Rs. Lakhs)

PARTICULARS	For the Financial Year ended 31.03.2021		For the Financial Year ended 31.03.2020	
	Consolidated	Standalone	Consolidated	Standalone
Total revenue from continuing operations	**73,663.35**	**13,039.45**	41,884.39	13,197.18
Earnings before finance costs, tax, depreciation & amortization and exceptional items from continuing operation	**3731.05**	**642.75**	1,858.70	(108.67)
Share of (profit)/loss of associates and a joint venture	**(64.49)**	**-**	(88.87)	-
Depreciation and amortization expense	**2266.35**	**751.43**	2,061.67	918.30
Finance costs	**159.75**	**124.50**	422.81	249.27
Exceptional items	**-**	**49.88**	(4,619.30)	(6,786.69)
Profit/(Loss) before tax from continuing operations	**1240.46**	**(283.06)**	(5,333.95)	(8,062.93)
Tax expenses				
Current Income Tax	**611.32**	**49.16**	532.20	189.35
Income Tax adjustment for earlier years (net)	**(30.54)**	**91.13**	143.10	-
Deferred tax charge/ (credit)	**62.17**	**(20.69)**	(477.57)	(373.36)
Profit/(Loss) for the Year from continuing operation	**597.51**	**(402.66)**	(5,531.68)	(7,878.92)
Profit/(Loss) for the Year from discontinued operation	**(38.64)**	**-**	(39.34)	-
Total Profit/ (Loss) for the year	**558.87**	**(402.66)**	(5,571.02)	(7,878.92)
Other comprehensive income for the year	**112.62**	**2.72**	3.42	(27.80)
Total comprehensive income for the year	**671.49**	**(399.94)**	(5,567.60)	(7,906.72)
Share of Minority in profits/(losses)	**(558.65)**	**-**	(608.07)	-
Profit / (Loss) for the year attributable to equity shareholders	**1230.14**	**(399.94)**	(4,959.53)	(7,906.72)

PERFORMANCE REVIEW AND STATE OF THE COMPANY AFFAIRS

The Company is engaged in the business of digital transformation of private & public enterprises and Governments. While building a strong ecosystem over the last two decades, the Company has emerged as a technology solutions and communications platform provider globally. There has not been any change in nature of business in last one year. The Company, through its direct and step down subsidiaries, is operating in India, South Asia and Africa.

The Company through its material subsidiary "Spice Money Limited" is engaged in providing Financial Technologies Services (Fintech Business).

The Company, at the consolidated level achieved a total income of Rs. 73,663 lakhs for the year ended 31st March, 2021 as against Rs. 41,884 lakhs for the previous year ended 31st March, 2020. The profit after tax at the consolidated level for the year ended on 31st March, 2021 is Rs. 598 lakhs as against loss of Rs. 5,532 lakhs in the previous year ended 31st March, 2020.

BOARD'S REPORT

The Company, at the standalone level, has earned a total income of Rs. 13,039 lakhs for the year ended 31st March, 2021 as against Rs. 13,197 lakhs for the previous year ended 31st March, 2020. The Company has incurred a loss of Rs. 403 lakhs for the year ended 31st March, 2021 as against a loss of Rs. 7,879 lakhs in the previous year ended 31st March, 2020.

IMPACT OF COVID-19 VIRUS PANDEMIC ON THE COMPANY

The Coronavirus ('COVID-19') pandemic has continued to cause substantial disturbance globally and in India, resulting in considerable slowdown of economic activity. There have been delays in collection from customers and possible delinquencies in receivables from customers due to the impact of Covid. India was hit hard by the 2nd wave of COVID – 19 pandemic in April, 2021 and thereafter. The State Governments started announcing simultaneous lockdowns across the country.

To ensure business continuity for us and our customers, keeping in mind the safety of our employees, we:

- continued Work From Home Policy for all employees, with the exception of some essential roles that need to be conducted from an office or on location for critical network maintenance, for which all necessary arrangements were made to ensure their safety and protection.
- continued to prioritise virtual meetings and events even while global businesses gradually opened.

During the year, the Company has put in place the mandatory protocols and Standard Operating Procedures (SOPs) for all its employees such as submission of Self Declaration Forms, Thermal Screening, Sanitization, Maintaining social distancing among others as per the Guidelines stipulated by the Ministry of Home Affairs of the Government of India and applicable State Guidelines.

Further details of the impact of COVID-19 on Company's businesses have been covered under the Management Discussion and Analysis section of the Annual Report.

HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company, as of March 31, 2021 has 23 subsidiaries and 2 associates. The performance highlights of the direct/material subsidiaries are given below:

(a) Spice Money Ltd. (Formerly Spice Digital Limited)

Spice Money is India's leading rural Fintech organisation offering digital financial and e-retail services primarily to under banked and underserved citizens from Semi Urban and Rural India in a technology enabled assisted model and through its cutting edge technology and wide network of Spice Money Adhikaris, is bridging the gaps in access to various financial services for the masses across the length and breadth of India.

Spice Money is using the AEPS (Aadhaar enabled payment system) and mATM (Mini ATM) infrastructure of Banks/NPCI/UIDAI, to enable last mile kirana stores & other small format stores to provide basic banking services such as Cash in and Cash out in Rural and Semi urban India. Spice Money is also a holder of BBPOU licence and provides this service owing to the convenience it offers of round-the-clock bill payments to multiple billers from a single platform.

It achieved consolidated revenue of Rs. 57,803 lakhs for the year ended 31st March, 2021 (31st March, 2020: Rs. 25,024 lakhs). It reported a net profit of Rs. 1,070 lakhs vis-a-vis proft of Rs. 194 lakhs in the previous year ended 31st March, 2020.

(b) S Global Services Pte. Ltd. (Formerly SGIC Pte. Ltd.)

This company is incorporated in Singapore and is in the business of Value Added Services and Digital Technology & Solutions and has a global presence, operating through its subsidiaries, both direct & step down subsidiaries.

It achieved consolidated revenue of Rs. 3,084.80 lakhs for the year ended 31st March, 2021 (31st March, 2020: Rs. 4,510.67 lakhs). The Consolidated profit after Tax for the year ended 31st March, 2021 is Rs. 633.87 lakhs (31st March, 2020: loss of Rs. 3,748.10 lakhs).

The previous year loss includes exceptional items of Rs. 3,563.30 lakhs pertaining to provision made on trade receivables, out of which provision of Rs. 3,607.79 lakhs is due from a customer under a long term contract, the payment of which was linked to certain milestones and fund raise of the customer.

(c) Spice Digital Bangladesh Limited

This company is incorporated in Bangladesh and is in the business of Value Added Services and Digital Technology & Solutions. It achieved revenue of Rs. 46.73 lakhs for the year ended 31st March, 2021 (31st March, 2020: Rs. 88.34 lakhs). Loss after Tax for the year ended 31st March, 2021 is Rs. 351.83 lakhs (31st March, 2020: loss of Rs. 139.11 lakhs).

BOARD'S REPORT

(d) Digispice Nepal Limited

This company is incorporated in Nepal and is in the business of Value Added Services and Digital Technology & Solutions. It achieved revenue of Rs. 119.79 lakhs for the year ended 31st March, 2021 (31st March 2020: Rs. 169.02 lakhs). Loss after Tax for the year ended 31st March, 2021 is Rs. 20.91 lakhs (31st March 2020: Profit of Rs. 5.42 lakhs).

(e) Spice VAS (Africa) Pte. Limited

Spice VAS Group is in the business of providing of Digital Services ("VAS") in Africa and Indonesia. Currently, the operations of Spice VAS covers countries like Ghana, Kenya, Indonesia, Zambia, Nigeria, and Singapore.

It achieved consolidated revenue of Rs. 2,864.17 lakhs for the year ended 31st March, 2021 (31st March, 2020: Rs. 4,101.90 lakhs). The consolidated loss after Tax for the year ended 31st March, 2021 is Rs. 2,920.27 lakhs (31st March, 2020: Loss of Rs. 3,135.57 lakhs).

The salient feature of the performance and financial position of each of the subsidiaries and associate companies are given in Form AOC-1 attached to the Consolidated Financial Statements for the year ended 31st March, 2021 and forms an integral part of the Annual Report.

SHARE CAPITAL

As on 31st March, 2021, the authorized capital of the Company stood at Rs. 12,405 lakhs divided into 41,35,00,000 equity shares of Rs. 3/- each.

During the year under review, the company has issued and allotted 4,94,314 equity shares of Rs. 3/- each under SML Employees Stock Option Plan-2018. Consequently, as on 31st March, 2021, paid-up equity share capital of the Company was Rs. 6,851.89 lakh (divided into 22,83,96,379 fully paid-up equity shares of Rs. 3/- each).

After closure of the financial year, the Company has allotted 6,85,386 equity shares of Rs. 3/- each under SML Employees Stock Option Plan-2018. Consequently, the paid-up equity share capital of the Company has increased to Rs. 6,872.45 lakh (divided into 22,90,81,765 fully paid-up equity shares of Rs. 3/- each).

TRANSFER OF AMOUNT TO RESERVES

The Company has not transferred any amount to the Reserve during the Financial Year ended 31st March, 2021.

DIVIDEND

In view of losses during the year under review, your directors do not recommend any dividend to the shareholders.

In pursuance to amendment in Regulation 43A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 vide SEBI (LODR) (2nd Amendment) Regulations, 2021, Board of Directors in its meeting held on 9th of June, 2021, has adopted the Dividend Distribution Policy. The Dividend Distribution Policy of the Company is available on the Company's website and can be accessed at https://digispice.com/ddp_policy.pdf

TRANSFER OF UNCLAIMED DIVIDEND AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 124 of the Companies Act, 2013, dividend which remains unpaid/unclaimed for a period of seven years from the date of its transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Government of India. Accordingly, the Company has transferred the unpaid/unclaimed dividend, pertaining to the dividend of financial year 2013-14, amounting to Rs. 2.01 lakh to the IEPF Account. After closure of the Financial Year, the Company has also transferred unpaid/unclaimed dividend pertaining to the financial year 2012-13 amounting to Rs. 16.17 lakh to IEPF Account.

Further, pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all shares in respect of which dividend has not been claimed by the shareholders for seven consecutive years or more are liable to be transferred to the IEPF established by the Central Government. The Company has transferred 60,086 and 97,647 equity shares of Rs. 3/- each, to the IEPF for the unpaid/unclaimed dividend pertaining to the financial year 2012-13 and 2013-14 respectively. The details of the shares transferred to IEPF are available on the website of the Company.

Any shareholder who has a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Web Form IEPF-5 available on the website www.iepf.gov.in and sending a duly signed physical copy, to the Company, along with requisite documents enumerated in the Web Form IEPF-5.

BOARD'S REPORT

LISTING OF SECURITIES

The Equity Shares of the Company are presently listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Annual Listing Fee for the financial year 2021-22 has been paid to both the Stock Exchanges.

HOLDING COMPANY

As on 31st March, 2021, Spice Connect Private Limited, the holding company, holds 74.19% of the issued share capital of the Company.

SUBSIDIARY COMPANIES, JOINT VENTURES OR ASSOCIATE COMPANIES

During the year under review, with a view to design new initiatives and products that will bridge the divide between rural and urban area, Spice Money Limited (SML) has issued and allotted 8,69,030 Class B Equity Shares of Rs. 10/- each (Approx. 2% of its share capital) and consequently SML ceased to be a wholly owned subsidiary. However, it continues to be a material subsidiary of the Company.

Further, to meet the requirement of Net worth by SML as prescribed by Reserve Bank of India, the Board of the Company in its meeting held on 31st March, 2021 had approved the infusion of funds for an amount not exceeding Rs. 33 crore by way of investment in 5% Cumulative Compulsory Convertible Preference Shares (CCCPS) of Rs. 10/- each offered by SML. Subsequently, SML has allotted the said CCCPS in favor of the Company.

Further, Digispice Ghana Limited, a step down subsidiary of the Company, in order to meet the requirement of 30% Ghanaian Ownership for grant of VAS License, as required under the applicable laws of that country, has allotted additional 32,200 shares in Digispice Ghana Limited on 31st May, 2021. Consequent to above allotment Digispice Ghana Limited ceased to be a 100% subsidiary of Spice VAS (Africa) Pte. Ltd., another step down subsidiary of the Company.

Pursuant to Section 129 (3) of the Companies Act, 2013 and Indian Accounting Standard - 110, Consolidated Financial Statement presented by the Company include the Financial Statements of its Subsidiaries and Associate Companies.

In view of the Work From Home Policy of the Company due to Covid-19 pandemic, these documents will not be available for physical inspection. The Financial Statements of Subsidiary Companies will be uploaded on the website of the Company www.digispice.com.

After closure of the financial year, the Board of Directors of the Company has approved the proposal for acquisition of shares of E-Arth Travel Solutions Private Limited (ETSPL). The Company along with its subsidiary Spice Money Limited has acquired entire share capital of ETSPL. Consequently, ETSPL has become a Subsidiary of the Company. As per the agreed terms, ETSPL shall issue and allot 6,429 Equity Shares (Class B Shares) to Sood Infomatics LLP resulting in a stake of 30% in the expanded capital of that company.

On 30th August, 2021, the Company has executed a Shareholders' Agreement to form a Joint Venture with Tarya Fintech Holdings Limited' (Tarya), a part of Israel's leading fintech group, for 'Lending Technology Platform' and other Technology Services business. In the proposed Joint Venture, through a Company to be incorporated, the Company and Spice Money Limited shall jointly hold 51% and Tarya will hold 49%.

AUDITORS AND AUDITORS' REPORT

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with rules made thereunder, M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), were appointed as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of the thirtieth Annual General Meeting till the conclusion of thirty fifth Annual General Meeting of the Company to be held in the year 2023.

The Auditors' Reports for the financial year 2020-21 do not contain any qualification or reservation or adverse remark. The Notes on Financial Statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

During the year, no incidence of fraud as defined under Section 143(12) of the Companies Act, 2013, which is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013, has been reported by the Auditors to the Board of directors of the Company.

CASH FLOW STATEMENT

In conformity with the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Cash Flow Statement for the year ended on 31st March, 2021 as prepared under the provisions of Indian Accounting Standard - 7 as notified under Section 133 of the Companies Act, 2013 is attached as a part of the Financial Statement of the Company.

NUMBER OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR

During the financial year ended on 31st March, 2021, Six (6) meetings of the Board of Directors were held on 4th May, 2020, 26th June, 2020, 21st August, 2020, 5th November, 2020, 12th February, 2021 and on 31st March, 2021. The details of number of meetings of the Board and its various committees attended by the directors are given in Corporate Governance Report.

BOARD'S REPORT

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Subramanian Murali (DIN: 00041261), Non-Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

As required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant provisions of the Companies Act, 2013 and the Secretarial Standard on General Meetings, a brief resume, details of experience and other Directorships/ Committee memberships/Chairmanships held by Mr. Murali in other Companies etc., whose appointment is due in the forthcoming Annual General Meeting (AGM) of the Company, forms part of the Notice convening the 33rd AGM.

Pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained a certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority and forms a part of this annual report

During the year under review, Mr. Deepak Mehta resigned as Chief Financial Officer (CFO) of the Company w.e.f. 30th May, 2020. Thereafter, Mr. Ravindra Kumar Sarawagi was appointed as CFO w.e.f. 26th June, 2020 who resigned w.e.f 14th December, 2020. The Board of Directors, on the recommendation of Nomination and Remuneration Committee, has appointed Mr. Vinit Kishore as Chief Financial Officer of the Company w.e.f 12th February, 2021.

As per the provisions of Companies Act, 2013, Mr. Rohit Ahuja, Executive Director, Mr. M. R. Bothra, Company Secretary and Mr. Vinit Kishore, Chief Financial Officer are the Key Managerial Personnel of the Company.

INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As required under Regulation 25 of the Listing Regulations, the Independent Directors have also confirmed that they meet the criteria of independence and are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

The Board is of the opinion that the independent directors have the necessary experience, expertise and integrity and are independent of the Management of the Company.

Pursuant to the provisions of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, all the Independent Directors of the Company have been empanelled with the Independent Directors Databank as maintained by the Indian Institute of Corporate Affairs.

MEETING OF INDEPENDENT DIRECTORS

A separate meeting of the Independent Directors was held on 31st March, 2021, without the presence of Non-Independent Directors and the members of management, and the Independent Directors have discussed, inter-alia, the performance of Non - Independent Directors and the Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors. The Independent Directors gave their detailed feedback on the Board evaluation and performance of the directors evaluated by them and made suggestions for further improvement. The same was communicated to the concerned directors and the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

(i) in the preparation of annual accounts for the financial year ended 31st March, 2021, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

(ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company as at 31st March, 2021 and of the profit of the Company for the period ended on that date;

(iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

BOARD'S REPORT

(iv) the Directors have prepared the annual accounts on a going concern basis;

(v) the Directors have laid down proper internal financial controls to be followed by the Company and such internal financial control are adequate and were operating effectively; and

(vi) the Directors had devised proper system to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis (MDA) Report forms an integral part of this Report.

BUSINESS RESPONSIBILITY REPORT

Based on the market capitalization as on 31st March, 2021, the Company is among the top 1000 listed companies on both BSE as well as NSE. In terms of Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the first Business Responsibility Report, describing the initiatives taken by the Company from an Environmental, Social and Governance (ESG) perspective is attached as a part of this Annual Report.

CORPORATE GOVERNANCE REPORT

A separate report on Corporate Governance is enclosed as a part of this Annual Report. The Company has appointed M/s. Sanjay Grover & Associates, Practising Company Secretaries, to conduct the Corporate Governance Audit of the Company. A Certificate from them regarding compliance with Corporate Governance conditions as stipulated under the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Report.

SECRETARIAL AUDIT

As required under Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has appointed M/s. Sanjay Grover & Associates, Practising Company Secretaries, to conduct the Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report received from them forms part of this Annual Report. The Secretarial Audit Report does not contain any qualification, reservation and adverse remark.

Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed company shall annex with its annual report the Secretarial Audit Report of its material subsidiaries incorporated in India. In compliance with the said requirement, the Secretarial Audit Report of Spice Money Limited, a material subsidiary of the Company, for the financial year 2020-21 is annexed herewith and forms part of the Annual Report.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has in place an established internal financial control system designed to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances. Self-certification exercise is also conducted by which senior management certifies effectiveness of the internal control system of the Company. Findings of the Internal Audit Report are reviewed by the top management and by the Audit Committee invariably and proper follow up actions are ensured wherever required.

In view of the continued work from home policy of the Company, a few changes have been made in the internal financial control system, primarily in relation to physical evidencing of documents and remote access working for various functions. However, at overall level, the ongoing operations of internal financial control system are substantially unaffected by Covid-19 pandemic.

The Company has designed and implemented Risk and Control Matrix (RACMs) including therein the process wise controls. It appointed an external agency to evaluate the prevalent internal control and risk management system. The Audit Committee ensures that the Company maintains effective risk management and internal control systems and processes. It provides its feedback and recommendation on the relevant matters to the Board.

The Statutory Auditors and Internal Auditors also evaluate the system of Internal Controls of the Company and report to the Audit Committee. Appropriate steps are taken to bridge the gaps observed by them. The Auditors have reported that the present systems and processes of internal controls are adequate and commensurate with the size of the Company and nature of its business.

BOARD'S REPORT

INTERNAL AUDITORS

The Board, on the recommendation of Audit Committee, in its meeting held on 30th July, 2021 has re-appointed M/s. GSA & Associates, Chartered Accountants, to act as Internal Auditors of the Company for the Financial Year 2021-22. The Internal Auditors directly report to the Audit Committee.

AUDIT COMMITTEE

In compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a duly constituted Audit Committee. The Audit Committee comprises of the following Directors:

1.	Mr. Suman Ghose Hazra	-	Chairman
2.	Dr. (Ms.) Rashmi Aggarwal	-	Member
3.	Mr. Subramanian Murali	-	Member

The details of the terms of reference, meetings held during the year, attendance of directors at such meetings etc. are provided in Corporate Governance Report.

RISK MANAGEMENT COMMITTEE

The Board of Directors, on the recommendation of Audit Committee, had adopted a Risk Management Policy for the Company to lay down the procedure to inform the Board members about the risk assessment and minimization. As a good practice, the Company regularly reviews the existing risk management system and major risks associated with different businesses of the Company. The Board of Directors of the Company, on the recommendation of the Audit Committee, through which it overseas the Risk Management function, reviews the major risks associated with the Company and takes all requisite measures to minimize them.

As mandated under the Listing Regulations, the Board of Directors in its meeting held on 9th of June, 2021, has constituted a Risk Management Committee. The Risk Management Committee comprises of the following members:

1.	Mr. Rohit Ahuja	-	Chairman
2.	Mr. Mayank Jain	-	Member
3.	Dr. (Ms.) Rashmi Aggarwal	-	Member
4.	Mr. M R Bothra	-	Member
5.	Mr. Vinit Kishore	-	Member

First meeting of the newly constituted Risk Management Committee of the company was held on 25th August, 2021. All the members of the Committee attended the meeting. The terms of reference of the Risk Management Committee, inter-alia, include formulation of a risk management policy and to review the same periodically, identification of internal and external risks in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as the Committee may determine and recommend the appropriate actions.

A detailed disclosure on various Risk factors associated with businesses of the Company is given in Management Discussion Analysis Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board had constituted a Corporate Social Responsibility (CSR) Committee and on the recommendation of CSR Committee the Board approved the CSR Policy. The CSR Committee has also been entrusted with the responsibility of monitoring the implementation of the framework of the CSR Policy, recommending to the Board the amount of expenditure to be incurred on CSR activities and ensuring that the implementation of the projects and programs is in compliance with the CSR Policy of the Company.

The Corporate Social Responsibility Committee comprises of the following members:

1.	Mr. Dilip Modi	-	Chairman
2.	Mr. Subramanian Murali	-	Member
3.	Mr. Suman Ghose Hazra	-	Member

During the year, the CSR Committee met once i.e. on 21st August, 2020. All three members attended the meeting.

As required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on the CSR activities is attached herewith as Annexure – I of this report in the format prescribed including any statutory modifications/amendments thereto for the time being in force.

BOARD'S REPORT

BOARD FINANCE COMMITTEE

The Board had constituted a Board Finance Committee and entrusted the said Committee with the functions to approve the borrowings, making of loans, creation of charge on the assets of the Company etc. The said Committee is also authorised to open, close and make changes in signatories for the operation of the bank accounts. The said Committee consists of Mr. Dilip Modi as Chairman and Mr. Subramanian Murali, Non-Executive Director and Mr. Suman Ghose Hazra, Independent Director, as members.

ANNUAL RETURN

In accordance with the provisions of Section 134 (3)(a) of the Companies Act, 2013, the Annual Return, as required under Section 92 of the Act for the financial year 2020-21, is available on the Company's website at https://digispice.com/Annual_Return_20-21.pdf

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013 are provided in the Notes forming part of the financial statements.

MAINTENANCE OF COST RECORDS

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

PUBLIC DEPOSITS

During the year under review, the Company has neither accepted nor renewed any deposits in terms of Chapter V of the Companies Act, 2013.

PARTICULAR OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year, the Company has entered into various transactions with related parties. All related party transactions are undertaken in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations.

All related party transactions are placed before the Audit Committee for its approval. The quarterly disclosures of transactions with related parties are made to the Audit Committee for its review. As required under the Companies Act, 2013 and the provisions of Listing Regulations, the Audit Committee has granted Omnibus approval for related party transactions which are repetitive in nature and fall within the criteria laid down for the purpose.

The 'Policy on Related Party Transactions' dealing with such transactions and 'Policy on Material Subsidiaries' are uploaded on the website of the Company viz. www.digispice.com.

There were no related party transactions entered into by the Company with Directors, KMPs or other related parties which may have a potential conflict with the interest of the Company. Since all the related party transactions entered into by the Company during the financial year were at arm's length basis and there was no material related party transaction (i.e. a transaction exceeding 10% of the annual consolidated turnover as per the last audited financial statements), no detail is required to be given in Form AOC-2.

The details of the transactions with related parties are provided in Note 36 of standalone financial statements and Note 41 of the consolidated financial statements.

VIGIL MECHANISM

The Company, as required under Section 177 of the Companies Act, 2013, Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Prohibition of Insider Trading) Regulations, 2015 has established "Vigil Mechanism / Whistle Blower Policy" for Directors and Employees of the Company.

This Policy has been established with a view to provide a tool to directors and employees of the Company to report to the management genuine concerns including unethical behavior, actual or suspected fraud or violation of the Code of Conduct of the Company. This Policy outlines the procedures for reporting, handling, investigating and deciding on the course of action to be taken in case inappropriate conduct is noticed or suspected.

This Policy also provides for adequate safeguards against victimization of director(s)/employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The Audit Committee is authorized to oversee the Vigil Mechanism/ Whistle Blower Policy in the Company. The Company has not received any reference under the said policy during the year.

The Whistle Blower Policy is available on the Company's website at the link https://www.digispice.com/Vigil_Mechanism_Whistle_Blower_Policy.pdf.

BOARD'S REPORT

REMUNERATION POLICY

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee of the Company, had framed a Policy for Nomination and Appointment of Directors. As required under Section 178 of the Companies Act, 2013 read with the Rules made thereunder and the Listing Regulations, the Nomination and Remuneration Committee also recommended to the Board a Remuneration Policy for remuneration, including ESOP, to Directors, Key Managerial Personnel and Senior Management Personnel and other employees of the Company, which was duly approved by the Board. The Board on the recommendation of the Committee appoints the Senior Management Personnel from time to time. The Remuneration Policy of the Company is available at https://www.digispice.com/Rem_Policy.pdf.

EMPLOYEES STOCK OPTIONS

During the year, all the ESOPs granted by the Nomination and Remuneration Committee in its meetings held on September 18, 2018 and February 5, 2019, held by the employees on the date of vesting have been vested in favour of respective employees. No further ESOP has been granted to any employee during the financial year.

The Certificate from the Secretarial Auditors of the Company as required under Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the "SBEBSE Regulations") confirming that the ESOP Scheme has been implemented in accordance with the SBEBSE Regulations (erstwhile the SEBI (Share Based Employee Benefits) Regulations, 2014) and the resolutions passed by the members, would be available at the Annual General Meeting for inspection by members.

During the year, there has been no change in the SML Employee Stock Option Plan – 2018 of the Company. The applicable disclosures as stipulated under the SBEBSE Regulations as on March 31, 2021 with regard to the SML Employee Stock Option Plan – 2018 of the Company are available on the website of the Company at https://digispice.com/ESOP_disclosure_2021.pdf

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to applicable provisions of the Companies Act, 2013, as amended from time to time, the Nomination and Remuneration Committee (NRC) has specified the manner for effective evaluation of performance of Board, its Committees and individual Directors and decided that it will be done by the Board itself internally. The Board of Directors has carried out evaluation of performance of each of them. The Committee reviews its implementation and ensures the compliances thereof. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the NRC, has also formulated a framework containing, inter–alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including Independent Directors.

A structured questionnaire has been prepared, covering various aspects of the functioning of the Board and its Committees, such as, adequacy of the constitution and composition of the Board and its Committees, discharge of roles and responsibilities by the Board and its Committees, succession plan for Board Members and Senior Management, frequency of the meetings, regulatory compliances and Corporate Governance, etc. Similarly, for evaluation of individual director's performance including for independent directors, the questionnaire covers various aspects like his/her attendance at the meetings of Board and its Committees, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, adequate and timely disclosures, etc. The said questionnaires are reviewed by the NRC.

Board members had submitted their response on a scale of 1 (outstanding) to 5 (poor) for evaluating the entire Board, Committees of the Board and of their peer Board members, including Chairman of the Board.

The Board of Directors has carried out evaluation of every Director's performance including the Executive Director. The performance evaluation of the Independent Directors have been done by the entire Board, excluding the Director being evaluated on the basis of performance and fulfilment of the independence criteria as specified under the Companies Act, 2013 and the Listing Regulations.

POLICY ON PREVENTION OF SEXUAL HARASSMENT

As required under the Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013 (POSH Act), the Company has a Policy on Prevention of Sexual Harassment of Women at Workplace and matters connected therewith. The Company has complied with the provisions relating to the constitution of Internal Committee.

No case of Sexual Harassment was filed or registered during the year under the POSH Act. Further, the Company ensures that there is a healthy and safe environment for every women employee at the workplace and made the necessary policies for safe and secure environment.

BOARD'S REPORT

ORDERS PASSED BY THE REGULATORS OR COURTS, IF ANY

No significant and material orders were passed by the Regulators, Courts or Tribunals impacting the going concern status and Company's operations in future.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to provisions of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 the details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are attached (Annexure- 2) which forms part of this report.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) thereof for the time being in force, the details of remuneration etc. of Directors, Key Managerial Personnel and employees covered under the said Rules is attached (Annexure-3) which forms part of this report.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the provisions of Secretarial Standard – 1 (Secretarial Standard on meetings of Board of Directors) and Secretarial Standard – 2 (Secretarial Standard on General Meetings) issued by the Institute of Company Secretaries of India.

ACKNOWLEDGEMENTS

Yours Directors would like to express their grateful appreciation for assistance and cooperation received from the Banks, Government Authorities, Customers, Vendors and Members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of the Executives, Staff and Workers of the Company at all levels.

For and on behalf of the Board of Directors of
DiGiSPICE Technologies Limited

Date: 30th August, 2021
Place: Noida

Dilip Modi
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The company's business activities fall into two primary segments, Digital Financial Services & Digital Technology Services.

Financial Technology Services (Spice Money): Spice Money, a subsidiary of 'DiGiSPICE Technologies Limited' is India's leading rural Fintech organisation offering digital financial and e-retail services primarily to underbanked and underserved citizens from Semi Urban and Rural India in a technology enabled assisted model.

Digital Technology Services (DiGiSPICE): For monitoring purposes, this segment is further classified into two verticals; the digital Enterprise and Digital Telco. The Segment provides digital platform and solutions for Telco, BFSI and other Enterprises across Asia and Africa.

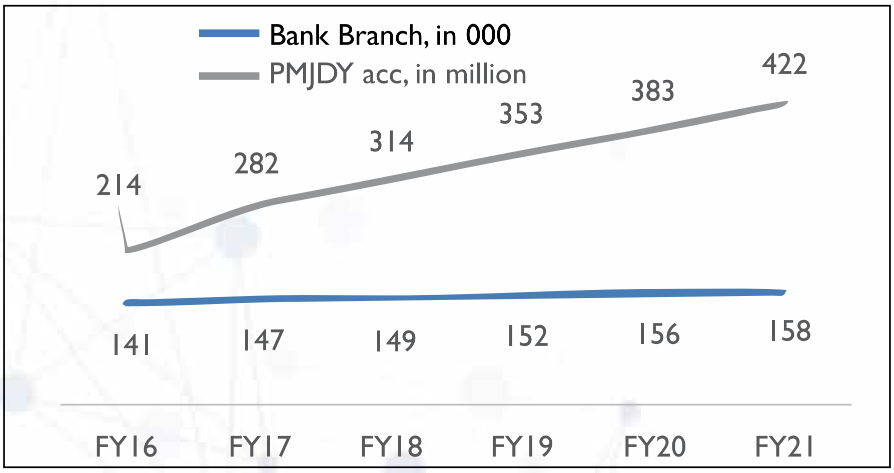
Financial Technology Services (Spice Money)

Market Opportunities

Government introduced JAM Trinity (Jan Dhan, Aadhaar and Mobile) in financial year 2014 to integrate identity (Aadhaar), mobile infrastructure with banking and payments infrastructure thus improvising its focus to provide easy access of banking facilities and enhance the ability to digitize transactions and constructed a robust infrastructure around financial inclusion for Rural and Semi-Urban India. This expanded use of digital payments by the government for welfare also served as the biggest launchpad for Direct Benefit Transfer ("DBT").

Over the last decade, NPCI has launched various innovative products like UPI, National Electronic Toll Collection (NETC) and Bharat Bill Pay Service (BBPS), AePS, IMPS and other retail payment and settlement systems. The convenience of these payment systems along with ubiquitous availability of mobile broadband has ensured acceptance as they provided consumers an alternative to the use of cash and paper for making payments. The participation of non-bank Fintechs in the payment ecosystem in the form of Prepaid Payment Instruments (PPI) issuers, Bharat Bill Payment Operating Units (BBPOUs) and other third-party application providers in the UPI platform has furthered the adoption of digital payments in India.

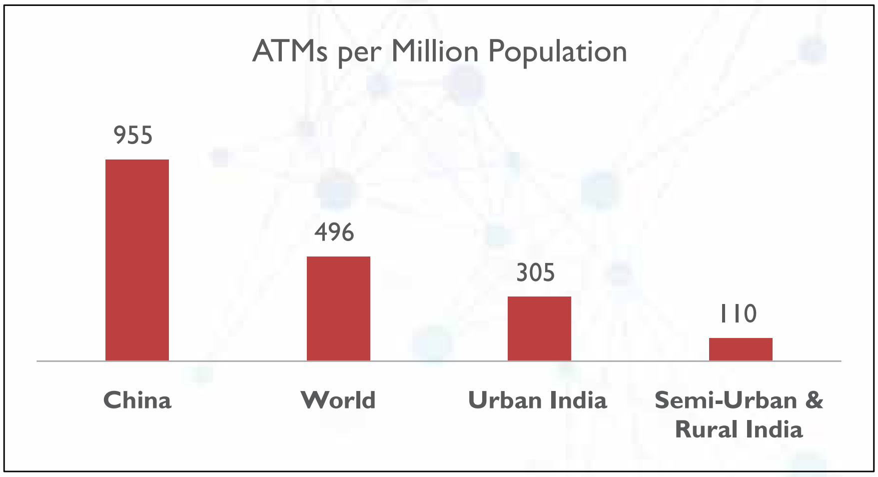
India's financial inclusion has improved significantly in the past three years, with the adult population with bank accounts rising from 53% (as per Global Findex Database 2014) to 80% (in 2017) with concentrated efforts from the government and various other supporting institutions. However, last mile banking infrastructure hasn't kept pace. Although around 65% of Indian households were located in rural regions of India during financial year 2020, the banking infrastructure in these regions is relatively inferior, and thus, there is a gap between the supply and demand of financial services in the rural regions of the country indicating huge room for financial inclusion and banking services penetration.



Growth in PMJDY acc vis a vis bank branches in India

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As of FY 2020-21, there are 305 ATMs per million population in Urban India and 110 ATMs per million population in Semi-Urban and Rural India, which is significantly lower than other developing and developed countries.

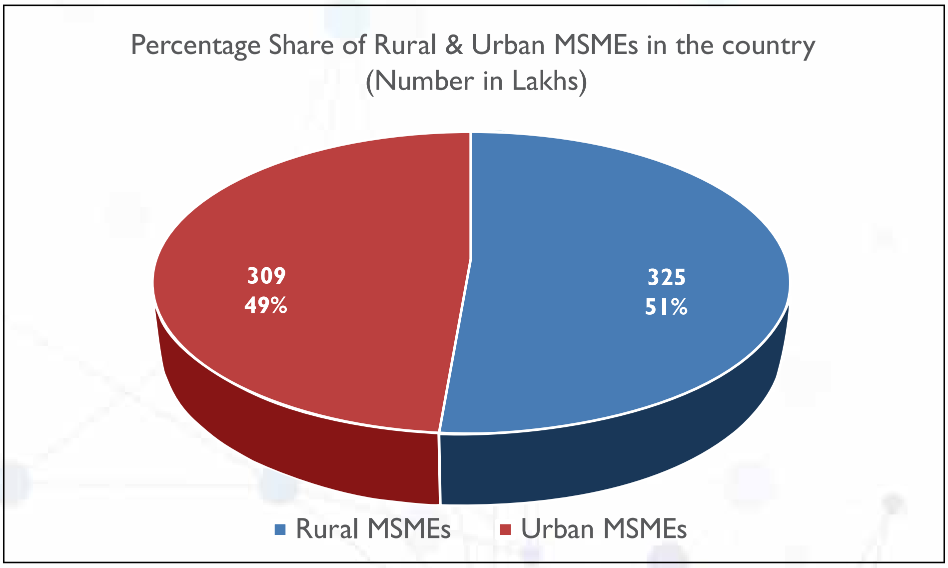


Source: Derived basis RBI published data

Payments banks and Fintechs have been growing their presence and reach by increasing touch points through retails outlets which have a widespread presence in India. For large swathes of the Indian population, particularly amongst lower income group customers and customers from the semi urban and rural areas, small mom and pop stores remain the primary outlet for retail spending. There are about 63 million micro enterprises in India out of which 32 million enterprises are in Rural India. These merchants provide a huge potential for payment banks and Fintechs to grow.

Distribution of Enterprises (Rural & Urban Area Wise): Numbers in Lakh

Sector	Micro	Small	Medium	Total	Share
Rural	324.09	0.78	0.01	324.88	51
Urban	306.43	2.53	0.04	309.00	49
All	630.52	3.31	0.05	633.88	100



Source: MSME Annual Report FY 2020-21, Government of India

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

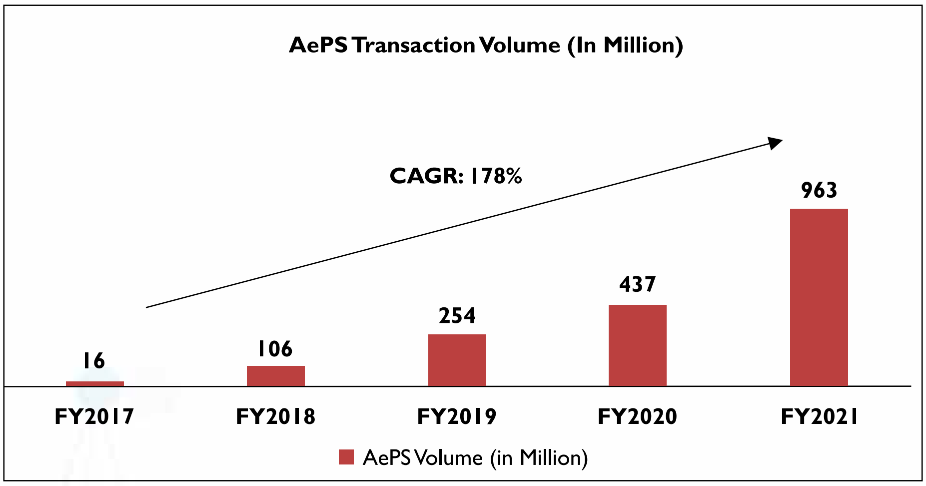
There are a lot of opportunities for the companies in the financial services sector to bridge the above gaps. And this is where rural fintech leader Spice Money can provide appropriate solutions.

Spice Money is India's leading rural Fintech organization empowering micro entrepreneurs called Spice Money Adhikaris through digital technology to cater to the needs of semi-urban and rural population in India. Spice Money through its cutting edge technology and wide network of Spice Money Adhikaris, is bridging the gaps in access to various financial services for the masses across the length and breadth of India.

Spice Money is using the AEPS (Aadhaar Enabled Payment System) and mATM (Mini ATM) infrastructure of Banks/NPCI/UIDAI, to enable last mile *kirana stores* & other small format stores to provide basic banking services such as Cash in and Cash out in Rural and Semi urban India. Spice Money is also a holder of BBPOU licence and provides this service owing to the convenience it offers of round-the-clock bill payments to multiple billers from a single platform.

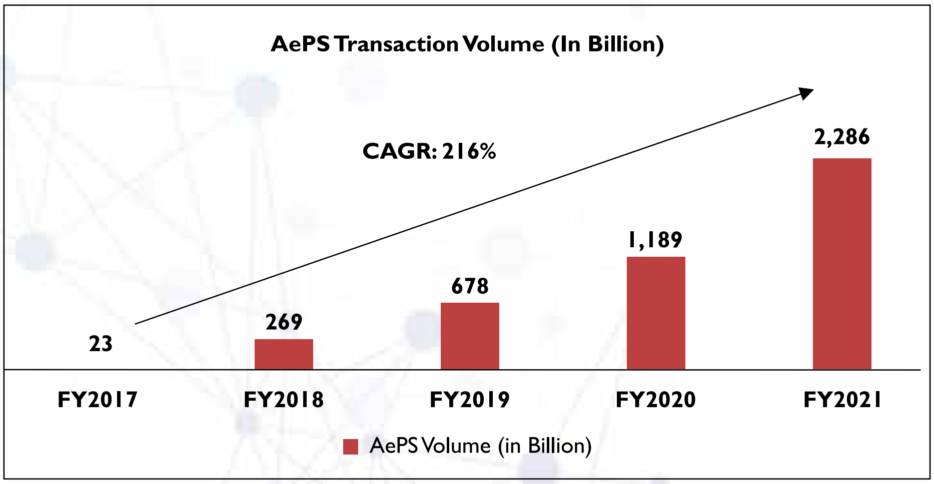
AePS has seen a strong growth in its transaction volume which increased at a CAGR of 178% between financial year 2017 and financial year 2021. In terms of value, it has increased at a CAGR of 216% during the same period. Post-COVID, the usage of AePS has jumped manifold, indicating the increasing convenience of this channel as well as the change in customer behaviour.

AePS Transaction grew at a CAGR of 178% between financial year 2017 & financial year 2021.



Source: NPCI Data

AePS Transaction Value grew at a CAGR of 216% between financial year 2017 & financial year 2021.



Source: NPCI Data

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Key focus

- Spice Money's vision has been to create a robust digital infrastructure in India by empowering the country's rural and semi-urban regions with the largest digital services platform.
- Enabling Customers to avail ATM and banking services using Aadhaar Enabled Payment System at their next door kirana store.
- While focusing on adding new customers through increase in reach, Spice Money is also building a strong repeat customer franchise. Significant growth in new customers in Q1FY21 and Q2FY21 was driven by pandemic related subsidy disbursals by the Govt during Q1FY21.
- This addition has led to a significant and sustained jump in the repeat customer base.
- Roadmap to core banking and payments use cases with new products:
  - ➢ Enterprise (Microfinance NBFCs, logistics companies in semi-urban and rural) representatives who collect cash from market, can now deposit it at nearby Spice Money Adhikari in the village. This way the enterprises get near real time credit and the Adhikari can use this cash to serve customers with cash withdrawal services.
  - ➢ Enable delivery of financial services (savings, insurance, credit) and digital services (travel, healthcare, government services etc.).
- Removing entry barriers (Eg. zero entry fee and zero rental since Feb21) with focus on long term transactions revenue growth, expanding geographical reach as well.

Spice Money holds the following licenses and approvals:

Licenses	Regulator	Licenses Utility
PPI	RBI	Enables Spice Money to issue and operate semi-closed prepaid payment instruments (PPI) in India
Bharat Bill Payment	RBI & NPCI	Enables Spice Money to operate as Bharat Bill Payment Operating Unit (BBPOU) under Bharat Bill Payment System (BBPS) in India.
IRCTC Principle Agency	IRCTC	Enables Spice Money to act as Principal Service Provider (PSP) of Indian Railway Catering and Tourism Corporation Limited (IRCTC) for booking of railway e-tickets, for travel in trains of Indian Railways.
GSP	GSTN Central Government Entity	Enables Spice Money access to GST APIs through a secured network for providing GSP Services to the Taxpayer's, directly by itself or indirectly through any third party appointed by it.
AUA/ KUA	UIDAI	Enables Aadhaar based e-KYC of customers. This is currently under suspension by UIDAI due to the Supreme Court Order.
Corporate Agency license	IRDA	Enables Spice Money to act as Corporate Agent (Composite) for solicitation and servicing of insurance business in India.

Our key partners who we serve, potentially cover 1 billion citizens in India:

- Public and Private sector banks: Provide sound financial banking services conveniently.
- Insurance companies: Penetration in rural areas and meeting our financial inclusion goals.
- NBFCs: Enabling credit products in rural India.
- Utility service providers: Facilitates easy online bill payments.
- Telecom operators: Provides telecom services like top-ups.
- Multiple enterprise categories like Microfinance NBFCs, Logistics, Banks etc. enabling hyperlocal and digital collections.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Digital Technology Services (DiGiSPICE)

The convergence of new technologies, data penetration and an increase in the number of smartphone users are driving the new trends where video streaming tops the trend chart closely followed by music streaming, social media surfing and online gaming.

The DigiSpice Business is further divided into two segments; Telco and Enterprise

Digital Telco: Highlights about the Industry and opportunity

1. 4.72 billion people, globally, used the internet in April 2021, which is approx. 60 % of the world's total population. The average global internet user spends almost 7 hours online, each day. *Source: DataReportal – April 2021*
2. Global Video On Demand (VoD) Market to reach US $85 billion (out of total Digital Content Revenue of US $300 billion) by 2025. *Source: Adroit Market Research – May 2021*
3. The global mobile application market size was valued at $106.27 billion in 2018 and is projected to reach $407.31 billion by 2026, growing at a CAGR of 18.4% from 2019 to 2026. This offers a huge potential for the growth of OTT apps.
4. In 2019, the world's smartphone users downloaded more than 200 billion mobile applications, spending a total USD 120 billion on apps and app-related purchases.
5. Ericsson estimated that for the year 2020, the world's mobile internet users consumed more than half a trillion gigabytes of mobile data, with roughly two-thirds used to stream and download video content.

Digital solutions remain as the key focus area for the organization. As an innovation-led company, our objective is to offer **personalized** and end-to-end solutions to the customers from **Video/ Music Apps to Live Streaming and from Digital Marketing to Multiplayer Gaming Services** backed by in-house state of the art analytical platforms.

1. **Geographical Focus**

   From the **geographical perspective** in our existing business, Africa is a focus area. With the digital advent, like everywhere, we have seen a revenue shift in Africa too (Legacy to Digital Services). However, App revenues in Africa have grown in accordance of the trends and have grown by more than 200% from FY'19 to FY'21. We also continue to focus in India, Middle East, Indonesia, Nepal and Bangladesh for launching our digital services.

2. **Product Focus**

   We continue to focus on our **Multi-Channel Content Service Suite** which offers white-label product & services to Telco's, enabling delivery of wide range of voice, video and rich media content across genres such as music streaming, karaoke, video, games and other multimedia content.

We are also very excited about the **Super App for Telecom Operators**, a one-stop platform offering customer care features and the best of web experience to telecom customers through a curated set of apps & services for all their mobile application needs. Super app bundles together bill payments, customer service, entertainment, loyalty, marketplaces, travel, food, loans and many more services.

Digital SDP "Horizon" is a unified digital service delivery platform, that enables 360-degree view of customers' life cycle for telecom operators which helps in reducing customer churn, ensure revenue growth and streamline personalization through data science models. It encompasses Content Management module and Subscriber Life Cycle Management module with strong marketing & promotion capabilities in form of personalized and segmented campaigns to users. Horizon helps from the stage of Customer Acquisition to Consumption and finally Retention.

While there is an overall reduction in Telco revenue due to a change in technology and customer preferences from traditional to digital services, the revenues from the Digital Telco products grew from Rs. 3 cr in financial year 19-20 to Rs. 6 cr in financial year 20-21.

Digital Enterprise: Highlights about the Industry and opportunity

Our focus is on offering a Communication Platform to enterprises to provide personalized, contextualized and conversational communication to our customers across the complete customer lifecycle, through our inbuilt business intelligence and analytics system.

Communication Platform as a Service

1. The total value of the CPaaS market is expected to reach $25 billion in 2025; rising from an estimated $7 billion in 2020.
2. Over 95% of the CPaaS revenue is attributable to SMS in 2020 owing to the ubiquity of SMS amongst mobile subscribers. However, as alternative rich media messaging solutions gain traction, by 2025, SMS will drop to 70% of the revenue.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Marketing Automation

1. The global marketing automation market size is expected to grow from USD 3.3 billion in 2019 to USD 6.4 billion by 2024, at a CAGR of 13.9%.
2. Enterprises are increasing focus on leveraging advanced technologies to automate the marketing process and enhance customer experience.

At the Digital Enterprise Unit, we help businesses to improve their customer experience by adoption of new age technologies, digital transformation and automation, enabling them to thereby increase customer lifetime value and reduce costs.

We offer a transaction based delivery model for enterprises to seamlessly integrate their own and third party applications and enable them to add real time, omni-channel communication capabilities. It is DLT ready with inbuilt campaign management and other marketing automation features for driving contextual conversations and improving conversion rates.

Customer segment focus and Client profile:

- Large Enterprise: On premise or Cloud based customer communication platform with omni channel orchestration capabilities
- MSME: Accelerate their digital transformation journey
- We serve 3 out of top 5 in Fortune India 500 companies, 2020 list
- We have 50+ live clients across BFSI, Utilities and misc. industries

During the financial year 20-21, we onboarded 30 enterprises. Our enterprise revenues grew by 34%, from Rs. 65 cr in financial year 19-20 to Rs. 87 cr in financial year 20-21.

Business Performance & Outlook

Spice Money

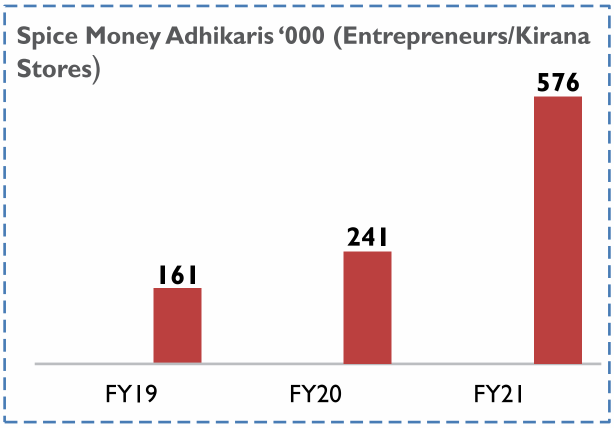
Over the last 3 years, we have significantly increased our retail entrepreneurs - Growth in Spice Money Adhikaris (SMA), total GTV, average GTV per SMA and other metrics are mentioned below:

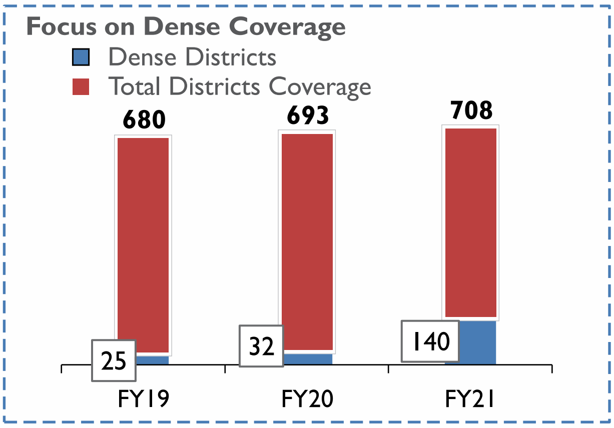
- Registered customer service points have a towering **CAGR of 89%** in the last two years.
- While being present in all the 700+ districts in India, Spice Money has created dense presence in 140 districts (as of March 2021) where there is at least 1 Adhikari per 1,000 rural population.
- AEPS market share increased from 8.9% in FY 2018-19 to 11.8% in FY 2019-20 to 13.7% in FY 2020-21.
- Our growing CSP network is a benchmark of their growing trust in Spice Money, which is also evident from the increase in GTV at a CAGR of 142% in the last two years.
- By the end of FY19, Spice Money launched Mini ATM (mATM) that allows customers to dispense cash at their nearest kirana store and the product has scaled and contributed a Gross Transaction Value in excess of Rs 8,638 cr during FY21.
- Spice Money is in the process of enabling micro-services and Open API architecture based digital technology platforms.
- Enabled new product categories in financial services like Enterprise collection services and Credit.

***In Cr (GTV)**

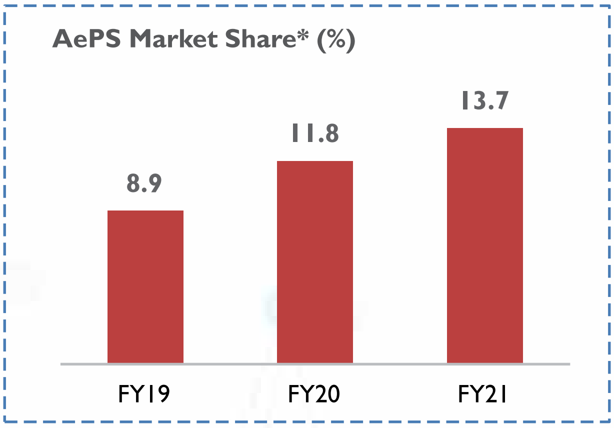
Year	2018-19				2019-20				2020-21			
Period	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GTV	1,975	2,568	4,278	5,574	7,480	8,661	9,393	10,696	18,824	19,213	21,069	23,005

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

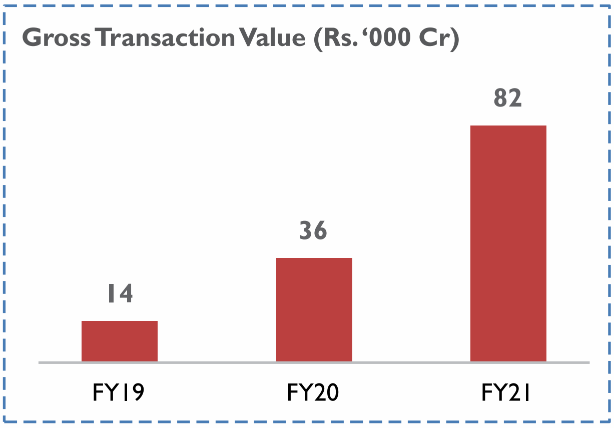


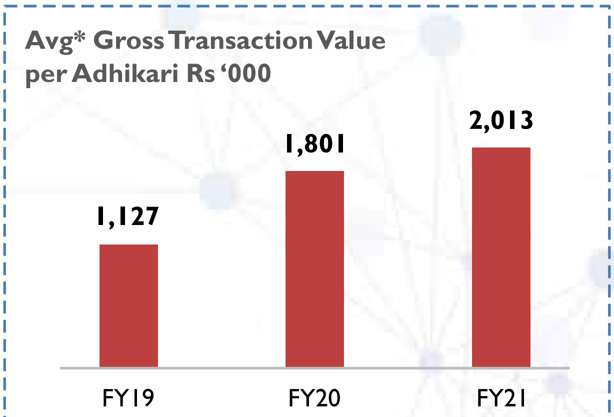


*Dense District = A district where there is at least 1 Adhikari per 1,000 rural population

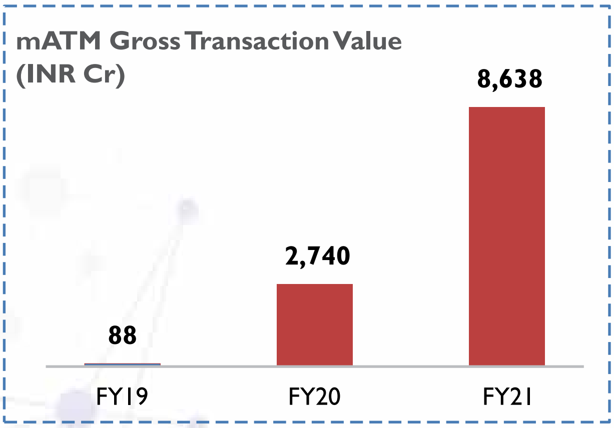


*AePS off-us value market share





*Computed on average Adhikari base for the year



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Financial Performance:

Company's financial performance for Fintech segment (Spice Money) is as follows:

(in lakhs)

Particulars	March 21	March 20
Revenue from operations	57,803	25,023
Total expenses	57,011	25,110
EBITDA *	2,064	872
Profit/ (loss) before tax & interest**	1,165	79

*EBITDA= PBT+ Finance Cost + Depreciation- Other Income

** Profit/ (loss) before tax & interest= PBT- Interest Income + Interest Cost

DiGiSPICE Consolidated Financials

Consolidated revenue from continuing operations is Rs. 712.10 Cr for the financial year 2020-21 as against Rs. 407.18 Cr in the financial year 2019-20, a growth of 74%.

Company's Net profit for the year is Rs. 5.59 Cr vis-à-vis loss of Rs 55.71 Cr. in the previous financial year 2019-20.

Apart from the provisions already made considering the impact of Covid 19 on the receivables position of the Company, the Management believes that there may not be any further significant impact of Covid 19 on the financial position and performance of the Company, in the long-term. The Company estimates to recover the carrying amount of all its assets including receivables and loans in the ordinary course of business, based on information available on current economic conditions. These estimates may change and be affected by the severity and duration of the pandemic. The Company is continuously monitoring any material change in future economic conditions.

Financial Ratios

Digispice Consolidated				
Key Ratios	**Units**	**FY 2021**	**FY 2020**	**YOY change %**
Debtor Turnover	Times	16.42	6.77	143%
Interest Coverage Ratio (1)	Times	9.17	-0.48	2010%
Current ratio	Times	1.16	1.08	7%
Debt Equity Ratio	Times	0.14	0.11	25%
Operating Profit Margin (%) (2)	%	2%	0%	200%
Net Profit Margin (%)* (3)	%	2%	-2%	-
Return on Net worth* (4)	%	2%	-4%	-

1. Interest coverage Ratio: EBIT/ Finance Cost. (EBIT defined as Earning before interest, tax and exceptional items)
2. Operating profit Margin: EBIT/ Revenue
3. Net Profit Margin: Net profit from continuing operations before exceptional items/Revenue
4. Return on Net worth: Net profits before exceptional items/(Equity including minority interest)

Internal Control Systems & Their Adequacy

The Company has strong internal control systems commensurate to its size and scale of operations. The systems ensure efficiency, reliability, completeness of accounting records and preparation of reliable financial and management information. It also ensures compliance of all applicable laws and regulations and protection of the Company's assets. The Company continues to work on using technologies to build better internal control systems. The Company has well defined and detailed procedures covering the activities of planning, review, risk management, investment etc.

The Company has appointed internal auditors to ensure that the internal control processes are evaluated for adherence and submit their reports directly to the Audit Committee with management responses, with special focus on key controls identified as part of

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

the IFC process and their continued relevance & effectiveness. Independent directors are given complete visibility on the operational details and separate meetings are held once in a year between all independent directors to review the performance of the Board and feedback given.

The company has a process of periodic audit by third party consultants and professionals for business specific compliances such as system audit, IT audit, audit by clients etc. and depending on the requirement of regulatory authorities from time to time.

The company's focus on Governance is very high and continuous efforts are made to improve standards of Governance within the Company and at the Board level.

Material developments in Human Resources

The company has always been committed towards having the right talent for the industry it is in. Recruiting and nurturing the best talent has always been a top priority and will continue to be the same for the organization. The Company continuously invests in the development of future leaders while having a robust succession plan at the senior levels.

At the same time, the company has also enabled a flat reporting structure and organization to support faster decision making and rapid growth. The best leaders are assigned larger roles with more responsibilities and a lot of emphasis and importance is given to continuous training and development of the resources.

With more focus on innovation, we have also set up the transformation office where all innovative and transformative work happens.

There were 870 employees in the company (consolidated level including all its subsidiaries) as of 31st March, 2021.

Health and Safety Measures

The Company continues to focus on the health and safety of its staff. It adheres to all necessary safety measures to prevent any untoward incidents and is very conscious of the overall well-being and health of its employees. We have also invested in Group Mediclaim and Accidental Insurance Policy for the employees. Apart from physical well-being, we do consider mental hygiene an important factor making Yoga and meditation a crucial part of our training program too.

Risk Factors

The Company's business is subject to various certain generic and industry specific risks including those specified below:

Spice Money

The business of Spice Money involves Company's technology platform to which all the agents of Spice Money connect remotely to conduct many financial transactions which as such is inherently vulnerable to any IT/financial risks associated with banking systems in general and in particular the following specific risks as well;

- **Regulatory:** Since the business is operated under licenses given by RBI, UIDAI, IRCTC, GSTN and Banks under the Banking Correspondence arrangement and are subject to the Rules & Regulations of Reserve Bank of India, any regulatory changes involving introduction and/or modifying existing rules governing, or new compliance requirements etc. may have an impact on the business. Also, there could be changes in KYC norms, interchange fee etc.
- **Technological:** The implementation of technology has certain inherent risks due to software and network driven concerns like data security, data access, firewall penetration and several others.
- **Financial:** Large numbers of financial transactions are often exposed to risks such as cyber fraud, although they are safeguarded through insurance, KYC norms and standardised processes.
- **Competition:** New players entering the fintech space with high capital leading to higher cost of acquisition and reduced margins.

Digital Technology Services

- **Infrastructure Pipe or customer value management:** Telco's are facing a dilemma on investing heavily on customer value management in competition with OTT players or provide services as infrastructure pipe, which has brought in significant uncertainties.
- **Traditional VAS Revenue Declining:** With the drive towards digitalisation and new technologies like 4G and 5G, the ecosystem has posed uncertainties in terms of behaviours of subscribers.
- **Money Repatriation from International Markets**: As the company is also operating in international markets which have a risk of Currency Devaluation/ Repatriation restrictions, it may result in lesser realisation of receivable and long delays to get the money repatriated.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- **Customer acquisition:** CPaaS ecosystem continues to be relationship based and new customer acquisition costs are significantly high.
- **Pandemic Covid -19** – In view of the spread of Covid19 epidemic, customers have been facing business uncertainties and stress over cash flows and this could adversely affect the company's ability to recover its account receivable from such customers.
- **Client concentration Risk** – Concentration of revenue from few clients in enterprise SMS business.

CAUTIONARY STATEMENT

Statements in this report on Management Discussion and Analysis describing the Company's objectives, outlook, estimates, expectations, predictions, belief and management perceptions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to Company's operations include economic conditions in the market in which the Company operates, changes in the Government Regulations, Tax Laws and other statutory and incidental factors.

The Company assumes no responsibility in respect of the forward-looking statements herein which may undergo changes in future based on subsequent developments, information or events.

BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report

(As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Committed to the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG – SEERB), DiGiSPICE Technologies Limited (DTL) reports on the nine principles of the guidelines as its Business Responsibility Report, in its Annual Report.

Our Business Responsibility Report (BRR) includes our responses to questions on practices and performance of the Company, on key principles defined under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, covering topics across environment, governance, and stakeholder relationships. In keeping with the guiding principles of integrated reporting we have provided cross-references to the reported data within the main sections of this Annual Report for all aspects that are material to us and to our stakeholders.

In December, 2019 SEBI extended the BRR requirement to the top 1000 listed entities by market capitalization. The Company is among top 1000 Company as on 31st March, 2021. Thus, the Company is publishing its first Business Responsibility Report.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L72900DL1986PLC330369
2	Name of the Company	DiGiSPICE Technologies Limited
3	Registered address	622, 6th Floor, DLF Tower A, Jasola Distt. Centre, New Delhi, 110025, India
4	Website	https://www.digispice.com/
5	E-mail id	complianceofficer@digispice.com
6	Financial Year reported	April 1, 2020 to March 31, 2021
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Other, Information Technology and computer service activities NIC code of the product / service: 62099
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	The Company is providing following services: - 1 Communication Platform as a Service 2 Marketing Automation 3 Digital Entertainment Products
9	Total number of locations where business activity is undertaken by the Company a. Number of International Locations (Provide details of major 5) b. Number of National Locations	Total Location: 19 a. International: -15 Locations. Out of which major five location are as below: - a. Kenya b. Ghana c. Bangladesh d. Nepal e. Indonesia b. India: 4 Locations
10	Markets served by the Company – Local/State/National/International	1. India 2. Africa 3. Middle East 4. South East Asia 5. South Asia

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	6851.89 Lakhs
2	Total Turnover (INR)	11,122.80 Lakhs
3	Total profit after taxes (INR)	Loss : Rs. 399.95 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	N.A.
5	List of activities in which expenditure in 4 above has been incurred:-	N.A.

BUSINESS RESPONSIBILITY REPORT

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies	Yes, please refer AOC I at page no. 232 of the Annual Report
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes, our subsidiary companies shares our vision and values for Business responsibility. Our material subsidiary, Spice Money Limited, participates in BR initiatives of the company.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1. DIN Number: 00065417
2. Name: Mr. Rohit Ahuja
3. Designation: Executive Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number	05322540
2	Name	Mr. Sunil Kumar Kapoor
3	Designation	Group Finance, Risk and Compliance Head
4	Telephone number	0120-5029401
5	e-mail id	sunil.kapoor@spicemoney.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply inY/N)

Principle Number	Principle
P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Business should respect, protect, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

BUSINESS RESPONSIBILITY REPORT

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy being formulated in Consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (Please refer note no. 1)	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? (Please refer note no. 2)	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
6	Indicate the link for the policy to be Viewed online?	Refer note no. 3								
7	Has the policy been formally Communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
8	Does the company have in-house Structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N.A.	N	N

Note 1:

Vigil Mechanism / Whistle Blower Policy, Code of Conduct and Sexual Harassment Prevention Policy are as per the national norms.

Note 2:

Board of directors of the company, through respective functional heads, overseas the implementation of these policies.

Note 3:

Website links to our policies:

Principle 1: Vigil Mechanism /Whistle Blower Policy Link : https://www.digispice.com/Vigil_Mechanism_Whistle_Blower_Policy.pdf Code of conduct: Link : https://digispice.com/code-of-conduct.pdf Principal 2: Sustainability Policy Link : https://digispice.com/Sustainablity_Policy.pdf Principle 3: Employee Wellbeing policy Link : https://digispice.com/Employee_wellbeing_Policy.pdf Principle 4: Corporate Social Responsibility Policy Link : https://www.digispice.com/files/CSR_Policy.pdf Stakeholder Policy Link : https://digispice.com/Stakeholder_Policy.pdf	Principle 5: Human Right Policy Link: https://digispice.com/human_right_policy.pdf Principle 6: Employment Health and Safety Policy Link: https://digispice.com/EHSP_Policy.pdf Principle 7: There is no distinct policy on public advocacy. Please refer to the details given under Principle 7 of this Report for details of our advocacy and outreach engagements Principle 8: Corporate Social Responsibility Policy https://www.digispice.com/files/CSR_Policy.pdf Principle 9: Code of conduct: https://digispice.com/code-of-conduct.pdf

BUSINESS RESPONSIBILITY REPORT

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 Months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)							✓		

✓ There is no distinct policy on public advocacy. Please refer to the details given under Principle 7 of this Report for details of our advocacy and outreach engagements

3. Governance related to BR

Sr. No.	Description	Response
a	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Being the first report on BRR, the company is in the process of setting up of mechanism for assessment of BR performance of the company.
b	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	This is the first BR Report of the Company after becoming a Company among top 1000 Companies as on 31st March, 2021. The Company will publish the BRR as a part of the Annual Report on annual basis. The BR report of FY 2020-21 can be accessed at https://www.digispice.com/BRR_20-21 The frequency of publishing of BRR is Yearly.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability		
1.1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?	Yes, DiGiSPICE Technologies, is a strong endorser of ethics and has stringent, 'zero tolerance' stance towards lack of integrity. Our policy is all pervasive, across locations and units, with our training on integrity covering all our people. The policies and code of conduct have very specific regulations applicable to all the decision making personnel. The policy is extended to our material subsidiary Spice Money Limited however, we need to extend same to other Group/Joint Ventures/ Suppliers/Contractors/NGOs. Company has planned to extend the same to other Group/Joint Ventures/ Suppliers/Contractors in coming time.
1.2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Company stakeholders include our investors, clients, employees, vendors/partners, governments and local communities. Company has received no complaint from employees during the year. Company has received 2 complaints from shareholders and same has been resolved. Currently, company has a mechanism where other stakeholders can also raise complaint. However, we need to develop process for tracking and collecting data for the same which will be implemented in next 6 months.

BUSINESS RESPONSIBILITY REPORT

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle		
2.1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.	Enterprise SMS enable the right/ useful information to the customer of enterprises and public at large for their benefits regarding different products and services. It also has inherent risk of spamming the customers/ sending wrong information so we take due diligence and check and balance to ensure right/ useful information is only delivered. Further, none of Company's software and services attracts environmental concerns. One of material subsidiary i.e. Spice Money Limited focus on the financial inclusion and providing financial services (basic banking services) to the underserved.
2.2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	(a) Not Applicable (b) We monitor resources consumption regularly and ensure that the consumption is optimized of energy, power, material etc. Further, during the financial year 2020-21, the company had a policy of work from home due to pandemic thereby ensuring optimum utilization of usage of resources.
2.3	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The company is into service industry there by all consumption is locally originated and digitally procured for supply of product and services. Beside this all administrative procurement of materials is done from local sources as a part from being responsible to the growth of supply base around our locations. Further, company emphasizes on procuring products which are bio degradable and recyclable products.
2.4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company recognizes the contribution of MSMEs/ small vendors in the economy and is committed to supporting and strengthening this segment of the economy. The Company works with the MSMEs and local vendors while procuring material for its administrative and give motivation for their business. We provide opportunity to local vendors especially for manpower-based services like housekeeping, security, maintenance, gardening, catering etc. and make all efforts to make payment well within time.
2.5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	As an environmentally responsible company, we have adopted a focused approach to managing the waste generated by our operations. a All waste papers are shredded and disposed-off to scrap vendor who collects it for recycling from the Company's offices in India. b The Company discourages employees from use of plastic bags/ bottles. The Company is in the business of software development/ services. Hence, there are no significant products to be recycled.

BUSINESS RESPONSIBILITY REPORT

<table>
<tr><th colspan="3">Principle 3: Businesses should promote the well-being of all employees</th></tr>
<tr><td>3.1</td><td>Please indicate the Total number of employees</td><td>Our employee count stands at 208 as on March 31, 2021</td></tr>
<tr><td>3.2</td><td>Please indicate the Total number of employees hired on temporary/contractual/casual basis</td><td>7 (These are included in the above number at 3.1)</td></tr>
<tr><td>3.3</td><td>Please indicate the Number of permanent women employees</td><td>26</td></tr>
<tr><td>3.4</td><td>Please indicate the Number of permanent employees with disabilities</td><td>Nil</td></tr>
<tr><td>3.5</td><td>Do you have an employee association that is recognized by management</td><td>No</td></tr>
<tr><td>3.6</td><td>What percentage of your permanent employees is members of this recognized employee association?</td><td>NA</td></tr>
<tr><td>3.7</td><td>Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year</td><td>
<table>
<tr><th>No.</th><th>Category</th><th>No of complaints filed during the financial year</th><th>No of complaints pending as on end of the financial year</th></tr>
<tr><td>1</td><td>Child labour/forced labour/involuntary labour</td><td>Nil</td><td>Nil</td></tr>
<tr><td>2</td><td>Sexual harassment</td><td>Nil</td><td>Nil</td></tr>
<tr><td>3</td><td>Discriminatory employment</td><td>Nil</td><td>Nil</td></tr>
</table>
</td></tr>
<tr><td>3.8</td><td>What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?
a. Permanent Employees
b. Permanent Women Employees
c. Casual/Temporary/Contractual Employees
d. Employees with Disabilities</td><td>The Company is entirely working from home during the last financial year hence there was no physical safety & skill up- gradation training in the last year. However, company has arranged various health, fitness, safety and soft skill upgradation training programs online for employees and has been sending communication to the employees from time to time.</td></tr>
</table>

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.		
4.1	Has the company mapped its internal and external stakeholders	Yes
4.2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders	Yes
4.3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	The company along with its material subsidiary, Spice Money Limited is engaged in skill development program for the weaker/ marginalized section of the society.

Principle 5: Businesses should respect and promote human rights		
5.1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	The Policy extends to all the employees (both permanent and contractual) across the company and its subsidiaries. The policy further extents to third party vendors, suppliers, contractors, NGOs as well as all the affiliates.
5.2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Company has received no complaint from employees during the year. Company has received 2 complaints from shareholders and same has been resolved. Currently, company has a mechanism where other stakeholders can also raise complaint. However, we need to develop process for tracking and collecting data for the same which will be implemented in next 6 months.

BUSINESS RESPONSIBILITY REPORT

Principle 6: Business should respect, protect, and make efforts to restore the environment		
6.1	Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures / Suppliers /Contractors /NGOs /others	Yes, our Environmental Health and Safety (EHS) policy covers all our locations and all our people- permanent and contractual employees and other stakeholders.
6.2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, The company has framed the EHS policy to address the global environmental issues, including climate change, plastic pollution, Global Warming, Waste disposal etc. and same is always kept in mind while doing business.
6.3	Does the company identify and assess potential environmental risks?Y/N	Yes, Our operations, including new developments and new / modified activities, products and services, do not have any negative impact on the surrounding environment. Our approach while undertaking any business activity is to minimize the negative impact on environment. Some of the top environmental risks identified are in the areas of energy, water, climate change and waste.
6.4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No, Not applicable
6.5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	No
6.6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	We comply with all applicable environmental legislations in the locations we operate from. All parameters as defined by CPCB or SPCBs are monitored, tracked and maintained within norms.
6.7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year	Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner		
7.1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes, we are part of various associations. We work with following industrial bodies for the betterment of business/industry at large. 1. The Associated Chambers of Commerce and Industry of India (ASSOCHAM) 2. Banking Correspondence Federation of India (BCFI) 3. Payment Council of India (PCI)
7.2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles,Others)	Yes, for Inclusive development policy.

BUSINESS RESPONSIBILITY REPORT

Principle 8: Businesses should support inclusive growth and equitable development		
8.1	Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Our corporate social responsibility supports inclusive growth not only of communities in the locations where we operate but also encompasses the overall development of societies and human capabilities. The company endeavors the wellbeing of the poorest sections of society and focuses on Environmental, Agriculture Sustainability and Skill Development Program.
8.2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?	Company works internally and also with external NGO's.
8.3	Have you done any impact assessment of your initiative?	We get impact assessment report from NGO's with whom we undertake these projects.
8.4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	Our material subsidiary Spice Money Limited has contributed INR Forty Eight Lakhs in Environmental and agricultural sustainability and Skill development program.
8.5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	We get impact assessment report from NGO's with whom we undertake these projects. Further CSR committee monitors and reviews the project undertaken by the company/ NGO's.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner		
9.1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Currently, Company have a mechanism where customer can raise complaint however, we need to develop process for tracking and collecting data for the same which will be implemented in next 6 months.
9.2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)	Since, the Company is into service industry this requirement does not strictly apply to the Company. The Company makes necessary disclosures about the services being developed to its clients as per its contractual obligations.
9.3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
9.4	Did your company carry out any consumer survey/ consumer satisfaction trend	Digital Enterprise business is done with regular interaction with clients and all products are developed jointly taking into consideration inputs from client. Spice Money Limited, a material subsidiary, conducts regular and periodic consumer survey for all its clients.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is an integral element of Company's value system, management ethos and business practices. Good Corporate Governance is a continuing exercise and the Company is committed to ensure the same by focusing on strategic and operational excellence in the overall interest of its all stakeholders.

The Corporate Governance framework of your Company is based on an effective Board with Independent Directors, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees for various functions including those as required under law. We believe that an active and well informed Board is necessary to ensure the highest standards of Corporate Governance.

The Company is in complete compliance with the Corporate Governance norms and disclosures as prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) from 1st April, 2020 to 31st March, 2021. The Company believes that Corporate Governance is a tool to generate long term wealth and create values for all its stakeholders. The Company follows highest standards of Corporate Governance Practices which are driven by timely disclosures, transparent corporate policies and high levels of integrity in decision making.

2. BOARD OF DIRECTORS

a) Board's Composition

During the year the Composition of Board of Directors of the Company has been in conformity with the requirements of Regulation 17 of the Listing Regulations. The Chairman of the Board is a Non-Executive Director and as on 31st March, 2021, the Board consisted of one (1) Executive Director and five (5) Non-Executive Directors {including three (3) Independent Directors}. The Independence of a Director is determined by the criteria stipulated under Regulation 16 of the Listing Regulations and also under Section 149 of the Companies Act, 2013. The Executive, Non-Executive and Independent Directors are eminent professionals, drawn from amongst persons with expertise in business, finance, law, technology and other key functional areas and play a critical role in enhancing balance to the Board processes besides providing the Board with valuable inputs. The Board represents an optimal mix of professionalism, knowledge and experience.

b) Board Meetings, Other Directorship and Attendance of Directors

During the year, the Board of Directors of the Company met Six (6) times on 4th May, 2020, 26th June, 2020, 21st August, 2020, 5th November, 2020, 12th February, 2021 and 31st March, 2021. The intervening period between the Board Meetings were within the maximum time gap prescribed under the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

Necessary disclosures regarding Directorship and Committee positions in other Companies as on 31st March, 2021 have been made by the Directors. As per the disclosures received from them, none of the directors of the Company is a member of more than ten Committees or Chairperson of more than five Committees across all Public Limited Companies in which he/she is a Director. None of the Directors is holding directorship in more than eight listed entities or serve as an independent director in more than seven listed Companies.

Mr. Dilip Modi, Non-Executive Chairman of the Company, does not serve as an Independent Director in any listed entity. As on 31st March, 2021, Dr. (Ms.) Rashmi Aggarwal, Independent Director of the Company, held directorship as Independent Director in two other listed entities viz. Dish TV India Limited and Zee Media Corporation Limited.

The composition of the Board during the year under review and position held by Directors on the Board / Committees of Public Limited companies as on 31st March, 2021 along with their attendance at Board Meetings and Annual General Meeting of the Company during the year under review are given below:

CORPORATE GOVERNANCE REPORT

Name of Directors	Category of Director	No. of Positions held as on 31st March, 2021 @			No. of equity share held by Non-Executive Director	Attendance at Board Meetings held during the year	Attendance at last AGM (15.12. 2020)
		No. of other Directorship	Committee @@ (including the Company)				
			Membership	Chairmanship			
Mr. Dilip Modi	Non-Executive Chairman	1	Nil	Nil	10,12,395	6	Yes
Mr. Rohit Ahuja*	Executive	Nil	Nil	Nil	NA	5	Yes
Mr. Subramanian Murali	Non-Executive	1	3	1	2,10,606	6	Yes
Mr. Mayank Jain	Non-Executive - Independent	Nil	Nil	Nil	Nil	6	Yes
Dr. (Ms.) Rashmi Aggarwal	Non-Executive - Independent	6	8	2	Nil	6	Yes
Mr. Suman Ghose Hazra	Non-Executive - Independent	1	3	2	Nil	6	Yes
Ms. Preeti Das **	Executive	NA	NA	NA	NA	1	NA

* Appointed as an Executive Director w.e.f. 5th May, 2020

** Ceased to be a Director w.e.f. 4th May, 2020.

@ Excluding private limited companies which are not subsidiaries of a Public Limited Company, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

@@ The committees considered for the purpose are those prescribed in the Listing Regulations i.e. Audit Committee and Stakeholders' Relationship Committee.

None of the Directors of the Company has any relationship with other Directors of the Company.

c) **Familiarisation Programme for Independent Directors**

The familiarisation programme comprises of a combination of written communication, presentation made in various meetings and interactions with the management team to provide the directors an opportunity to familiarize with the Company, its management, operation, policies and practices.

All the Independent Directors are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment which also includes the terms and conditions of their appointment. The Directors are explained in detail about the Company's vision, strategic direction, core values including ethics, corporate governance practices, financial matters, business operations and are made aware of the industry in which the Company operates and also about the compliance required from them under the Companies Act, 2013, Listing Regulations and other various statues and affirmation is obtained from each of them.

Periodic presentations are made at the Board/Committee meetings on business and performance updates of the Company, business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws and other related developments are regularly intimated to the Independent directors to keep them well informed about the recent developments.

The detail of familiarization programme as required under Listing Regulations is available at https://digispice.com/Familiarization_programme_20-21.pdf

d) **Information supplied to the Board**

During the year, all the relevant information required to be placed before the Board of Directors as per Regulation 17(7) of the Listing Regulations and as prescribed under other applicable laws were placed before the Board or communicated to the Members of the Board and considered and taken on record/approved by the Board. Further, the Board periodically reviews Compliance Reports in respect of all Laws and Regulations applicable to the Company.

CORPORATE GOVERNANCE REPORT

e) **Information about the Directors seeking Appointment /Re-appointment**

The required information regarding the details of Mr. Subramanian Murali, Director seeking appointment is set out in the Explanatory Statement annexed to the Notice of the Annual General Meeting.

f) **Skill matrix of the Board**

The Company is primarily engaged into the Information and Communication Technology Services business providing Value Added Services and Mobile Content services to the domestic/international Telecom Operators and C PaaS Platform services to enterprises. In context of Company's Business, the Board of Directors has identified the following core skills / expertise / competencies to function effectively and those available with the Board:

Core Skills/ Expertise/ Competencies	Mr. Dilip Modi	Mr. Rohit Ahuja	Mr. Subramanian Murali	Mr. Mayank Jain	Dr. (Ms.) Rashmi Aggarwal	Mr. Suman Ghose Hazra
Providing Strategic Direction						
Guiding the Executive Management in formulation and implementation of the major goals and initiative of the Company	✓	✓	✓	✓	✓	✓
Leadership Skills						
Appreciation of long-term trends, identifying future leaders, developing a robust succession plan, and experience in guiding and leading management teams to make decisions in all environments.	✓	✓	✓	✓	✓	✓
Technology and Digital Expertise and Knowledge of Industry and Sector						
Significant background in technology, anticipation of technological trends, suggestions and creation of emerging business ideas. Expertise & knowledge in the field of Telecom, Information Technology and Digitalisation to provide strategic guidance to the management.	✓	✓		✓		
Global Business Knowledge						
Understanding of global business dynamics across various geographical markets, industry verticals and regulatory jurisdictions.	✓	✓	✓		✓	✓
Financial and Risk Management						
Wide-ranging financial skills, accounting and reporting, corporate finance and internal controls, including assessing quality of financial controls identify the key risks to the Company and monitor the effectiveness of the risk management framework and practices.	✓	✓	✓		✓	✓
Governance including Legal Compliance, Environment, Social and Governance						
Experience in developing governance practices, serving the best interest of all stakeholders, maintaining board and management accountability, effective stakeholder engagements and commitment to highest standards of corporate ethics and values and to support the Company's legal compliance systems and governance policies/practices. Experience in leading the sustainability and ESG visions of organization, to be able to integrate these into the strategy of the Company.	✓	✓	✓	✓	✓	✓

CORPORATE GOVERNANCE REPORT

g) Confirmation as regards independence of Independent Directors

During the year under review, all Independent Directors have confirmed and submitted declaration to the effect that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013 and Listing Regulations.

Independent Directors have also submitted declarations for the financial year 2021-22 confirming that they continue to meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013 and the Listing Regulations, as amended. The Board has taken on record the declarations and confirmation submitted by the Independent Directors. After due assessment of the veracity of the same, in the opinion of the Board, the Independent Directors fulfill the conditions specified under the Companies Act, 2013 and the Listing Regulations, as amended, and they are independent of the management.

h) Detailed reasons for resignation of Independent Directors

None of the Independent Directors resigned during the year.

3. AUDIT COMMITTEE

As required under Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations and as a measure to good Corporate Governance and to provide assistance to the Board of Directors in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company, an Audit Committee has been constituted. The terms of reference of the Audit Committee include all the matters prescribed under the applicable provisions of Companies Act, 2013 and the Listing Regulations and the Audit Committee considers and reviews other matters also, which are referred to it from time to time by the Board or it considers appropriate for discharge of its various functions. The Committee acts as a link between the Management, the Statutory and Internal Auditors and the Board of Directors of the Company. The Audit Committee is responsible for effective supervision of the financial reporting process, the appointment, independence, performance and remuneration of the Statutory Auditors and Internal Auditors ensuring financial and accounting controls and compliance with the financial and accounting policies of the Company. The Committee reviews the financial statements and Quarterly and Annual Results with special emphasis on accounting policies and practices, ensuring compliance with Indian Accounting Standards and other legal requirements concerning financial statements before they are submitted to the Board. The Internal Audit Reports on various matters covered by the Internal Auditors are regularly discussed in detail in the Audit Committee meetings. It scrutinizes the inter-corporate loans and investments made by the Company and by its subsidiary companies. The Audit Committee approves the related party transactions and also grants its omnibus approval to related party transactions in appropriate cases. It also oversees the compliance under Vigil Mechanism (Whistle Blower Policy) of the Company.

The Board has also authorized the Audit Committee to review the compliances with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and to verify the systems for internal control adopted by the Company are adequate and are operating efficiently.

As on 31st March 2021, the Audit Committee comprised of three Directors out of which two are Independent Directors. The Chairman of the Committee is an Independent Director. All members of the Committee are financially literate and have accounting and financial management expertise.

During the year, the Members of the Audit Committee met Four (4) times on 25th June, 2020, 21st August, 2020, 4th November, 2020 and 12th February, 2021. The intervening period between Audit Committee Meetings was within the maximum time gap prescribed under Regulation 18 of Listing Regulations. The attendance of each member at the meetings held during the year under review is as follows:

Name of Directors	Designation	Category	Attendance at the meetings held during the financial year ended March 31, 2021
Mr. Suman Ghose Hazra	Chairman	Non-Executive - Independent	4
Dr. (Ms.) Rashmi Aggarwal	Member	Non-Executive - Independent	4
Mr. Subramanian Murali	Member	Non – Executive	4

The Company Secretary acts as the Secretary to the Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

The Chief Financial Officer, Group Legal Head and Representatives of the Statutory and Internal Auditors, normally attend the meetings by invitation. As and when deemed necessary, other Executives of the Company and those of subsidiary companies are also invited and attend the meetings of Audit Committee. The experts of various fields are also invited in the meeting as and when considered necessary. The Minutes of the Audit Committee meetings are circulated to the members of the Committee and are noted by the Board of Directors of the Company at the subsequent Board Meetings.

CORPORATE GOVERNANCE REPORT

4. NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted Nomination and Remuneration Committee (NRC), which comprised three (3) Directors including two (2) Independent Directors. The Chairman of the NRC is an Independent Director. The terms of reference and role of the NRC includes:

a. Formulation of the criteria for the appointment of Directors and Senior Management.

b. Identify persons who are qualified to become Directors and who may be appointed in Senior Management.

c. Recommend to the Board appointment and removal of the Directors and Senior Management Personnel.

d. Formulation of criteria for evaluation of Independent, Executive and Non – Executive Director and the Board.

e. Carry out evaluation of every director's performance.

f. Recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees of the Company.

g. Devise a policy on Board diversity.

h. Formulate the criteria for determining qualifications, positive attributes and independence of the Directors.

As required under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and erstwhile SEBI (Share Based Employee Benefits) Regulations, 2014, the Board also designated the existing NRC as "Compensation Committee" for ensuring the compliance and to perform all functions and responsibilities stated under the said Regulations. The NRC has considered the applications made by the employees from time to time under the ESOP Plan of the Company and made allotment of equity shares.

The NRC of the Company has recommended to the Board a Remuneration Policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees. The NRC recommends to the Board all remuneration payable to senior management.

During the year, NRC met Seven (7) times on 4th May, 2020, 25th June, 2020, 21st August, 2020, 5th November, 2020, 11th February, 2021, 1st March, 2021 and 18th March, 2021. The composition of Committee as on 31st March 2021 and attendance of each member at the meetings held during the year under review are as follows:

Name of Directors	Designation	Category	Attendance at the meetings held during the financial year ended March 31, 2021
Dr. (Ms.) Rashmi Aggarwal	Chairperson	Non-Executive - Independent	7
Mr. Subramanian Murali	Member	Non-Executive	7
Mr. Suman Ghose Hazra	Member	Non-Executive – Independent	7

The Company Secretary acts as Secretary to this committee.

The Chairperson of the NRC was present at the last Annual General Meeting of the Company.

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with NRC, has formulated a framework containing, inter – alia, the criteria for performance evaluation of the entire Board of the Company, its Committee and individual Directors, including Independent Directors. During the year, the said criteria were reviewed by the NRC and the Committee decided to continue with the same criteria for evaluation purpose.

A structured questionnaire has been prepared, covering various aspects of the functioning of the Board and its Committees, such as, adequacy of the constitution and composition of the Board and its Committees, discharge of role and responsibilities by the Board and its Committees, Succession plan for Board Members and Senior Management, frequency of the meetings, regulatory compliances and Corporate Governance, etc. Similarly, for evaluation of Individual director's performance including for independent directors, the questionnaire covers various aspects like his/ her attendance at the meetings of Board and its Committees, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, adequate and timely disclosures, etc.

CORPORATE GOVERNANCE REPORT

The Nomination and Remuneration Committee has specified the manner for effective evaluation of performance of Board, its Committee and individual Director. The Board of Directors has carried out evaluation of performance of each of them. The evaluation of Independent Directors has been done on the basis of performance and fulfillment of the independence criteria as specified under Listing Regulations. The NRC reviews its implementation and ensures the compliances thereof.

Board members had submitted their response on a scale of 1 (outstanding) – 5 (poor) for evaluating the entire Board, Committees of the Board and of their peer Board members, including Chairman of the Board.

5. REMUNERATION OF DIRECTORS

The remuneration payable to the Executive Directors, subject to the approval of the shareholders, is decided by the Board on the recommendation of Nomination and Remuneration Committee and is determined on the basis of the experience and expertise of the candidate concerned and prevailing market trend. The Independent Directors are paid a sitting fee for attending the Board and its various Committee meetings within the limit prescribed under the applicable laws as determined by the Board from time to time.

Remuneration / Sitting fee paid to Director(s) for the financial year ended 31st March, 2021 is given below.

a) Executive Directors:

Mr. Rohit Ahuja was appointed as an Executive Director of the Company w.e.f. 5th May, 2020 for a period of three years and was paid remuneration for that part of the year. He has been granted a Five Lakh (5,00,000) ESOPs on September 18, 2018 by the Nomination and Remuneration Committee in pursuance to the SML Employee Stock Option Plan – 2018 at an Exercise Price of Rs. 13.25 per option and exercisable as per the ESOP Plan over a period of three years from the date of vesting in the ratio of 40:30:30 at the end of 1st, 2nd and 3rd year of vesting respectively. Appointment of Mr. Rohit Ahuja is contractual. There is no provision for payment of any severance fee to him. The notice period from either side is one month or salary in lieu thereof.

Ms. Preeti Das, Executive Director of the Company (till 4th May, 2020), was paid a remuneration for the period from 1st April, 2020 to 4th May, 2020 including amount paid to her as ex-gratia in lieu of notice period.

The details of the remuneration paid to the executive directors of the company during the year 2020-21 is as under:

(Amount/Rs. in lakhs)

Particulars	Mr. Rohit Ahuja	Ms. Preeti Das
Salary and Allowances	57.31	91.33
Perquisites	0.36	NIL
Stock Options	NIL	NIL
Provident Fund	0.20	2.40
Total	**57.87**	**93.73**

b) Non-Executive Non-Independent Directors:

During the year ended 31st March, 2021, no remuneration was paid to any Non-Executive Non-Independent Director.

c) Independent Directors:

The Independent Directors were paid a sitting fee of Rs. 25,000/- per Board Meeting held till Feb. 2021 for attending the meetings of the Board of Directors which has been increased to Rs. 50,000/- per Board Meeting thereafter. Further, the Independent Directors are paid a sitting fees of Rs. 25,000/- per meeting for attending the meetings of the Committees of the Board of Directors.

The details of sitting fee paid to the independent director during the financial year ended 31st March, 2021 is as under:

(Amount/Rs. in lakhs)

Name of Independent Directors	Sitting Fees
Mr. Mayank Jain	1.75
Dr. (Ms.) Rashmi Aggarwal	5.50
Mr. Suman Ghose Hazra	5.75

There were no other pecuniary relationships or transactions of the Non-Executive Directors and Independent Directors vis-à-vis the Company.

CORPORATE GOVERNANCE REPORT

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board has constituted a 'Stakeholders' Relationship Committee' which is headed by Mr. Subramanian Murali, Non-Executive Director of the Company.

The Committee has been formed by the Board of Directors to look into the matters relating to transfer/ transmission of shares and the redressal of shareholders/ investors complaints and also matters relating to shareholders value enhancement. The roles and terms of reference of the Committee covers the areas as contemplated under Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

The roles and responsibilities of the Stakeholders' Relationship Committee, in particular, include the following:

i. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

ii. Review of measures taken for effective exercise of voting rights by shareholders.

iii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

iv. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Committee approves transfer / transmission of shares issued by the Company, issue of duplicate certificates and certificates after split /consolidation/ rematerialisation. The Stakeholders' Relationship Committee regularly reports to the Board on various developments taking place in the investors relations and action taken by it. During the year ended 31st March, 2021, the Company has received Two (2) complaints which were properly attended and resolved to the satisfaction of the shareholders. There is no pending complaint and transfer at the end of 31st March, 2021.

During the year, the Committee met Four (4) times on 6th August, 2020, 5th October, 2020, 4th January, 2021 and 26th February, 2021. The composition of the Stakeholders' Relationship Committee as on 31st March 2021 and the attendance of each member at the meetings held during the year under review are as follows:

Name of Directors	Designation	Category	Attendance at the meetings held during the financial year ended March 31, 2021
Mr. Subramanian Murali	Chairman	Non-Executive	4
Dr. (Ms.) Rashmi Aggarwal	Member	Non-Executive - Independent	4
Mr. Suman Ghose Hazra	Member	Non-Executive - Independent	4

Mr. M. R. Bothra, Vice President – Corporate Affairs and Company Secretary, acts as secretary to this Committee and is designated as Compliance Officer of the Company.

The Chairman of the Stakeholders' Relationship Committee was present at the last Annual General Meeting of the Company.

Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs (MCA) as amended from time to time, all shares in respect of which dividend has not been paid or claimed by the Shareholders for seven consecutive years or more are liable to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

In compliance with the aforesaid provisions, during the year, the Company has transferred a total of 97,647 equity shares of Rs. 3/- each to the IEPF for the unpaid/unclaimed dividend pertaining to the Financial Year ended 2013-14.

CORPORATE GOVERNANCE REPORT

7. GENERAL BODY MEETINGS

I. Meeting details

Location and time where last three Annual General Meetings were held:

Year	Location	Day/Date	Time
2020	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	Tuesday 15/12/2020	11:00 A.M.
2019	The Executive Club Resort, Dolly Farms and Resorts Pvt. Ltd, 439, Shahoorpur, Fatehpurberi, New Delhi –110074	Friday 27/09/2019	3:15 P.M.
2018	Sri Sathya Sai International Centre, Bhisma Pitamah Marg, Lodhi Road, New Delhi – 110003	Wednesday 14/11/2018	10:15 A.M.

The following Special Resolution(s) were passed by the members in the past three Annual General Meetings:

Annual General Meeting held on 15th December, 2020:

- To approve the re-appointment of Mr. Suman Ghose Hazra (DIN: 00012223) as an Independent Director of the Company.
- To approve the appointment of Mr. Rohit Ahuja (DIN: 00065417) as an Executive Director of the Company.
- To approve the payment of remuneration to Ms. Preeti Das (DIN: 05271289), Executive Director and Chief Executive Officer of the Company.
- To approve the remuneration to Mr. Shrenik Mahendra Khasgiwala (DIN: 08136159), Non-Executive Non-Independent Director.

Annual General Meeting held on 27th September, 2019:

- Approval of payment of remuneration to Mr. Shrenik Mahendra Khasgiwala (DIN: 08136159), Non-Executive Non-Independent Director.

Annual General Meeting held on 14th November, 2018:

- Appointment of Mr. Dilip Modi (DIN: 00029062) as an Executive Director of the Company.

II. Postal Ballot

A) During the financial year ended 31st March 2021, No resolution was passed through Postal Ballot.

B) None of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing of resolution through Postal Ballot.

8. MEANS OF COMMUNICATION

The quarterly and annual financial results are published in "Mint" (National daily - English) and "Hindustan" (Regional daily - Hindi).

All material information about the Company and its business and relating to subsidiary companies are promptly communicated to BSE Limited (BSE) and National Stock Exchanges of India Limited (NSE) where the Equity Shares of the Company are listed so as to enable them to put the same on their website. The Company regularly updates the Stock Exchanges and investor community about its financial as well as other developments. In addition to the above, quarterly and annual results are displayed on our website at www.digispice.com for the information of all stakeholders. All official news releases and disclosures made to the Stock Exchanges are also made available on the Company's website.

The Company has made a presentation to the shareholders in the 32nd Annual General Meeting held on 15th December, 2020 which was shared to the Stock Exchanges and was also uploaded on the website of the Company.

The Management of the Company is in regular touch with the investors' community and keeps sharing with them the performance of the Company and satisfy the queries raised by the Stakeholders from time to time.

CORPORATE GOVERNANCE REPORT

9. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Date	:	30.09.2021
Time	:	10:15 AM
Venue	:	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)

b) Financial Year : April, 2020 – March, 2021

c) Dividend Payout Date : N.A.

d) Listing at Stock Exchanges:

The Equity shares of the Company are listed at the following Stock Exchanges:

BSE Limited

Phiroze Jeejeebhoy Towers

Dalal Street, Mumbai-400 001

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex,

Bandra(E), Mumbai-400 051

Annual listing fee to both the Stock Exchanges have been paid for the financial year 2020-2021.

e) Scrip Code/Scrip Symbol of the Company as on 31.03.2021:

BSE Limited:

Security ID DIGISPICE

Scrip code 517214

National Stock Exchange of India Limited:

Scrip Symbol DIGISPICE

f) Market price data and performance of share price of the Company:

The details of monthly high and low of the price of equity shares of the Company during each calendar month at the Stock Exchanges where the equity shares of the Company are listed and the relevant Index of the respective Stock Exchanges during the Financial Year ended 31st March, 2021 are as under:

BSE Limited (BSE)

(Face Value Rs. 3/- per share)

Month	BSE Prices		BSE SENSEX	
	High Price (Rs.)	Low Price (Rs.)	High	Low
April, 2020	4.00	3.30	33887.25	27500.79
May, 2020	7.78	4.00	32845.48	29968.45
June, 2020	10.56	7.22	35706.55	32348.1
July, 2020	8.66	5.70	38617.03	34927.2
August, 2020	9.61	5.70	40010.17	36911.23
September, 2020	8.96	7.52	39359.51	36495.98
October, 2020	7.52	6.60	41048.05	38410.2
November, 2020	10.42	6.40	44825.37	39334.92
December, 2020	23.29	10.23	47896.97	44118.1
January, 2021	37.70	24.00	50184.01	46160.46
February, 2021	98.60	37.70	52516.76	46433.65
March, 2021	114.05	50.35	51821.84	48236.35

(source: **www.bseindia.com**)

CORPORATE GOVERNANCE REPORT

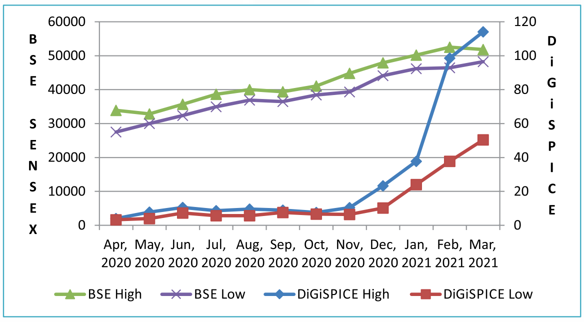
National Stock Exchange of India Limited (NSE)

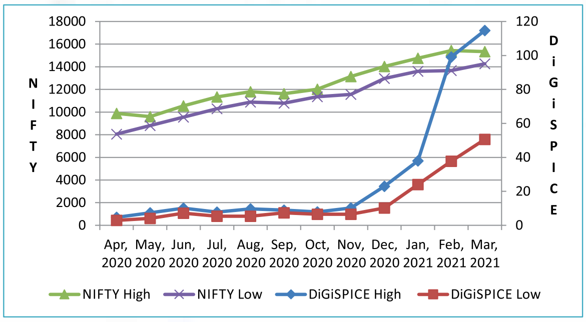
(Face Value Rs. 3/- per share)

Month	NSE Prices		NIFTY50	
	High Price (Rs.)	Low Price (Rs.)	High	Low
April, 2020	4.7	2.9	9889.05	8055.8
May, 2020	7.4	4.1	9598.85	8806.75
June, 2020	10.15	7.1	10553.15	9544.35
July, 2020	7.8	5.35	11341.4	10299.6
August, 2020	9.65	5.35	11794.25	10882.25
September, 2020	8.95	7.4	11618.1	10790.2
October, 2020	7.85	6.5	12025.45	11347.05
November, 2020	10.25	6.5	13145.85	11557.4
December, 2020	22.95	10.2	14024.85	12962.8
January, 2021	37.9	24.05	14753.55	13596.75
February, 2021	99.1	37.7	15431.75	13661.75
March, 2021	114.7	50.6	15336.3	14264.4

(source: **www.nseindia.com**)

g) **Performance of the share price of the Company in comparison to BSE Sensex and Nifty 50**





h) **Registrar and Transfer Agent:**

MAS Services Limited

T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110 020
Tel: (011) 26387281/82/83; Fax: (011) 26387384
E-mail: info@masserv.com
Contact person - Mr. Sharwan Mangla, General Manager

All transfer/transmission and dematerialization requests and other communications regarding change of address, dividend and other queries related to investor services may be sent at the above address.

The Securities and Exchange Board of India vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 has directed all the listed companies to update Bank Account details and PAN of the shareholders holding shares in physical form. In compliance with the said requirement, the Company has sent individual letter and two reminders through permitted mode to the shareholders those who are holding physical shares and details of whose Bank Account details, Email Id and PAN are not registered in the records of the Company.

The Shareholders of the Company are requested to update PAN, Bank Account details and Email Id in the records of the Company by sending the requisite documents to the Company's RTA MAS Services Limited at the abovementioned address.

i) **Share Transfer System:**

No transfers of shares in physical form takes place except in case of transmission. The documents received for transmission, etc. are registered and sent back within the stipulated time limit from the date of their lodgment, subject to the documents being valid and complete in all respects. The Stakeholders' Relationship Committee looks into the issues relating to Share Transfers and Investor Grievances.

CORPORATE GOVERNANCE REPORT

In accordance with the Securities and Exchange Board of India Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, request for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories.

In view of the aforesaid, all the shareholders holding shares in physical form are advised to convert their shareholding from Physical form to Demat form with a Depository Participant of their choice in order to continue the benefit of liquidity of their shareholding.

j) **Distribution of Shareholding as on 31st March, 2021:**

Share Holding of Nominal Value of Rs. 3/- each	Number of Shareholders	% to Total No. of Shareholders	No. of Shares Held	Amount in Rupees	% to Total Paid-up Capital
Upto 5,000	21056	96.340	3645812	10937436	1.596
5,001 to 10,000	400	1.830	918593	2755779	0.402
10,001 to 20,000	202	0.924	965327	2895981	0.423
20,001 to 30,000	61	0.279	527057	1581171	0.231
30,001 to 40,000	16	0.073	188163	564489	0.082
40,001 to 50,000	28	0.128	424594	1273782	0.186
50,001 to 1,00,000	40	0.183	914324	2742972	0.400
1,00,001 and Above	53	0.242	220812509	662437527	96.680
Total	**21856**	**100.000**	**228396379**	**685189137**	**100.000**

k) **Dematerialization of shares and Liquidity:**

As per notification issued by SEBI, the trading in equity shares of the Company is permitted compulsorily in dematerialized mode w.e.f. 29th January 2001. The International Securities Identification Number (ISIN) of the Company, as allotted by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) is INE927C01020. As on 31st March 2021, 99.55% of the Share Capital of the Company is held in dematerialized form with NSDL and CDSL. The Equity shares of the Company are regularly traded on the Stock Exchanges and any person interested in the shares of the Company can deal in the same as per the applicable Rules and Regulations.

l) **Outstanding GDRs/ ADRs/ Warrants or Convertible Instruments:**

There are no outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments as on 31st March, 2021, which are likely to have an impact on the equity of the Company.

m) **Commodity Price risk or foreign exchange risk and hedging activities:**

The Company follows prudent risk management policies. The details of foreign currency exposure are disclosed in the Note no. 44 to the standalone financial statement. The Company's net exposure to foreign currency is not significant and mostly at receipt side, hence, there are no hedging activities.

n) **Plant Location:** N.A.

o) **Address for correspondence:**

The correspondence, if any, can be sent to the Company Secretary, DiGiSPICE Technologies Limited, at any of the following two addresses:

Corporate Office:
Spice Global Knowledge Park, 19A & 19B,
Sector-125, Noida (U.P.) – 201 301
Tel : (0120) 5029101

Registered Office:
622, 6th Floor, DLF Tower A,
Jasola Distt. Centre, New Delhi – 110025
Tel : (011) 41251965

The designated E-mail Id exclusively for the purpose of registering complaints by investors is investors@digispice.com.

10. DISCLOSURES

- **Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large**

The Company has not entered into any transaction of material nature with the Directors or the management, subsidiaries or relatives of Directors during the year under review that have potential conflict with the interest of the Company. Statements

CORPORATE GOVERNANCE REPORT

in summary form of the transactions with related parties both under Companies Act, 2013 and under Indian Accounting Standards – 24 are placed periodically before the Audit Committee. Further, the details of the related party transactions of the Company during the year ended 31st March, 2021 are given in Notes on Accounts forming part of Annual Report.

All related party transactions entered are on arms' length basis and in the ordinary course of business unless specifically mentioned for which the necessary approvals were obtained by the Company and are intended to further the interest of the Company.

The Company has adopted a 'Policy on Related Party Transactions' upon the recommendation of Audit Committee and the said Policy includes the material threshold and the manner of dealing with Related Party Transactions. The Audit Committee has laid down the criteria for granting the omnibus approval in the said Policy and grants omnibus approvals from time to time for the transactions which are frequent/ regular/ repetitive and are in the normal course of business. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties.

The said policy has been displayed on the website of the Company at the weblink https://www.digispice.com/Policy_on_Related_Party_Transactions.pdf.

- **Details of non-compliance by the Company**

The Company has duly complied with all the requirements of the Listing Regulations as well as other Regulations and Guidelines issued by Securities and Exchange Board of India (SEBI) from time to time. There have neither been any instance of non-compliance nor any penalty or stricture have been imposed on the Company by Stock Exchanges or by SEBI or by any other statutory authorities on any matter related to the capital markets during the last three years.

- **Whistle Blower Policy**

In accordance with the requirement of Section 177 of the Companies Act, 2013 and the Rules made thereunder, Regulation 22 of Listing Regulations and Regulation 9A (6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a 'Vigil Mechanism/Whistle Blower Policy' which provides a tool to the Directors and Employees of the Company to report genuine concerns including unethical behavior, actual or suspected fraud or violation of the Code of Conduct or Policy. The Policy also enable employees to report any violations under the Insider Trading Regulations and leak of Unpublished Price Sensitive Information (UPSI). A dedicated e-mail id i.e. whistleblower@digispice.com has been provided for the purpose. The Policy outlines the procedures for reporting, handling investigation and deciding the cause of action to be taken in case inappropriate conduct is noticed or suspected.

The Policy also provides for adequate safeguards against victimisation of directors and employees who avail of the mechanism and direct access to the Chairperson of the Audit Committee in exceptional cases. No personnel of the Company is denied access to the Audit Committee. The Audit Committee reviews the functioning of Whistle Blower Mechanism periodically. The policy is available on the website of the Company.

- **Details of Compliance with mandatory requirements**

The Company has fully complied with all applicable mandatory requirements of Listing Regulations.

- **Details of Adoption of Discretionary requirements**

The Company has complied with the following discretionary requirements of Listing Regulations:

- The Chairman of the Company is a Non-Executive Director. A separate office is maintained for the Chairman at the Company's expenses and he is also allowed reimbursement of expenses, if any, incurred in performance of his duties.

  The quarterly financial results are published in the newspapers as mentioned under the heading "Means of Communication" hereinabove and also displayed on the website of the Company www.digispice.com. The results are not separately circulated to each of the shareholders.

- The Reports of auditors on the financial statements of the Company are unqualified.

- The Internal Auditors directly report to the Audit Committee.

- **Policy for Determining Material Subsidiaries of the Company**

The Company, on the recommendation of the Audit Committee, has formulated a 'Policy on Material Subsidiaries' to determine the material subsidiaries of the Company and to provide governance framework for such subsidiaries.

CORPORATE GOVERNANCE REPORT

The said policy is disclosed on the website of the Company at https://www.digispice.com/Policy_on_Material_Subsidiaries.pdf.

Pursuant to the said policy, the Company monitors performance of material subsidiary companies by reviewing on quarterly basis, the Financial Statements, Minutes and Significant Transactions entered into by those companies. Further, one of the Independent Directors of the Company has been appointed on the Board of all the material subsidiaries of the Company whether incorporated in India or not.

- **Disclosure of Commodity Price risks and commodity hedging activities**

  During the year, the Company doesn't have any exposure to Commodity Price risk and commodity hedging activities.

- **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

  The Company has not raised any fund through preferential allotment or qualified institutions placement.

- **Certificate of non-disqualification of Directors**

  A certificate from M/s. Sanjay Grover & Associates, Practising Company Secretaries, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority, is forming part of this report.

- **Recommendation of the Board Committees**

  All recommendations of the various committees were accepted by the Board.

- **Total Fees paid to the Statutory Auditors**

  Details of total fees for all services paid by the Company and its subsidiaries during the Financial Year 2020-21, on a consolidated basis, to M/s Singhi & Co., Chartered Accountants, the Statutory Auditors of the Company and all entities in the network firm/network entity of which the Statutory Auditor is a part is as follows:

Payment to Statutory Auditors	Amt./Rs. Lakhs
Statutory Audit Fees	13.50
Limited Review Fees	10.50
Tax Audit Fees	4.00
Other Services (Certification and Special Audit)	2.88
Total	30.88

- **Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

  The Company has zero tolerance towards Sexual Harassment of Women at Workplace and values the dignity of individuals and is committed to provide an environment, which is free of discrimination, intimidation and abuse.

  As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, the Company has placed adequate mechanism to provide safe and congenial working environment to all the employees including visitors and employees of the group companies and also constituted Internal Committee which is responsible for redressal of complaints related to sexual harassment.

  During the year under review, the Company has not received any complaint pertaining to sexual harassment.

11. DETAIL OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSE (B) TO (I) OF SUB – REGULATION (2) OF REGULATION 46 OF LISTING REGULATIONS

The Company is in compliance with the corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) of Listing Regulations.

12. CODE OF CONDUCT

With a view to promote good Corporate Governance, the Company has a Code of Conduct for all Board members and senior management personnel of the Company including therein the duties of Independent Directors as laid down in the Companies Act, 2013. A copy of the said Code of Conduct is available on the Company's website (www.digispice.com).

In compliance of Regulation 26(3) of Listing Regulations, all Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct as applicable to them for the year under review. A declaration to that effect duly signed by Executive Director of the Company is attached at the end of this report.

CORPORATE GOVERNANCE REPORT

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to "Insider Regulations"), as amended from time to time, the Company has framed and adopted the "Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons" ('Insider Code') and "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" The Code is applicable to all Directors, Designated Persons and other connected persons as defined thereunder who may have access to Unpublished Price Sensitive Information ('UPSI').

The aforesaid 'Insider Code' prohibits dealing in securities of the Company by designated persons who are in possession of UPSI. The said Code lays down the procedures to be followed and disclosures to be made while dealing in the securities of the Company. Further, in pursuance of Regulation 9A (5) of the Insider Regulations, the Board has also approved 'Policy and Procedure for reporting and Inquiry in case of Leak or Suspected Leak of Unpublished Price Sensitive Information'. As a part of the 'Insider Code', the Company has also framed 'Policy for Determination of Legitimate Purposes'.

The Directors and Designated Employees are communicated in advance about the closure of trading windows from time to time when they are not permitted to trade in the securities of the Company.

During the year, with a view to include the amendments made in the Insider Regulations, the Board of Directors has amended the existing Insider Code. The Board of Directors, in pursuance to the Insider Regulations, has also amended and adopted the revised Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of the Company.

The Company Secretary has been appointed as the Compliance Officer for monitoring adherence to the said Regulations.

13. EXECUTIVE DIRECTOR AND CFO CERTIFICATION

As required under Regulation 17(8) of the Listing Regulations, the Executive Director and CFO certification for the financial year ended on 31st March, 2021 is enclosed at the end of this Report.

The above Report has been placed before the Board at its meeting held on 30th August, 2021 and the same was approved.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE CERTIFICATE

To
The Members
Digispice Technologies Limited

We have examined the compliance of conditions of Corporate Governance by **Digispice Technologies Limited** ("the Company"), for the financial year ended March 31, 2021, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No.: P2001DE052900

Vijay K. Singhal
Partner
CP No.: 10385
UDIN:A021089C000856374

Date: 30th August, 2021
Place: New Delhi

CORPORATE GOVERNANCE REPORT

Date: 9th June, 2021

The Board of Directors
DiGiSPICE Technologies Limited
(formerly Spice Mobility Limited)
622, 6th Floor, DLF Tower A, Jasola Distt. Centre,
New Delhi - 110025

Sub: Certification by Executive Director and Chief Financial Officer of DiGiSPICE Technologies Limited

We, Rohit Ahuja, Executive Director and Vinit Kishore, CFO, of DiGiSPICE Technologies Limited ('the Company'), to the best of our knowledge and belief certify that:

A. We have reviewed financial statements and the cash flow statement for the financial year ended on 31st March, 2021 and that to the best of our knowledge and belief:

1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Company's Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Company's Auditors and the Audit Committee:

1. significant changes in internal control over financial reporting during the year;

2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Rohit Ahuja
Executive Director

Vinit Kishore
CFO

Declaration regarding Compliance with the Code of Conduct

It is hereby declared that the Company has received affirmation from the Board Members and the Senior Management Personnel with regard to compliance of the Code of Conduct for Directors and Senior Management Personnel, in respect of the financial Year ended on 31st March, 2021.

For **DiGiSPICE Technologies Limited**

Place: Noida
Date: 30.08.2021

Rohit Ahuja
Executive Director

CORPORATE GOVERNANCE REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Members of

DIGISPICE TECHNOLOGIES LIMITED
622, 6th Floor, DLF Tower A,
Jasola Distt. Centre, New Delhi-110025.

Digispice Technologies Limited (CIN: L72900DL1986PLC330369) is having its registered office at 622, 6th Floor, DLF Tower A, Jasola Distt. Centre, New Delhi-110025 (hereinafter referred as "the Company"). The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.

1. We have examined the relevant disclosures received from the Directors, registers, records, forms, and returns maintained by the Company and produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. In our opinion and to the best of our information and according to the verifications and examination of the disclosures under section 184/189, 170, 164, 149 of the Companies Act, 2013 (the Act) and DIN status at the portal, www.mca.gov.in, as considered necessary and explanations furnished to us by the Company and its officers, we certify that none of the below named Directors on the Board of the Company as on March 31, 2021 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority:

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment in Company
1.	Mr. Dilip Kumar Modi	00029062	21/08/2006
2.	Mr. Subramanian Murali	00041261	07/05/2015
3.	Mr. Suman Hazra Ghose	00012223	07/05/2015
4.	Dr. (Ms.) Rashmi Aggarwal	07181938	02/11/2018
5.	Mr. Mayank Jain	00251609	01/10/2019
6.	Mr. Rohit Ahuja	00065417	05/05/2020

3. Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

4. This certificate is based on the information and records available up to this date and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No.: P2001DE052900

Vijay K. Singhal
Partner
CP No.:10385
ACS No. A21089
UDIN: A021089C000856418

Place: New Delhi
Date: 30th August, 2021

SECRETARIAL AUDIT REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,
Digispice Technologies Limited
(CIN: L72900DL1986PLC330369)
622, 6th Floor, DLF Tower A Jasola
Distt. Centre, New Delhi- 110025

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Digispice Technologies Limited** (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that-

a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the Management Representation about the compliances of laws, rules and regulations and happening of events etc.

e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

g) We adhered to best professional standards and practices as could be possible while carrying out audit during the lock-down conditions due to Covid-19. The Company made due efforts to make available the relevant records and documents including the verification through online means to conduct and complete the audit in the aforesaid lock-down conditions.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

SECRETARIAL AUDIT REPORT

(e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(f) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;

(h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable during the audit period]

(i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not applicable during the audit period] and

(j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. [Not applicable during the audit period]

We have also examined the compliance of applicable clauses of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India which has been generally complied with.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned above.

(vi) During the audit period, the Company is primarily engaged into the Information and Communication Technology business providing Value Added Services and Mobile Content services to the domestic/international Telecom Operators and CPaaS Platform services to enterprises. As informed by the management, following are laws specifically applicable on the Company:

(a) Regulations issued by Telecom Regulatory Authority of India (TRAI);

(b) Telecom Commercial Communication Customer Preference Regulation (TCCCPR), 2018; and

(c) Guidelines issued by Department of Telecommunication (DoT).

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company is adequate to ensure compliance of laws specifically applicable to the Company except reported otherwise.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notices were given to all directors of the Board Meetings. Agenda and detailed notes on agenda were sent in advance of meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

As per the minutes, the decisions at the Board meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company allotted 4,94,314 equity shares of Rs. 3/- each at an exercise price of Rs. 13.25 per share, pursuant to the exercise of the stock option granted to the employees of the Company under SML Employees Stock Option Plan-2018.

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No.: P2001DE052900

Vijay K. Singhal
Partner
ACS No.21089
CP No.:10385
UDIN:A021089C000856341

Date: 30th August, 2021
Place: New Delhi

SECRETARIAL AUDIT REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
SPICE MONEY LIMITED (Formerly Spice Digital Ltd.)
(U72900DL2000PLC104989)
622, 6th floor,
DLF Tower A,
Jasola District Centre
New Delhi - 110025

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SPICE MONEY LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent based on the management representation letter/ confirmation, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company only for the financial year ended on 31st March, 2021, according to the provisions of:

(1) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(2) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(3) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;

(4) Other laws applicable specifically to the Company: The Company is a tech-enabled Hyper Local Payments Network offering various services like Cash Deposit, Cash Withdrawal, Balance Enquiry, Bill Payments, Aadhaar Enabled Services, Air Time Recharge, PoS Services, Railway Ticketing Services etc. through its authorized agents. As informed by the management, following are some of the laws/rules/orders which are specifically applicable to the Company viz.:

- Payment and Settlement Systems Act, 2007 and any regulations and directions issued thereunder.

(5) We further report that with respect to the compliance of the below mentioned laws, we have relied on the compliance system prevailing in the Company and on the basis of representation received from the management:

i. Applicable Labour Laws

ii. Applicable direct and indirect tax laws

iii. Prevention of Money Laundering Act 2002;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India and

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

SECRETARIAL AUDIT REPORT

Board decisions were carried with unanimous consent and therefore no dissenting views were captured hence, no recording was done in this regard as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report, to the best of our knowledge and understanding, that during the audit period apart from aforesaid events/actions, there were no specific events/actions having a major bearing on the Company's Affairs in pursuance of the above referred laws, rules, regulations, guidelines.

We further report that during the audit period the company has issued 8,69,030 Equity Share (Class B Shares) with differential voting rights on 11th February, 2021;

This report is to be read with our letter of even date which is annexed as Annexure I and forms an integral part of this Report.

For NSP & Associates
Company Secretaries

(Proprietor)
UDIN: F009028C000859889
FCS No.: 9028
C P No.: 10937

Place: New Delhi
Date: 29th July, 2021

Annexure - I

To,
The Members,
SPICE MONEY LIMITED
(U72900DL2000PLC104989)
622, 6th floor,
DLF Tower A,
Jasola District Centre
New Delhi - 110025

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and Financial Statement for the Financial Year ended 31st March, 2021.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For NSP & Associates
Company Secretaries

(Proprietor)
UDIN: F009028C000859889
FCS No.: 9028
C P No.: 10937

Place: New Delhi
Date: 29th July, 2021

Annexure - I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE YEAR 2020-21

1. **Brief outline on CSR Policy of the Company:**

   A brief outline of the Company's CSR policy is stated hereinbelow and the detailed CSR Policy and CSR Project approved by the Board are available at: https://www.digispice.com/CSR_Policy.pdf

2. **The Composition of the CSR Committee:**

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meeting of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Dilip Modi	Chairman- Non Executive Director	One	One
2.	Mr. Subramanian Murali	Member- Non Executive Director		One
3.	Mr. Suman Ghose Hazra	Member- Independent Director		One

3. **Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

   The Composition of CSR Committee is as mentioned in Point No. 2 above. The Link of CSR Policy is: https://www.digispice.com/CSR_Policy.pdf

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable. –Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - Not Applicable

6. **Average net loss of the Company as per Section 135(5) :** Rs. 1012.11 Lakhs

7. (a) Two percent of average net profit of the company as per Section 135(5) : Not Applicable

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : NIL

   (c) Amount required to be set off for the financial year, if any : NIL

   (d) Total CSR obligation for the financial year (7a+7b- 7c) : NIL

8. (a) CSR amount spent or unspent for the financial year : NIL

   (b) Details of CSR amount spent against ongoing projects for the financial year : Not applicable

   (c) Details of CSR amount spent against other than ongoing projects for the financial year : Not applicable

   (d) Amount spent in Administrative Overheads : Not applicable

   (e) Amount spent on Impact Assessment, if applicable : Not applicable

   (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : NIL

   (g) Excess amount for set off, if any : Not applicable

9. (a) Details of Unspent CSR amount for the preceding three financial years : Not applicable

   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) : Not applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

    (a) Date of creation or acquisition of the capital asset(s) : Not applicable

    (b) Amount of CSR spent for creation or acquisition of capital asset : Not applicable

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc : Not applicable

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : Not applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5) : Not Applicable

For and on behalf of
DiGiSPICE Technologies Limited

Subramanian Murali
Director
DIN: 00041261

Dilip Modi
Chairman-CSR Committee
DIN: 00029062

Date: 30th August, 2021
Place: Noida

Annexure - 2

DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) Conservation of Energy:

I. **The Steps Taken or Impact on conservation of Energy:** The operations of the Company involve low energy consumption. Adequate measures have, however, been taken to conserve energy. The decision to work from home also help in conservation of energy.

II. **The Steps taken by the Company for utilizing alternate sources of energy :** Nil

III. **The Capital Investment on Energy conservation equipments :** Nil

(B) Technology Absorption

I. **The effort made towards technology absorption:** We at Digispice, are well aware of latest technology being available in our field of operation. Necessary training is imparted to the relevant people from time to time to make them well acquainted with the latest technology.

II. **The benefit derived like Product Improvement, cost reduction, product development or import substitution:** We are able to provide latest products available in the market and maintain higher standard of quality.

III. **In case of imported technology (import during the last three years reckoned from the beginning of the financial year)-**

a)	**the details of the technology imported**	:	Nil
b)	**the year of import**	:	N.A.
c)	**whether the technology been fully absorbed**	:	N.A.
d)	**if not fully absorbed, areas where absorption has not taken place, and the reason thereof; and**	:	N.A.

IV. **The expenditure incurred on Research and Development** : N.A.

(C) Foreign exchange earnings and outgo during the year

I. **Foreign Exchange earned in term of actual inflows** : Rs.1227.51 lakhs

II. **Foreign Exchange outgo in term of actual outflows:** Rs. 133.23 lakhs

Annexure - 3

Information as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.**

Name of the Director	Ratio to the median Remuneration
Mr. Rohit Ahuja	8.22
Ms. Preeti Das	6.98

During the year, Mr. Rohit Ahuja and Ms Preeti Das were paid remuneration only for a part of the year. Accordingly, Ratio to the Median Remuneration of the employees has been calculated on the basis of actual remuneration paid to them in the capacity of director for that part of the year and ,therefore, the said Ratio may not be exactly comparable.

The Company has not paid remuneration to any other director during the year 2020-21 except sitting fees to independent directors for attending Board and Board Committee Meetings.

2. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.**

Mr. Rohit Ahuja was appointed as Executive Director w.e.f. 5th May, 2020 for a period of 3 years on the remuneration as approved by the shareholders and there was no increase in his salary during the year. No other director was paid any remuneration except sitting fees to independent directors. The sitting fee payable for attending the board meetings was increased from Rupees 25000/- per board meeting to Rs. 50,000/- per board meeting in the month of February, 2021. Further, there was no increase in salary of CFO/CEO but a reduction of 14.88% in the salary of Company Secretary during the year.

3. **The percentage increase in the median remuneration of employees in the financial year.**

The Percentage increase in the median remuneration of the employees in the FY 2020-21 was 0.36%.

4. **The number of permanent employees on the rolls of company.**

There were 208 Permanent Employees on the rolls of the Company as on 31st March, 2021.

5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

Average percentile increase in the salaries of employees other than the managerial employees (i.e. Directors, CEO, CFO and Company Secretary) was 0.50%.There was no increase in managerial remuneration during the year.

6. **Affirmation that the remuneration is as per the remuneration policy of the Company.**

It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.

7. **Statement showing the particulars of employees in accordance with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

Sl. No.	Name	Designation	Remuneration received (01.04. 2020 - 31.03.2021) in Rs.	Nature of Employment (Contractual or otherwise)	Qualifications and experience of the employee	Date of commencement of employment	Age of employee (Completed year as on 31.03.2021)	Last employment held before joining the Company
1	Preeti Das*	Chief Executive Officer & Executive Director	93,72,896	Permanent	Master Degree in Physics & Electronics	02.11.2018	58 Years	Sutherland Global Services
2	Rajneesh Arora*	Head of Strategic Initiatives	65,58,002	Permanent	MBA & CFA	01.07.2016	47 years	Hotspot Sales & Solutions Private Ltd
3	Rohit Ahuja**	Executive Director	63,84,271	Permanent	Bachelors in Commerce, USA	14.12.2015	45 years	Self Occupied Business
4	Amrish Lakhanpal*	Vice President	57,27,130	Permanent	Diploma in Computer Engineering	01.01.2003	47 Years	Progressive Infotech Pvt Ltd
5	M. R. Bothra	Vice President - Corporate Affairs & Company Secretary	56,07,691	Permanent	FCS, ACMA, M.Com and B. Com	12.08.2010	52 Years	DCM Shriram Consolidated Limited
6	Rahul Bajaj*	Chief Digital Transformation Officer	45,06,103	Permanent	MBA(Corp Strategy) & Master of Science(IT)	12.04.2019	42 Years	Sutherland Global Services
7	Prashant Hansraj	Vice President	41,49,471	Permanent	MCA & BCA	23.01.2017	41 Years	Loyalty Solutions & Research Pvt Ltd
8	Ram Prakash Goyal	Vice President - Taxation	41,24,279	Permanent	CA, B.Com	01.12.2017	62 Years	Avon Mercantile Ltd
9	Ravindra Sarawagi*	Chief Financial Officer	38,87,500	Permanent	CFA, USA (Leve II), CA & B. Com	11.01.2011	38 Years	FIS Global Business Solutions India Pvt Ltd
10	Anuj Malhotra*	Chief Business Officer	34,46,520	Permanent	MBA & B. E. Computer	28.09.2020	41 Years	Infobip

* Employee for a part of the year and accordingly remuneration shown is only for that part for which he/she was in the employment of the Company.

**Appointed as an Executive director w.e.f. 5th May 2020.

None of the above employees is a relative of any director of the Company.

INDEPENDENT AUDITORS' REPORT

To the Members of DiGiSpice Technologies Limited (Formerly known as Spice Mobility Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of DiGiSpice Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31 2021, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Change in Equity, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including the other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone financial statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year March 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITORS' REPORT

S. N.	Key Audit Matter	Auditor's Response
1.	**Revenue Recognition** For the financial year ended 31 March, 2021, the Company has recorded revenue of Rs. 11,122.80 Lakhs. The accounting policies for revenue recognition are set out in Note 2.4 (d) and the different revenue streams of the Company have been disclosed in Note 21 to the standalone financial statements. It involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Revenue recognition is susceptible to the higher risk that the revenue is recognized when performance obligation has not been completed. This was an area of focus for our audit and the area where significant audit effort was directed.	**How our audit addressed the key audit matter:** Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: - Selected samples of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. - Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording revenue. - Selected samples of continuing and new contracts and performed the following procedures: – Read, analyzed and identified the distinct performance obligations in these contracts. – Compared these performance obligations with that identified and recorded by the Company. – Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. – Samples in respect of revenue recorded for time and material contracts were tested using a combination of customer acceptances, subsequent invoicing and historical trend of collections and disputes. – Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. – Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. – Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. We found the Company's revenue recognition to be consistent with its accounting policy. We are satisfied that the Company's revenue has been appropriately recognized and disclosure in the relevant accounting period.

INDEPENDENT AUDITORS' REPORT

S. N.	Key Audit Matter	Auditor's Response
2.	**Income and Deferred Taxes** The company has carried current tax assets of Rs. 4,614.64 Lakhs and deferred tax assets of 1,643.22 Lakhs as at March 31, 2021. The accounting policies for current and deferred tax recognition are set out in Note 2.4 (E) and the breakup of deferred tax have been disclosed in Note 14 to the standalone financial statements. Also refer note no. 32, 35C and 35D of standalone financial statements. There is significant judgement involved in accounting for taxes, particularly given jurisdiction in which the Company operates and exposures to income tax laws in India. This gives rise to complexity and uncertainty in respect of the calculation of income taxes, deferred tax positions. Due to significance to the standalone financial statements as a whole, combined with the judgement and estimation required to determine their values, the evaluation of current tax and deferred tax assets is considered to be a key audit matter.	**How our audit addressed the key audit matter:** We assessed the adequate implementation of the policies and controls regarding current and deferred tax. We evaluated the design and implementation of controls in respect of provisions for current tax and the recognition and recoverability of deferred tax assets. We examined the procedures in place for the current and deferred tax calculations for completeness and valuation and audited the related tax computations and estimates in the light of our knowledge of the tax circumstances. We performed an assessment of the major items impacting the Company's tax expense, balances and exposures. In respect of deferred tax assets, we assessed the appropriateness of management's assumptions and estimates, including the likelihood of generating sufficient future taxable income to support deferred tax assets on tax losses carried forward and MAT credit entitlement, which shall be available for utilization in future. We found that tax provision and deferred tax assets are appropriately recognized and disclosed in the standalone financial statement.
3.	**Valuation of trade receivables** We refer to Note 9 and Note 2.4 (Q) to the standalone financial statements. As disclosed in Notes to the standalone financial statements, the Company assesses periodically and at each reporting date, the expected credit loss associated with its receivables. When there is expected credit impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics. The carrying amount of trade receivables of the company was Rs. 3,018.76 Lakhs as at March 31, 2021. We focused on this area because of its significance and the degree of judgement required to estimate the expected credit loss and determining the carrying amount of trade receivables as at the reporting date.	**How our audit addressed the key audit matter:** We obtained an understanding of the Company's credit policy for trade receivables, process of approvals and terms and conditions and evaluated the process for identifying impairment indicators. We have reviewed and tested the ageing of trade receivables and management's assessment on the credit worthiness of selected customers for trade receivables. We further discussed with the key management on the adequacy of the allowance for credit losses recorded by the Company and reviewed the supporting documents provided by management in relation to their assessment. We have also reviewed adequacy and appropriateness of allowance for credit impairment based on available information. Based on our audit procedures performed, we found management's assessment of the recoverability of trade receivables to be reasonable and the disclosures to be appropriate.
4.	**Valuation of Non-current investments** As disclosed in Note 6 to the financial statements. As at March 31, 2021, the total carrying amount of Non-current investments was Rs. 8,281.49 Lakhs. Non-current investments in unquoted equity shares. Impairment of unquoted non-current investments involves significant estimation uncertainty, subjective assumptions and the application of significant judgment. This was an area of focus for our audit and the area where significant audit effort was directed.	**How our audit addressed the key audit matter:** Our audit procedures included updating our understanding of the processes employed by the Company for accounting and valuing their non-current investments. We have verified that the Company was the recorded owner of all investments. Our audit procedures over the valuation of the Investments included reviewing valuation of all Investments held as at March 31, 2021. Based on the audit procedures performed we are satisfied with existence and valuation of investment.

INDEPENDENT AUDITORS' REPORT

Other Information

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available 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. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Responsibilities of Management for the Standalone Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including Other comprehensive Income, Statement of change in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;

   (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

   (g) The Company has paid/provided for remuneration to its directors in compliance with the relevant provisions of section 197 of the Act;

INDEPENDENT AUDITORS' REPORT

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 35C and 35D to the standalone financial statements;

ii. The Company did not have material foreseeable losses in long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani
Partner
Membership No.088926
UDIN: 21088926AAAAHK4937

Place: Noida (Delhi-NCR)
Date: June 09, 2021

INDEPENDENT AUDITORS' REPORT

Annexure A referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: DiGispice Technologies Limited)

(i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.

b. The Company has a planned programme of physical verification of its Property, Plant and Equipment by which all its Property, Plant and Equipment are physically verified once in three years. In accordance with this programme, no physical verification its Property, Plant and Equipment was conducted during the year. In our opinion, this periodicity of physical verification is not reasonable having regard to size of the Company and nature of its assets.

c. The title deed of immovable properties included in Property, Plant and Equipment, Right of Use Assets and Investments Property are held in the name of the Company except Land & Building having carrying value of Rs. 279.54 Lakhs and Building having carrying value of Rs 275.39 Lakhs as on March 31, 2021 acquired in earlier year pursuant the Scheme of Arrangement is yet to be transferred in the name of the Company (refer note no. 38 of standalone financial statements).

(ii) The Company has no inventory as on March 31, 2021. Therefore, provisions of clause 3(v) of the Order are not applicable to the Company.

(iii) The Company has converted money receivable from a subsidiary company pursuant the Scheme of Arrangement (refer note no. 38 of standalone financial statements) into loan during the year. The terms and condition of this loan not prejudicial to the interest of the Company. No principal amount were due during the year. Interest on the loan has been received wherever became due during the year. The Company has not granted any loan to any other company, Firms, Limited Liability Partnership or any other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the year.

(iv) The Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of loans granted/renewed during the year. The Company has not granted any loan or guarantee given or security provided under section 185 of the Companies Act, 2013 and no investment made, guarantee given or security provided under section 186 of the Companies Act, 2013 during the year.

(v) The Company has not accepted any deposit covered under sections 73 to 76 of the Companies Act, 2013 during the year. Therefore, provisions of clause 3(v) of the Order are not applicable to the Company.

(vi) The maintenance of cost records prescribed under the section 148 (1) of the Act read with Companies (Cost Records and Audit) Rules, 2014 was not applicable to the Company. Therefore, provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii) a. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues deducted/ accrued in the books, with the appropriate authorities. There were no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable.

b. According to the records of the Company, there are no dues outstanding of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, other than the followings:

Name of the Statute	Nature of dues	Amount (Rs. In Lakhs)*	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	246.28	2008-09	Supreme Court
Finance Act, 1994	Service Tax	223.28	April 2008 to March 2009	Appellate Tribunal Chandigarh

* including interest and penalty and after deduction of amount deposited.

Note: Enhancement of income matters remanded back to ITAT pertaining to A.Y. 2011-12 of Rs. 685.42 and remanded back to Assessing officer pertaining to AY 2010-11 of Rs. 423.39 Lakhs is not included above.

INDEPENDENT AUDITORS' REPORT

(viii) The Company has not defaulted in repayment of dues to banks. The Company did not have any borrowing from Government and Financial Institution and dues to debenture holders.

(ix) During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The Company has not raised any term loan during the year.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers and employees has been noticed or reported during the year

(xi) The Company has paid/provided for remuneration to its directors in compliance with the relevant provisions of section 197 of the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company. Therefore, provisions of clause 3(xii) of the Order are not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with section 177 and Section 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Therefore, the provisions of clause 3(xv) of the Order is 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.

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani
Partner
Membership No.088926
UDIN: 21088926AAAAHK4937

Place: Noida (Delhi-NCR)
Date: June 09, 2021

INDEPENDENT AUDITORS' REPORT

ANNEXURE B

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

We have audited the internal financial controls with reference to standalone financial statements of DiGispice Technologies Limited ('the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to as audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements of and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company ; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INDEPENDENT AUDITORS' REPORT

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of Internal Financial Controls Over Financial Reporting 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 over financial reporting with reference to financial statements to future periods are subject to the risk that the internal financial controls over financial reporting 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

In our opinion the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021 based on the internal control over the financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani
Partner
Membership No.088926
UDIN: 21088926AAAAHK4937

Place: Noida (Delhi-NCR)
Date: June 09, 2021

STANDALONE BALANCE SHEET

as at 31 March 2021

(Amount in Rs. Lakhs)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
Assets			
Non-current assets			
Property, plant and equipment	3	593.61	1,055.83
Right of Use Assets	3A	118.53	122.78
Investment property	4	1,477.01	1,576.15
Other intangible assets	5	139.47	531.25
Intangible assets under development	5	164.96	-
Financial assets			
(i) Investments	6	8,281.49	8,329.28
(ii) Loans	7	2,305.21	470.42
(iii) Other financial assets	8	180.00	13.17
Deferred tax assets (Net)	14	1,643.22	1,622.53
Non current tax assets (Net)	12	4,614.64	4,378.23
Other Non current assets	13	4.12	68.31
Total non-current assets		**19,522.26**	**18,167.95**
Current assets			
Financial assets			
(i) Investments	6	-	-
(ii) Trade receivables	9	3,018.76	4,443.09
(iii) Cash and cash equivalents	10	1,095.67	843.68
(iv) Bank balance other than (iii) above	11	2,812.04	1,799.64
(v) Loans	7	20.43	2,885.80
(vi) Other financial assets	8	1,578.58	2,182.12
Other current assets	13	131.05	322.09
Total current assets		**8,656.53**	**12,476.42**
Total assets		**28,178.79**	**30,644.37**
Equity and liabilities			
Equity			
Equity share capital	15	6,069.85	6,055.02
Other equity	15A	15,861.17	16,176.89
Total equity		**21,931.02**	**22,231.91**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16	-	-
(ii) Other financial liabilities	18	10.47	68.46
Provisions	19	365.18	585.81
Other Non Current liabilities	20	16.40	-
Total non-current liabilities		**392.05**	**654.27**
Current liabilities			
Financial liabilities			
(i) Borrowings	16	1,329.58	1,436.53
(ii) Trade payables	17		
- total outstanding dues of micro and small enterprises		4.90	18.58
- total outstanding dues of creditors other than micro and small enterprises		3,914.83	5,468.90
(iii) Other financial liabilities	18	314.53	522.28
Provisions	19	67.90	199.85
Other Current liabilities	20	223.98	112.05
Total current liabilities		**5,855.72**	**7,758.19**
Total equity and liabilities		**28,178.79**	**30,644.37**
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For and on behalf of the board of directors

For **Singhi & Co.**
Chartered Accountants
Firm registration number: 302049E

Rohit Ahuja
Executive Director
DIN : 0065417

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN : 00012223

Bimal Kumar Sipani
Partner
Membership no.: 088926

Vinit Kishore
Chief Financial Officer

M R Bothra
Vice President - Corporate Affairs and Company Secretary

Place : Noida
Date : June 09, 2021

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2021

(Amount in Rs. Lakhs)

Particulars		Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Income				
I.	Revenue from services	21	11,122.80	12,129.93
II.	Other income	22	1,916.65	1,067.25
III.	**Total Income (I+II)**		13,039.45	13,197.18
IV.	**Expenses**			
	Cost of goods and services procured	23	233.78	146.90
	Cost of services rendered	24	8,338.53	7,138.22
	Employee benefits expense	25	2,228.35	3,486.10
	Finance costs	26	124.50	259.89
	Depreciation and amortisation expense	27	751.43	918.30
	Other expenses	28	1,596.04	2,524.00
	Total expenses (IV)		**13,272.63**	**14,473.42**
V.	**Profit/(loss) before exceptional items and tax (III-IV)**		**(233.18)**	**(1,276.24)**
VI.	**Exceptional items**	30	(49.88)	(6,786.69)
VII.	**Profit/(loss) before tax (V+VI)**		**(283.06)**	**(8,062.93)**
VIII.	**Tax expense:**			
	(1) Current tax	32		
	- for current year		49.16	189.35
	- for earlier years		91.13	-
	(2) Deferred tax credit	32	(20.69)	(373.36)
	Total Income tax expense (VIII)		**119.60**	**(184.01)**
IX.	**Profit/(loss) for the year (VII-VIII)**		**(402.66)**	**(7,878.92)**
X.	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss	31		
	Remeasurement gain/(loss) of defined benefit plan		2.72	(38.51)
	Income tax impact on above item		-	10.71
	Other comprehensive income for the year (X)		**2.72**	**(27.80)**
XI.	**Total comprehensive income for the year (IX+X) Comprising Profit/(Loss) and Other Comprehensive income for the year)**		**(399.94)**	**(7,906.72)**
XII.	**Earnings per share(attributable to equity holders of the Company) (nominal value of share Rs. 3)**	33	(0.18)	(3.46)
	Basic and Diluted (in Rs.)			
Summary of significant accounting policies		2		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For and on behalf of the board of directors

For **Singhi & Co.**
Chartered Accountants
Firm registration number: 302049E

Rohit Ahuja
Executive Director
DIN : 0065417

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN : 00012223

Bimal Kumar Sipani
Partner
Membership no.: 088926

Vinit Kishore
Chief Financial Officer

M R Bothra
Vice President - Corporate Affairs and Company Secretary

Place : Noida
Date : June 09, 2021

STANDALONE STATEMENT OF CASH FLOW

for the year ended 31 March 2021

(Amount in Rs. Lakhs)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES			
Profit/(Loss) before tax		**(283.06)**	**(8,062.93)**
Adjustments for :			
Exceptional items			
Provision for diminution in the value of Investments		49.88	5,000.64
Provision made/(written back) for doubtful debts and loans and advances		-	1,603.71
Depreciation and amortisation expense		751.43	918.30
(Profit)/Loss on disposal of property, plant and equipment (net)		(355.13)	19.89
Employee ESOP Compensation		31.46	26.94
Interest income		(701.31)	(382.33)
Net gain on sale of current investments in mutual fund units measured at FVTPL			1.21
Unclaimed balances written back		(128.09)	(29.52)
Net Rental (Income)/Expense on investment properties		(165.50)	(93.15)
Interest expense		124.50	249.27
Asset written off		-	4.50
Provision for doubtful investments		-	0.50
Bad debts written off		155.36	-
Provision for doubtful rent and other receivables		91.71	-
Irrecoverable balances written off		-	17.65
Reversal of provision for loss allowances		(521.57)	102.52
Operating (loss) before working capital changes		**(950.32)**	**(622.80)**
Movements in working capital:			
(Increase)/Decrease in trade receivables		1,790.55	758.46
(Increase)/Decrease in other receivables		1,196.64	1,390.97
(Decrease)/Increase in trade payables		(1,439.67)	89.60
(Decrease)/Increase in other payable		(137.45)	(378.94)
(Decrease)/Increase in provisions		(349.87)	34.44
Cash (used in) operations		**109.88**	**1,271.73**
Direct taxes paid (net of refunds)		(82.80)	(1,042.32)
Net cash (used in) operating activities	**(A)**	**27.08**	**229.41**
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Purchase of property, plant and equipment (including capital work in progress and capital advances)		(10.15)	(37.56)
Purchase of intangible assets (Including intangible assets under development)		(172.46)	(227.77)
Proceeds from disposal of property, plant and equipment		578.73	7.03
Net movement in current- investments		-	238.09
Loans given to a subsidiary		-	(300.00)
Loans (given)/repaid by a company		(21.29)	150.06
Received against loan/money receivable from a subsidiary company		797.88	1,073.17
Net Rental Income/(Expense) on investment property		165.50	93.15
Interest received		231.86	244.55
Net Movement in Fixed deposits		(1,179.22)	584.02
Net cash from investing activities	**(B)**	**390.85**	**1,824.74**

STATEMENT OF CASH FLOW

for the year ended 31 March 2021

(Amount in Rs. Lakhs)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES			
Proceeds/(repayment) from current borrowings (net)		168.20	(1,093.89)
Proceeds from share capital issued		14.83	-
Securities premium received on share capital issued		50.67	-
Dividend Paid (including dividend distribution tax)		-	(1,150.04)
Interest paid		(124.50)	(249.27)
Net cash from financing activities	**(c)**	**109.20**	**(2,493.20)**
Net Increase/(decrease) in cash and cash equivalents (A + B + C)		527.13	(439.05)
Cash and cash equivalents at the beginning of the year		303.69	742.74
Cash and cash equivalents at the end of the year		**830.82**	**303.69**
(i) Components of cash and cash equivalents:			
Cash on hand		1.53	1.26
With banks			
- on current accounts		1,094.14	761.60
- Deposits with original maturity of less than three months		-	80.82
Bank overdrafts		(264.85)	(539.99)
Total cash and cash equivalents (Note no. 10 and 16)		**830.82**	**303.69**

(Amount in Rs. Lakhs)

ii) Movement in financial liabilities	**Current borrowings**	**Non-current borrowings**	**Interest expense on financial liabilities**	**Total**
As at 1 April 2020	896.52		-	896.52
Cash flows	168.20	-	-	168.20
Interest expenses	-	-	124.50	124.50
Interest paid	-	-	(124.50)	(124.50)
As at 31 March 2021	**1,064.72**	**-**	**-**	**1,064.72**
As at 1 April 2019	1,990.41	-		1,990.41
Cash flows	(1,093.89)	-	-	(1,093.89)
Interest expenses	-	-	249.27	249.27
Interest paid	-	-	(249.27)	(249.27)
As at 31 March 2020	**896.52**	**-**	**-**	**896.52**

Summary of significant accounting policies 2

Cash used in operating activities for the year ended 31 March 2020 is after considering Corporate Social Responsibility Expenditure of Rs. Nil (31 March 2020: Rs. 25 Lakhs)

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS – 7 "Statement of Cash Flows"

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm registration number: 302049E

Bimal Kumar Sipani
Partner
Membership no.: 088926

Place : Noida
Date : June 09, 2021

For and on behalf of the board of directors

Rohit Ahuja
Executive Director
DIN : 0065417

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN : 00012223

Vinit Kishore
Chief Financial Officer

M R Bothra
Vice President - Corporate Affairs and Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

A : Equity share capital

	Number of shares	(Amount in Rs Lakhs)
Balance as at 01 April 2019* #	**20,18,30,219**	**6,054.90**
Change in equity share capital during the year		
Add : Additional Shares issued pursuant to scheme of arrangement**	4,003	0.12
Balance as at 31 March 2020*	**20,18,34,222**	**6,055.02**
Change in equity share capital during the year		
Add : Shares issued under ESOP 2018 Scheme	4,94,314	14.83
Balance as at 31 March 2021*	**20,23,28,536**	**6,069.85**

* Equity shares are net off 26,067,843 equity shares as on 31 March, 2021, (26,067,843 Equity shares are net off 26,067,843 equity shares as on 31 March, 2020 and 22,78,63,982 equity share as on 1 April, 2019) held by Employee benefit Trust and Independent Non Promoter Trust. (refer note no. 43)

includes estimated 34080 equity shares pending for issue pursuant to scheme of arrangement (Refer note no.38) which have been issued during the previous year.

** Difference between the actual number of shares alloted (38083 equity shares) and the estimated number of shares (34080 equity shares) pursuant to scheme of arrangement.

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

B : Other equity

For the year ended 31 March 2021 **(Amount in Rs Lakhs)**

	Trust Shares (Refer note 44)	Reserves and Surplus						Other Comprehensive Income	Total
		Capital reserve (i)	Share Based Payment Reserve (ii)	Capital Redemption Reserve (iii)	General Reserve (iv)	Security Premium(v)	Retained Earnings (vi)	Remeasurement gain/(loss) on defined benefit plan, net of tax impact (from OCI)	
As at April 01, 2019	**161.19**	**429.36**	**602.57**	**306.66**	**6,101.11**	**-**	**8,576.00**	**-**	**16,176.89**
Profit/(Loss) for the year	-	-	-	-	-	-	(402.66)	-	(402.66)
Other comprehensive income (net of tax)	-	-	-	-	-	-	2.72	-	2.72
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(399.94)**	**-**	**(399.94)**
Transfer on issue of shares under ESOP Scheme 2018 (refer note no.39)	-	-	(33.27)	-	-	33.27	-	-	-
Shares issued under ESOP 2018 Scheme (refer note no.39)	-	-	-	-	-	50.67	-	-	50.67
Share based payment to employees of the Group#	-	-	90.29	-	-	-	(56.74)	-	33.55
As at March 31, 2021	**161.19**	**429.36**	**659.59**	**306.66**	**6,101.11**	**83.94**	**8,119.32**	**-**	**15,861.17**

For the year ended 31 March 2020

	Trust Shares (Refer note 44)	Capital reserve (i)	Share Based Payment Reserve (ii)	Capital Redemption Reserve (iii)	General Reserve (iv)	Security Premium(v)	Retained Earnings (vi)	Other Comprehensive Income Remeasurement gain/(loss) on defined benefit plan, net of tax impact (from OCI)	Total
As at April 01, 2019	**161.19**	**429.48**	**449.42**	**306.66**	**6,101.11**		**17,773.54**	**2.93**	**25,224.33**
Profit/(Loss) for the year	-	-	-	-	-		(7,878.92)	-	(7,878.92)
Other comprehensive income (net of tax)	-	-	-	-	-		(27.80)	-	(27.80)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**		**(7,906.72)**	**-**	**(7,906.72)**
Dividend paid including DDT	-	-	-	-	-	-	(1,150.04)	-	(1,150.04)
Transfer OCI to Retained Earnings	-	-	-	-	-		2.93	(2.93)	-
Pursuant to scheme of arrangement (refer note38)	-	(0.12)	-	-	-	-	-	-	(0.12)
Share based payment to employees of the Group #	-	-	153.15	-	-	-	(143.71)	-	9.44
As at March 31, 2020	**161.19**	**429.36**	**602.57**	**306.66**	**6,101.11**	**-**	**8,576.00**	**-**	**16,176.89**

Rs. 56.74 Lakhs (Previous year-Rs. 143.71 Lakhs) represents value of stock options granted to employees of Holding Company under "Employee Stock Option Plan 2018" , refer note 39.

Notes:

(i) Capital reserve represent reserve created pursuance to scheme of arrangement (refer note no. 38) and can be utilized in accordance with the provisions of the Companies Act, 2013.

(ii) Share based payment reserve relates to stock options granted to employees (including employees of holding company and Subsidiary companies) under "Employee Stock Option Plan 2018" and shall be transferred to securities premium account/retained earnings on exercise/cancellation of options (refer note no.39).

(iii) Capital redemption reserve represents amount created upon cancellation of shares pursuant to buy back of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

(iv) General reserve represents free reserve amount appropriated out of retained earnings.

(v) This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

(vi) Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm registration number: 302049E

Bimal Kumar Sipani
Partner
Membership no.: 088926

Place : Noida
Date : June 09, 2021

For and on behalf of the board of directors

Rohit Ahuja
Executive Director
DIN : 0065417

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN : 00012223

Vinit Kishore
Chief Financial Officer

M R Bothra
Vice President - Corporate Affairs and Company Secretary

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

as at and for the year ended 31 March 2021

1. Corporate information

The Standalone financial statements comprise financial statements of Digispice Technologies Limited ("the Company") for the year ended 31 March 2021.

The Company is domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its share are listed in National Stock Exchange of India Limited and BSE Limited in India.

The Company is primarily engaged into the Information and Communication Technology business providing Value Added Services, and Mobile Content services to the domestic/international Telecom Operators. Also, the Company undertakes development and sale of telecom related software.

The registered office of the Company is situated at 622, 6th Floor, DLF Tower A, Jasola Distt Centre, New Delhi – 110025 .

These financial statements were approved for issue by Board of Directors of Company in their meeting held on 09th June 2021.

2. Summary of Significant accounting policies

2.1 Statement of Compliance:-

The financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

2.2 Basis of preparation

The financial statements have been prepared under the historical cost convention on accrual basis except for the followings:

i. Non-current borrowings and lease liabilities are initially measured at amortised cost.

ii. Current investments are measured at fair value at each reporting date.

iii. Defined benefit plans and other long-term employee benefits are measured at fair value at each reporting date.

These financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all periods presented in the financial statements.

The financial statements are presented in Rs. Lakhs and all values are rounded upto two decimal places, except when otherwise indicated.

2.3 Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

2.4 Summary of significant accounting policies

A. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised 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

All other assets are classified as non-current.

A liability is 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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

as at and for the year ended 31 March 2021

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

B. Foreign currencies

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at currency spot rates at the date transaction first qualifies for recognition.

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

C. Fair value measurement

The Company measures financial instruments, such as investments etc. at fair value at each balance sheet date .

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability (The principal or the most advantageous market must be accessible by the Company.)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

as at and for the year ended 31 March 2021

D. Revenue recognition

Sale of goods

The Company recognises revenue from sale of goods when effective control of goods have been passed along with all the following conditions are satisfied:

i) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

ii) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

iii) The amount of revenue can be measured reliably;

iv) It is probable that the economic benefits associated with the transaction will flow to the Company; and

v) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, etc. The Company considers shipping and handling activities as costs to fulfil the promise to transfer the related products and the customer payments for shipping and handling costs are recorded as a component of revenue.

Sale of software/hardware (customised bundled solution) and software services

Revenue is recognised based on milestone achieved by the Company on development of software's, and invoice for that milestone raised on the customer.

The Company derives revenues primarily from software development and related services and from the licensing of software products. Arrangements with customers for software related services are either on a fixed-price, fixed-time frame or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the balance sheet date, which has not been billed, is recognized as unbilled revenues. Revenue from fixed-price, fixed-time frame contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognized rateably over the term of the underlying maintenance arrangement.

Income from services

Revenue from value added services are recognized as per arrangement with the customers at the end of each month/period in which the services are rendered.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental income

Rental income arising from operating leases on investment properties and leasehold improvements is accounted for on a straight-line basis over the lease terms unless the payments by the lessee are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Rental income is included in other income in the statement of profit or loss.

Goods and service tax (GST), wherever applicable, is not received by the Company on its own account. GST is collected on behalf of the government, accordingly, it is excluded from revenue.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

as at and for the year ended 31 March 2021

E. Taxes

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Current income tax includes tax paid on foreign income in accordance with the tax laws applicable in the respective jurisdiction. The foreign taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income.

Current tax, relating to items recognised outside the statement of profit or loss, is recognised directly either in other comprehensive income or in equity in correlation to the underlying transaction. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences other than the deferred tax liability arises from the initial recognition of an asset or liability in a transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying value 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.

Deferred tax, relating to items recognised outside the statement of profit or loss, is recognised directly either in other comprehensive income or in equity in correlation to the underlying transaction.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax relate to the same taxable entity and the same taxation authority.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specifi ed period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets.

The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

F. Property, plant and equipment (PPE)

The Company has elected to continue with the carrying value for all of its property, plant & equipment, as recognised in its Indian GAAP financial statements as deemed cost at the Ind AS transition date, viz., 1 April 2015 .

Capital work in progress, property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

as at and for the year ended 31 March 2021

Depreciation is calculated on cost of PPE less their estimated residual values over their estimated useful lives using straight line method and is recognised in Statement of Profit and loss .The estimated useful lives of items of PPE for the current and comparative periods are as follows:

Particulars	Useful Life(estimated by management)
- Building	period of lease, or useful life of 25 years, whichever is lower
- Plant and Machinery	15 Years
- Computers(other than servers etc.)	3-5 Years
- Server	6 Years
- Leasehold Improvements	period of lease, or useful life of 1-9 years, whichever is lower
- Furniture and fittings	3-10 Years
- Office equipment's (other than mobile handsets)	2-7 Years
- Mobile handsets	3 Years
- Vehicles	8-10 years

The Company, based on assessment made, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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 Derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

G. Investment properties

The Company has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial statements as deemed cost at the Ind AS transition date, viz., 1 April 2015.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

If Company classify a property as an investment property on the basis of its use, which was previously classified under "property, plant and equipment", then on the date of reclassification, the cost of investment property will be the carrying value of that property.

The Company depreciates building component of investment property over 60 years from the date of original purchase. Furniture & fixture and office equipment, which form part of investment property are depreciated at useful life mentioned in para F.

The Company depreciates building (on leasehold land) component of investment property over the leasehold period of land.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by external independent valuers.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of derecognition.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

as at and for the year ended 31 March 2021

The residual values, useful lives and methods of depreciation of investment properties are reviewed at each financial year end and adjusted prospectively, if appropriate.

H. Intangible assets

The Company has elected to continue with the carrying value for all of its intangible assets as recognised in its Indian GAAP financial statements as deemed cost at the Ind AS transition date, viz., 1 April 2015.

Intangible assets (software) acquired separately are measured on initial recognition at cost. Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The Company capitalises intangible asset under development for a project in accordance with its accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

Software (In-house Developed) product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economical benefits are probable, the company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include material cost, employee benefits and other overhead cost that are directly attributable to preparing the asset for its intended use.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss.

Intangible assets are amortised using the Straight Line Method over their estimated useful lives as follows :

Intangible Asset	Estimated Useful Life
Computer Software (Office)	3 Years
Computer Software (Site)	5 Years
In-house developed Software	5 Years
Intellectual Property Right	5 Years
Web site Development Cost	3 Years

Gains or losses arising from Derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

I. Investment in subsidiaries, associates and joint ventures

Investment in subsidiaries, associates and joint ventures are measured usually at cost. Subsequent to initial recognition, investment in subsidiaries, associates and joint ventures are stated at cost less impairment loss, if any.

Investment in subsidiaries, associates and joint ventures are derecognized when they are sold or transferred. The difference between the net proceeds on sales and the carrying amount of the asset is recognized in statement of profit and loss in the year of Derecognition.

J. Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

K. Leases

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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

as at and for the year ended 31 March 2021

Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

Company as a lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term. If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

Lease Liability

The lease payments that are not paid at the commencement date, are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

as at and for the year ended 31 March 2021

The ROU assets are presented as a separate line in the Balance Sheet and details of assets are given ROU note under "Notes forming part of the Financial Statement".

The Company applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

L. Inventories

Inventories comprise of traded goods which are valued at the lower of cost and net realisable value.

Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

M. Impairment of non-financial assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

N. Provisions, Contingent Liabilities and Contingent Assets

Based on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date. A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

O. Retirement and other long term employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Company operates a defined benefit plan i.e. gratuity plan. The liability as at the year end represents the actuarial valuation of the gratuity liability of continuing employees as at the end of the year. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Refer note no. 34

Remeasurement comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non- routine settlements; and
- Net interest expense or income

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

as at and for the year ended 31 March 2021

Liabilities recognised in respect of other longterm employee benefits such as annual leave and sick leave are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. These obligations are valued annually by independent qualified actuaries.

P. Share-based payments

The company recognises compensation expense relating to share-based payment in statement of profit and loss using fair value in accordance with Ind AS 102 "Share-based Payment" except the value of Stock Options to employees of the subsidiary companies and holding company are considered as investment and directly reduced from the retained earnings respectively.

'The Company initially measures the cost of equity-settled transactions with employees using Black and Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. Vesting conditions, other than market conditions i.e. performance based condition are not taken into account when estimating the fair value. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 39.

Q. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

1) Debt instruments at amortised cost

2) Equity instruments at fair value through other comprehensive income (FVTOCI)

3) Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

Debt instrument at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised 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 amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at 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 FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

as at and for the year ended 31 March 2021

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either
  (a) the Company has transferred substantially all the risks and rewards of the asset
  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables and all other financial assets with no significant financing component is measured at an amount equal to 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured for specific assets. 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 recognized as a provision for Loss allowance in statement of profit and loss..

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

as at and for the year ended 31 March 2021

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised 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 Derecognition 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 or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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 realise the assets and settle the liabilities simultaneously.

R. Trust Shares as per Scheme of Amalgamation (refer Note 44)

In pursuance to a Scheme of Amalgamation effected in Financial year 2010-11 following trusts were created:

- Independent Non-Promoter Trust ("NPT')
- Independent Non-Promoter (Spice Employee Benefit) Trust ('EBT')

EBT holds equity shares of the Company for the benefit of the employees of the Company, its associates and subsidiaries and NPT holds equity shares for the benefit of the company. Considering conservative interpretation of Ind AS 32, number of equity shares held by the NPT and EBT are reduced from total number of issued equity shares.

Equity shares that are held by two trusts are recognised at cost and deducted from Equity / Other Equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments which is directly adjusted with equity and other equity.

S. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Company's cash management.

T. Business Combinations

Business Combination other than Common Control

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the company and fair value of any assets or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

as at and for the year ended 31 March 2021

At the acquisition date, the identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values. However, certain assets and liabilities i.e. deferred tax assets or liabilities, assets or liabilities related to employee benefit arrangements, liabilities or equity instruments related to share-based payment arrangements and assets or disposal groups that are classified as held for sale, acquired or assumed in a business combination are measured as per the applicable Ind AS.

Measuring Goodwill or a gain from Bargain Purchase

The excess/(short) of the sum of the consideration transferred and the acquisition-date fair value of any previous equity interest in the acquired entity over the acquisition-date fair value of the net identifiable assets (net of identifiable assets acquired and liabilities assumed/contingent consideration) acquired is recognised as goodwill/(bargain purchase gain). Any gain on a bargain purchase is recognised in other comprehensive income and accumulated in equity as Capital Reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase, otherwise the gain is recognised directly in equity as Capital Reserve.

Business Combination under Common Control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts.

U. Earnings per share

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders (after deducting the redeemable preference share dividend) by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is calculated by dividing the net profits attributable to equity shareholders (after deducting dividend on redeemable preference shares) by the weighted average number of equity shares outstanding during the year (adjusted for the effects of dilutive options).

V. Recent Accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015, as amended, include:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

"The amendments are extensive and the Company will evaluate the same to give effect to them as required by law."

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

3 Property ,plant and equipment and capital work in progress

(Amount in Rs. Lakhs)

Particulars	Leasehold Land	Building	Leasehold Improvement	Plant and Machinery	Office Equipment's	Furniture and Fittings	Computers	Vehicles	Total
Gross block									
As at 01 April 2019	133.16	211.71	1,738.11	374.08	323.51	313.48	1,438.82	156.86	4,689.73
Additions during the year	-	-	18.11	-	1.55	0.50	14.65	2.76	37.57
Disposals					(9.47)	(37.18)			(46.65)
Transfer to Right of Use Assets	**(133.16)**								**(133.16)**
At 31 March 2020	-	211.71	1,756.22	374.08	315.59	276.80	1,453.47	159.62	4,547.49
Additions during the year	-	-		-	-		10.15		10.15
Disposals			(1,717.96)	(374.08)	(192.43)	(234.78)			(2,519.25)
Transfer to Right of Use Assets									-
At 31 March 2021	**-**	**211.71**	**38.26**	**-**	**123.16**	**42.02**	**1,463.62**	**159.62**	**2,038.39**
Accumulated depreciation									
As at 01 April 2019	**6.12**	**33.66**	**1,339.90**	**133.96**	**267.29**	**181.51**	**871.40**	**81.67**	**2,915.51**
Depreciation for the year		8.48	337.61	33.58	16.28	42.68	151.61	11.75	601.99
Disposals					(6.06)	(13.66)			(19.72)
Transfer to Right of Use Assets	(6.12)								(6.12)
At 31 March 2020	**-**	**42.14**	**1,677.51**	**167.54**	**277.51**	**210.53**	**1,023.01**	**93.42**	**3,491.66**
Depreciation for the year		8.49	65.64	16.78	7.91	21.02	120.98	12.46	253.28
Disposals	-	-	(1,717.65)	(184.33)	(188.90)	(205.34)	-	-	(2,296.22)
Adjustment	-	0.07	-	-	-	-	(0.36)	(3.65)	(3.94)
Transfer to Right of Use Assets	-	-	-	-	-	-	-	-	-
At 31 March 2021	**-**	**50.70**	**25.50**	**(0.01)**	**96.52**	**26.21**	**1,143.63**	**102.23**	**1,444.78**
Net Carrying Value									
At 31 March 2020	**-**	**169.57**	**78.71**	**206.54**	**38.08**	**66.27**	**430.46**	**66.20**	**1,055.83**
At 31 Mar 2021	**-**	**161.01**	**12.76**	**0.01**	**26.64**	**15.81**	**319.99**	**57.39**	**593.61**

Notes:

a. Above Building situated at Dehradun given as security against bill discounting, bank guarantee and limit taken from a bank. This Building is pending transfer in the name of the Company in pursuance to Scheme of Arrangement became applicable from appointment dated 01 April, 2017. Refer note no 38.

b. Property plant and equipment include the following assets being commonly utilized with other subsidiaries for which necessary usage charges is recovered by the company. These assets have been sold to step down subsidiary "Kimaan Exports Private Limited" during the year.

(Amount in Rs. Lakhs)

Particulars	Gross Block		Depreciation		Accumulated Depreciation	
	As at 31 March 2021	As at 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	As at 31 March 2021	As at 31 March 2020
Leasehold improvement	-	1,756.21	65.64	337.64	-	1,359.45
Furniture and Fittings	-	276.80	21.02	42.68	-	169.69
Plant and Machinery	-	374.08	16.78	33.58	-	150.74
Office Equipment	-	315.59	7.91	16.28	-	215.71
Total	**-**	**2,722.68**	**111.35**	**430.19**	**-**	**1,895.59**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

3A. Right of Use Assets

(Amount in Rs. Lakhs)

Particulars	**Lease hold Land**
Cost as at March 31, 2019	-
Transfer from Property, Plant & Equipment as per Ind AS 116 *	133.16
Cost as at April 01, 2020	**133.16**
Sold/discarded during the period	-
Adjustment during the period	-
Cost as at March 31, 2021	**133.16**
Accumulated depreciation as at Marchl 31, 2019	-
Transfer from Property, Plant & Equipment as per Ind AS 116 *	6.12
Depreciation for the period	4.26
Accumulated depreciation as at March 31, 2020	10.38
Depreciation for the period	**4.25**
Accumulated depreciation as at March 31, 2021	14.63
Net carrying value as on March 31, 2020	122.78
Net carrying value as on March 31, 2021	**118.53**

Above leasehold land situated at Dehradun given as security against bill discounting, bank guarantee and limit taken from a bank. This leasehold land is pending transfer in the name of the Company in pursuance to Scheme of Arrangement became applicable from appointment dated 01 April, 2017. Refer Note no 38.

4 Investment Property

(Amount in Rs. Lakhs)

Particulars	**Free hold land**	**Lease hold land**	**Building**	**Office Equipment's**	**Furniture and Fittings**	**Total**
Gross block						
As at 01 April 2019	**8.00**	**264.63**	**1,733.05**	**79.35**	**12.16**	**2,097.19**
At 31 March 2020		**264.63**	**1,733.05**	**79.35**	**12.16**	**2,097.19**
At 31 March 2021	**8.00**	**264.63**	**1,733.05**	**79.35**	**12.16**	**2,097.19**
Accumulated depreciation/ amortisation						
As at 01 April 2019	-	95.60	243.51	75.28	6.28	420.67
Depreciation/Amortisation for the year	-	23.90	73.85	-	2.62	100.37
At 31 March 2020		**119.50**	**317.36**	**75.28**	**8.90**	**521.04**
Depreciation/Amortisation for the year		23.65	72.53	-	2.61	98.79
Disposals	-	-	-	-	-	-
Adjustment		0.88	(3.28)	4.07	(1.32)	0.35
At 31 March 2021	**-**	**144.03**	**386.61**	**79.35**	**10.19**	**620.18**
Net Carrying Value						
At 31 March 2020	**8.00**	**145.13**	**1,415.69**	**4.07**	**3.26**	**1,576.15**
At 31 March 2021	**8.00**	**120.60**	**1,346.44**	**-**	**1.97**	**1,477.01**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

Notes:

a. Information regarding income and expenditure of Investment properties

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Rental income derived from investment properties	199.52	130.39
Less: Direct operating expenses (including repairs and maintenance) generating rental income	20.05	22.68
Less: Direct operating expenses (including repairs and maintenance) that did not generate rental income	13.97	14.57
Profit arising from investment properties before depreciation and indirect expenses	**165.50**	**93.15**
Less - Depreciation	98.79	100.38
Profit arising from investment properties before indirect expenses	**66.71**	**(7.23)**

b. The Company's investment properties as on 31 March 2021 and 31 March 2020 consist of two office property situated at Kolkata and Mumbai (Jogeshwari) and one factory land and building situated at Rampur in India. The management has determined the classification of investment properties based on nature, characteristics and risks of each property.

c. The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

d. Measurement of fair value

The fair value of investment properties has been determined by external, independent property valuers in previous years. In the Opinion of management, there is no material change in the fair value of investment property since then.

The fair value measurement for investment properties has been categorised as a level 3 fair value based on inputs to valuation techniques used (refer note 4 (e)). Fair value hierarchy disclosures have been given in note 40.

e. Fair value of Investment Properties

(Amount in Rs. Lakhs)

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Fair Value of Investment Properties	**4,254.00**	**4,254.00**

f. Description of valuation techniques used and key inputs to valuation on investment properties:

Investment properties	**Valuation technique**	**Significant unobservable Inputs**	**Valuation Date**
Office properties			
- Kolkata	Market Approach	Reference Pricing	3/30/2019
- Rampur Land	Market Approach	Reference Pricing	8/31/2019
- Rampur Building	Depreciated Replacement Cost	Reference Pricing	8/31/2019
- Mumbai (Jogeshwari)	Sale Comparison Method	Reference Pricing	8/31/2019

The market approach uses prices and other relevant information generated by market transactions involving identical or complete assets. valuation techniques consistent with the market approach often use market multiples derived from a set of comparable. Multiples might be in ranges with a different multiple for each comparable. The selection of the appropriate multiple within range requires judgement, considering qualitative and quantitative factors specific to the remeasurement.

Depreciated Replacement cost method represents amount that would be required to replace carrying value of building i.e. current replacement cost.

Sale Comparison Method represents the amount that would be received to sell similar property in an orderly transaction between marker participants less transaction cost to be incurred to execute the sell.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

5 Intangible assets

(Amount in Rs. Lakhs)

Particulars	Intellectual Property Rights	Computer Software	Total	Intangible asset under development	Grand Total
Gross block					
As at 01 April 2019	**522.68**	**748.10**	**1,270.78**	**4.50**	**1,275.28**
Additions for the year	204.47	23.30	227.77	-	227.77
Disposals	-	-	-	(4.50)	(4.50)
Capitalized during the year	-	-	-	-	-
At 31 March 2020	**727.15**	**771.40**	**1,498.55**	**-**	**1,498.55**
Additions for the year		7.50	7.50	164.96	172.46
Disposals	-	(23.30)	(23.30)	-	(23.30)
Capitalized during the year	-		-	-	-
Adjustments	(12.89)	12.89			-
At 31 March 2021	**714.26**	**768.49**	**1,482.75**	**164.96**	**1,647.71**
Accumulated amortisation					
As at 01 April 2019	**123.53**	**632.10**	**755.63**	**-**	**755.63**
Amortisation for the year	99.99	111.68	211.67	-	211.67
Disposals	-	-	-	-	-
At 31 March 2020	**223.52**	**743.78**	**967.30**	**-**	**967.30**
Amortisation for the year	370.99	24.12	395.11	-	395.11
Disposals		(22.13)	(22.13)	-	(22.13)
Adjustment	(7.76)	10.76	3.00	-	3.00
At 31 March 2021	**586.75**	**756.53**	**1,343.28**	**-**	**1,343.28**
Net Carrying Value					
At 31 March 2020	**503.63**	**27.62**	**531.25**	**-**	**531.25**
At 31 March 2021	**127.51**	**11.96**	**139.47**	**164.96**	**304.43**

1. Intangible assets under development includes Manpower and other cost incurred for various internally developed softwares.
2. As at March 31, 2021, the Company has reestimated balace useful life of one of the Intellectual property and based on such reestimation, the Company has amortised balance carring value of Rs. 227.19 Lakhs at the year end.

6 Investments

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Investment in equity instrument of subsidiaries (unquoted)				
(Carried at cost, unless otherwise stated)				
Spice Money Limited (Formerly known as Spice Digital Limited)				
43,451,475 (31 March 2020: 43,451,475) equity shares of Rs.10 each fully paid up	7,320.67	7,320.67	-	-
Hindustan Retail Private Limited				
422,380,000 (31 March 2020: 422,380,000) equity shares of Rs.10 each fully paid up	42,238.00	42,238.00	-	-
Less: Provision for Impairment	(42,238.00)	(42,238.00)	-	-

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2021	**As at 31 March 2020**	**As at 31 March 2021**	**As at 31 March 2020**
S Mobility (HK) Limited				
10,000 (31 March 2020: 10,000) equity shares of HKD 1 each fully paid up	0.64	0.64	-	-
Less: Provision for Impairment	(0.64)	(0.64)	-	-
S Global Services Pte. Ltd (formerly known as S GIC Pte. Ltd.)				
15,735,600 (31 March 2020: 15,735,600) equity shares of SGD 1 each fully paid up	5,853.61	5,853.61	-	-
Less: Provision for Impairment	(5,000.00)	(5,000.00)	-	-
Spice Digital Bangladesh Limited				
97,312 (31 March 2020: 97,312) equity shares of Taka 100 each fully paid up	30.33	30.33	-	-
Digispice Nepal Pvt Limited #	-	-		
Employee Stock Option Plan 2018 ('Plan') (Options granted to employees of subsidiaries) (refer note 39)	21.76	19.67	-	-
Investment in associates				
(Carried at cost, unless otherwise stated)				
Investment in associates (unquoted),				
Creative Functionapps Lab Pvt. Ltd				
3,514 (31 March 2020 : 3,514) equity share of Rs 10 each	100.00	100.00	-	-
Less: Provision for Impairment	(49.88)	-	-	-
Sunstone Learning Private Limited				
95,058 (31 March 2020 : 95,058) equity share of Rs 1 each	814.88	814.88	-	-
Less: Provision for Impairment	(814.88)	(814.88)	-	-
Financial instrument carried at fair value through profit and loss				
Investment in equity instrument (unquoted)				
S Mobile Devices Private Limited				
50,000 (31 March 2020 : 50,000) equity shares of Rs.10 each fully paid up	5.00	5.00	-	-
	8,281.49	**8,329.28**	**-**	**-**
Aggregated carrying amount of unquoted investments	8,281.49	8,329.28	-	-
Aggregate amount of impairment in value of investments	48,103.40	48,053.52	-	-

In current year, The Company has made provision of Rs 49.88 lakhs towards impairment on investment in assoicate, being the differnce in carrying amount and recoverable value.

In last year, the Company has made provision of Rs 5000 lakhs towards impairment on investment in a wholly-owned foreign subsidiary. The subsidiary has outstanding receivables from a major customer which was linked with achievement of certain milestones.The subsidiary company has reassessed the recoverability of these dues and due to the impact of COVID -19, recovery of these dues are doubtful.Accordingly, the subsidiary company has provided for credit loss against these dues and continuous loss incurred by subsidiary has resulted into negative net worth as at March 31, 2020. In view of these developments, the Company has reassessed its investment in the wholly-owned foreign subsidiary and as a prudent measure decided to impaired the above investment in books of account to the above extent.

The Company is in the process of seeking necessary approval under FEMA to subscribe 50,000 equity shares having face value of NPR 10 each aggregating NPR 5,00,000 which is equivalent to Rs. 3.13 Lakhs as at reporting date.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

7 Loans - financial assets

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Secured, considered good				
Loan to a related party*	142.65	121.36	-	-
Unsecured				
Considered good				
Security deposits	178.21	184.28	15.44	1.71
Security deposits to related parties (refer note 36)	-	-	-	98.35
Loan to a related party (refer note 36)***	1,980.58	160.00	-	-
Money receivable from a Subsidiary company (refer note 36)***		-	-	2,778.46
Loan to employees	3.77	4.78	4.99	7.28
	2,305.21	**470.42**	**20.43**	**2,885.80**
Unsecured Considered Credit impaired				
Security deposits	-	-	2.10	2.10
Loan to bodies corporate#	300.00	140.00	5,684.47	5,684.47
Advances recoverable in cash or kind**	-	-	404.92	404.92
	300.00	**140.00**	**6,091.49**	**6,091.49**
Allowances for Loss				
Security deposits		-	2.10	2.10
Loan to bodies corporate#	300.00	140.00	5,684.47	5,684.47
Advances recoverable in cash or kind**	-	-	404.92	404.92
	300.00	**140.00**	**6,091.49**	**6,091.49**
	2,305.21	**470.42**	**20.43**	**2,885.80**

*Loan to a body corporate secured against property, plant and equipment and receivables.

Includes loans given to related party Rs 1,039.32 Lakhs (31 March 2020: Rs 879.32 Lakhs), refer note 36

**Includes advance given to related party Rs 400.00 Lakhs (31 March 2020: Rs 400.00 Lakhs), refer note 36

*** Represents money receivable from Spice Money Limited (Formerly Spice Digital Limited) (Subsidiary Company) on implementation of Scheme of Arrangement (refer note no.38)". Out of total amount Rs. 3,851.63 Lakhs oustanding as at 31 March, 2019, Rs. 1,392.21 Lakhs relates to income tax refund receivable from Income Tax Department of demerged DTS business, out of which Rs. 498.97 Lakhs (Previous year- Rs. 836.00 Lakhs) refund received during the year. As at 31 March, 2020, the Company intended to settle the balance amount within 12 months, therefore, classified as current asset. In Current year, the Company has converted the receivable amount of Rs. 2208.19 Lakhs as loan at an interest rate of 10.00% per annum, therefore, loan balance of Rs. 1980.58 Lakhs as at 31 March, 2021 classified as non-current. The Board of directors in their meeting held on March 31, 2021, has decided to subscribe 33,00,000 complusorily convertable preference shares of Rs. 100 each and balance loan amount on the date of subscription will be adjusted agaist consideration payable against preference shares.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

8 Others- financial assets

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2021	**As at 31 March 2020**	**As at 31 March 2021**	**As at 31 March 2020**
Considered good				
Receivable from related parties (refer note 36)				
Rent and other receivable	-	-	220.60	168.61
Contract Assets (unbilled revenue)	-	-	55.54	16.88
Interest accrued on inter-corporate loan	-	-	108.67	35.72
Dividend receivable from foreign subsidiary company	-	-	64.77	64.77
Receivable from others				
Interest accrued on fixed deposits	-	-	70.49	11.42
Rent and other receivables	-	-	18.92	-
Contract Assets (unbilled revenue)	-	-	1,039.60	1,884.72
Fixed deposits with remaining maturity of more than 12 months				
(Refer note 11 for fixed deposit pledged with bank)	180.00	13.17	-	-
	180.00	**13.17**	**1,578.59**	**2,182.12**
Considered doubtful				
Government and trust securities				
5 (31 March 2020: 5) National Saving Certificates of Rs.10,000 each (Purchased in the name of an employee of the Company and pledged with sales tax department)	0.50	0.50	-	-
Interest accrued on inter-corporate loans to a related party (refer note 36)	-	-	63.93	20.38
Rent and other receivables - from related parties (refer note 36)	-	-	188.97	140.92
Rent and other receivables - from others	-	-	22.22	22.22
	0.50	**0.50**	**275.12**	**183.52**
Allowances for doubtful				
5 (31 March 2020 : 5) National Saving Certificates of Rs.10,000 each	0.50	0.50	-	-
Interest accrued on inter-corporate loans to a related party (refer note 36)	-	-	63.93	20.38
Rent and other receivables - from related parties (refer note 36)	-	-	188.97	140.92
Rent and other receivables - from others	-	-	22.23	22.22
	0.50	**0.50**	**275.13**	**183.52**
	180.00	**13.17**	**1,578.58**	**2,182.12**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

9 Trade receivables

(Amount in Rs. Lakhs)

	As at 31 March 2021	**As at 31 March 2020**
Trade receivables from others	3,785.27	4,756.30
Trade Receivables from related parties (refer note 36)	5,092.43	6,067.32
Less: Provision for loss allowance	(5,858.94)	(6,380.53)
Total receivables	**3,018.76**	**4,443.09**
Secured, considered good	-	-
Unsecured, considered good	3,018.76	4,443.09
Trade Receivables-credit impaired*	5,858.94	6,380.53
	8,877.70	10,823.62
Less: Loss Allowance*	(5,858.94)	(6,380.53)
Total trade receivables	**3,018.76**	**4,443.09**

* Including Rs. 4,145.11 Lakhs (Rs. 4,366.28 Lakhs As on 31 March, 2020) from related parties.

10 Cash and cash equivalents

(Amount in Rs. Lakhs)

	As at 31 March 2021	**As at 31 March 2020**
Balance with banks :		
On current accounts#	1,094.14	761.60
Cash on hand	1.53	1.26
Deposits with original maturity of less than three months	-	80.82
	1,095.67	**843.68**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period.

Balance with banks on current account does not earn interest. Short-term deposits are made for varying periods of between one day and three months, more than 3 months and in some cases more than 12 months (which have been classified as non current assets under note no 8) also, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

including Nil (31 March 2020: Rs. 14.04 lakhs) relating to company but lying in the bank account of Spice Money Limited (Formerly known as Spice Digital Limited "Subsidiary Company")

11 Bank balances other than (10) above

(Amount in Rs. Lakhs)

	As at 31 March 2021	**As at 31 March 2020**
Unclaimed dividend accounts- Earmarked balances	19.82	21.85
Deposits with remaining maturity of less than 12 months#	1,712.47	342.55
Deposit held as security against borrowings/bank guarantee (remaining maturity of less than 12 months) ##	1,079.75	1,435.24
Deposits with remaining maturity of more than 12 months	180.00	13.17
	2,992.04	1,812.81
Amount disclosed under other non current financial assets (refer note 8)	(180.00)	(13.17)
	2,812.04	**1,799.64**

Deposit with banks earns interest at fixed rates based on bank deposit rates for the tenor of deposit at the time of placing the deposit.

including Rs. Nil (31 March 2020: Rs. 3.41 lakhs) relating to company but lying in the bank account of Spice Money Limited (Formerly known as Spice Digital Limited "Subsidiary Company")

including Rs. Nil (31 March 2020: Rs.903.93 lakhs) relating to company but lying in the bank account of Spice Money Limited (Formerly known as Spice Digital Limited "Subsidiary Company")

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

12 Non current tax assets (Net)

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Advance income-tax (net of provision for taxation)	4,614.64	4,378.23
	4,614.64	**4,378.23**

13 Other assets

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Prepaid expenses	2.65	60.77	107.38	122.33
Prepaid rent to related party (Refer note 36)	-	-	-	-
Prepaid rent	1.47	2.80	-	-
Balances with statutory / government authorities	-	-	23.61	20.48
Amount under paid under protest with Government Departments	-	4.74	-	-
Advance to suppliers/ service providers	-	-	0.06	179.27
	4.12	**68.31**	**131.05**	**322.09**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

14. Deferred tax

Recognised deferred tax assets and liabilities

A. Deferred tax assets and liabilities are attributable to the following:

(Amount in Rs. Lakhs)

	Deferred tax assets		Deferred tax (liabilities)		Net deferred tax asset/ (liabilities)	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at
Property, plant and equipment and intangible assets: impact of difference between tax depreciation and depreciation/ amortisation recognised in books	-	-	(63.35)	(206.03)	(63.35)	(206.03)
Provisions for Loss Allowances	525.88	684.01	-	-	525.88	684.01
Provisions-employee benefits	120.29	159.91	-	-	120.29	159.91
Business Losses including Unabsorbed Depreciation	902.63	836.03			902.63	836.03
Other items	99.28	90.12	-	-	99.28	90.12
Deferred tax assets/ (liabilities)	**1,648.08**	**1,770.07**	**(63.35)**	**(206.03)**	**1,584.73**	**1,564.04**
MAT credit receivable	58.49	58.49	-	-	58.49	58.49
Net deferred tax assets/ (liabilities)	**1,706.58**	**1,828.56**	**(63.35)**	**(206.03)**	**1,643.22**	**1,622.53**

B. Movement in deferred tax

(Amount in Rs. Lakhs)

	As at 01 April 2019	Recognised in profit or loss during 2019-20	Recognised in OCI during 2019-20	As at 31 March 2020	Recognised in profit or loss during 2020-21	Recognised in OCI during 2020-21	As at 31 March 2021
	(A)	(C)	(D)	(E=A-B+C+D)	(F)	(G)	(H=D-E+F+G)
Property, plant and equipment's and intangible assets	(318.73)	112.70	-	(206.03)	142.68		(63.35)
Investment at fair value through profit or loss	-		-	-			-
Other financial liabilities at fair value	-		-	-			-
Loans at fair value	-		-	-			-
Other financial assets at fair value	-		-	-			-
Provisions for Loss Allowances	463.51	220.50	-	684.01	(158.13)		525.88
Provisions-employee benefits	144.67	4.53	10.71	159.91	(39.62)		120.29
Business Losses including Unabsorbed Depreciation	807.89	28.14		836.03	66.60		902.63
Other items	82.63	7.49		90.12	9.16		99.28
	1,179.97	**373.36**	**10.71**	**1,564.04**	**20.69**	**-**	**1,584.73**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

(Amount in Rs. Lakhs)

Disclosed in the balance sheet as follows:	As at 31 March 2021	As at 31 March 2020
Deferred tax assets	1,648.08	1,770.07
Deferred tax liabilities	63.35	206.03
Deferred tax assets (net)	**1,584.73**	**1,564.04**

(Amount in Rs. Lakhs)

Disclosed in the statement of profit and loss as follows:	For the year ended on 31 March 2021	For the year ended on 31 March 2020
Tax income/(expense) during the year	20.69	373.36
Deferred tax impact OCI	-	(10.71)
Total	**20.69**	**362.65**

- The Company offsets deferred tax assets and deferred tax liabilities if and only if it relate to taxes levied by the same tax authority.

C. Unrecognised deferred tax assets on the following amounts:

Particulars	As at 31 March 2021	Expiry date	As at 31 March 2020	Expiry date
Long term capital losses	2,110.04	31 March 2022 to 31 March 2026	2,686.02	31 March 2021 to 31 March 2027
Short term Capital loss	7.66	31 March 2025 to 31 March 2025	7.66	31 March 2025 to 31 March 2025
Business Losses	363.25	31 March 2029	-	
Unabsorbed depreciation	369.14		-	
Provision for Loss Allowances-Loan and other receivables	6,391.49		6,231.49	
Provision for Loss Allowances-Trade Receivables	3,968.64		4,105.33	
Provision for Impairment of Investment	48,103.40		48,053.52	
Total	**61,313.32**		**61,084.22**	

In pursuance to section 115BAA of the Income Tax Act, 1961 notified by Government of India through Taxation Laws (Amendment) Act 2019, the company has an irrevocable option of shifting to lower tax rate foregoing other tax incentives. The Company is having unabsorbed depreciation and unutilised MAT Credit accumulation as on the reporting date. MAT credit shall be available for utilization during FY 2024-25 to 2032-33. As per the projections, the company expects to utilize the MAT Credit within precribed period. In view of unabsorbed depreciation and MAT credit entilement, the company has not exercised option under session 115 BAA of the Income Tax Act, 1961 and continue to recognise the taxes on income for the year as per the normal tax rate at which management expect to recover or settle the defer tax . Company reviews the above position at each year end.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

15. Equity share capital

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Authorized		
413,500,000 (31 March 2020: 413,500,000) equity shares of Rs. 3 each	12,405.00	12,405.00
Issued, subscribed and fully paid-up		
228,396,379 (31 March 2020: 227,902,065) equity shares of Rs. 3 each	6,851.89	6,837.06
Less: Equity shares held by Independent Non-Promoter (Spice Employee Benefit) Trust / Independent Non-Promoters Trust		
(face value of 26,067,843 (31 March 2020 :26,067,843) shares transferred to the trust pursuant to the Scheme of Amalgamation) (refer note 43)	782.04	782.04
	6,069.85	6,055.02

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	Nos.	Rs. Lakhs
Outstanding at the end of the year as at 01 April, 2019#	22,78,98,062	6,836.94
Add: Additional Share issued pursuant to the Scheme of arrangement (refer note 38)*	4,003	0.12
Outstanding at the end of the year as at 31 March, 2020#	22,79,02,065	6,837.06
Add: Additional Share issued under ESOP Scheme 2018 (refer note 39)	4,94,314	14.83
Outstanding at the end of the year as at 31 March, 2021	22,83,96,379	6,851.89

includes estimated 34080 equity shares pending for issuance pursuant to scheme of arrangement. (Refer note no.38) which have been issued during the previous year.

* Difference between the actual number of shares alloted (38083 equity shares) and the estimated number of shares (34080 equity shares) pursuant to scheme of arrangement.

(b) Terms/ rights attached to equity shares

The Company has single class of equity shares having a par value of Rs 3 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

(c) Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding company are as below:

	As at 31 March 2021	As at 31 March 2020
Spice Connect Private Limited		
169,447,570 (31 March 2020: 169,447,570) equity shares of Rs. 3 each fully paid	5,083.43	5,083.43

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

(d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder #	As at 31 March 2021		As at 31 March 2020	
	Nos.	% holding in the class	Nos.	% holding in the class
Equity shares of Rs. 3 each fully paid				
Spice Connect Private Limited	**16,94,47,570**	**74.19%**	16,94,47,570	74.35%
Mediatek India Technology Private Limited	**1,93,68,439**	**8.48%**	1,93,68,439	8.50%
Independent Non Promoter Trust	**1,59,12,776**	**6.97%**	1,59,12,776	6.98%

(e) Paid up share capital includes 38,083 equity shares allotted on June 14,2019 pursuant to Scheme of Arrangement (refer note no.38) without payment being received in cash. No share has been allotted by way of bonus shares and buy of shares during the period of five years immediately preceding the balance sheet date.

15A. Other equity

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Capital redemption reserve	306.66	306.66
General reserve	6,101.11	6,101.11
Security premium	83.94	-
Capital reserve	429.36	429.36
Retained earnings	8,119.32	8,576.00
Trust shares (refer note 43)	161.19	161.19
Share Based Payment Reserve	659.59	602.57
	15,861.17	**16,176.89**
a) Capital redemption reserve		
Balance as per the last financial statements	306.66	306.66
Add: Created during the year	-	-
Closing Balance	**306.66**	**306.66**
b) General reserve		
Balance as per the last financial statements	6,101.11	6,101.11
Add: Addition pursuant to Scheme of Arrangement (refer note 38)	-	-
Closing Balance	**6,101.11**	**6,101.11**
c) Security premium		
Balance as per the last financial statements	-	-
Add: Premium received on shares issued under ESOP Scheme 2018 (refer note no 39)	50.67	-
Add: Transfer from Share based reserve on issue of shares under ESOP Scheme 2018 (refer note no. 39)	33.27	-
Closing Balance	**83.94**	**-**
d) Capital reserve		
Balance as per the last financial statements	429.36	429.48
Add: Addition pursuant to Scheme of Arrangement (refer note 38)	-	(0.12)
Closing Balance	**429.36**	**429.36**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

(Amount in Rs. Lakhs)

		As at 31 March 2021	As at 31 March 2020
e)	**Retained earnings**		
	Balance as per the last financial statements	8,576.00	17,773.54
	Add: Profit/(loss) during the year	(402.66)	(7,878.92)
	Add: Item of OCI for the year, net of tax	2.72	(27.80)
	Add:Transfer item of OCI during the year	-	2.93
	Add: ESOP issued to holding company' employees (refer note 39)	(56.74)	(143.71)
	Less : Dividend Paid	-	(953.95)
	Less : Divident Distribution Tax on above	-	(196.09)
	Closing Balance	**8,119.32**	**8,576.00**
f)	**Trust shares (refer note 43)**		
	Opening balance	**161.19**	161.19
	Add:Adjustments relating to sale of shares by Trust	-	-
	Closing Balance	**161.19**	**161.19**
g)	**Share Based Payment Reserve**		
	Opening balance	**602.57**	449.42
	Add: Share based payment expenses to employees of the Group (refer note no. 39)	90.29	153.15
	Less:Transfer to security premium reserve on issue of shares under ESOP Scheme 2018 (refer note no.39)	(33.27)	-
	Closing Balance	**659.59**	**602.57**
	Total other equity	**15,861.17**	**16,176.89**

16 Borrowings

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2021	**As at 31 March 2020**	**As at 31 March 2021**	**As at 31 March 2020**
Secured				
Bill discounting facility from a bank (secured) (repayable on demand) $	-	-	1,064.73	855.02
Limit from a bank (repayable on demand) #	-	-	264.85	540.00
Loan from a Bank *	-	-	-	41.51
	-	**-**	**1,329.58**	**1,436.53**

$ The bill discounting facility from a bank is secured by first and exclusive charge on current assets and movable assets of the Company, both present and future . Further, lien is marked on fixed deposits with bank to extent of 15% of bill discounting outstanding amount.The facility carries interest equivalent to 3 Months MCLR.

At March 31,2021 -The working capital limit from bank and bank guarantees secured against fixed deposits of Rs 687.50 lakhs(31st March 2020: 687.50 Lakhs) and are futher secured by land and bulding situated at Dehradun.Purusant to Scheme of Arrangement ,working capital facility and bank gurantee facility from a bank relating to DTS business of Spice Money Limited (formerly known as as Spice Digital Limited) and industrial property in Dehradun given as security for providing these facilities, stand transfered to the Company on scheme becoming effective . Pending transfer of Industrial property in the name of the Company,Spice Money Limited has provided corporate gurantee of Rs 572.60 lakhs(31st March 2020: 572.60) to the bank as an additional security.

* secured against vehicle financed by bank and carries interest @ 9% per annum.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

17 Trade payables

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Trade payables		
- Due to Micro and Small Enterprises (refer note no 46)	4.90	18.58
- Due to Other than Micro and Small Enterprises	3,568.90	4,441.00
Trade payable to related parties (refer note 36)	345.93	1,027.90
	3,919.73	**5,487.48**

18 Other financial liabilities

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
At amortised cost				
Security deposits	10.47	68.46	35.47	-
Unpaid dividends	-	-	19.82	21.85
Employee related liabilities (includes salary payable and variable compensation)	-			
- to related parties (refer note 36)	-	-	21.88	68.83
- to other employees	-	-	237.36	431.61
	10.47	**68.46**	**314.53**	**522.29**

19 Provisions

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits				
Gratuity	299.27	369.270	8.10	14.13
Compensated absences	65.92	216.55	59.10	25.62
Provision for liability payout of step down subsidiary Company* #	-	-	-	160.00
Provision for interest payable to MSME	-	-	0.70	0.10
	365.18	**585.81**	**67.90**	**199.85**

* Refer note no.36.

(Amount in Rs. Lakhs)

Movement of provisions	As at 31 March 2021	As at 31 March 2020
At the beginning of the year	160.00	160.00
Transferred to provision for loss allowance (Refer note no. 7)	(160.00)	-
Created during the year	-	-
At the end of the year	**-**	**160.00**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

20 Other liabilities

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Rent received in advance	16.40	-	-	-
Employee statutory deductions	-	-	18.89	30.73
TDS payable	-	-	127.97	76.92
Contract liabilities (Deferred Income)	-	-	76.68	-
Indirect taxes and duties payable	-	-	0.44	-
Others	-	-	-	4.40
	16.40	**-**	**223.98**	**112.05**

21 Revenue from services

(Amount in Rs. Lakhs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of hardware and software solution	282.27	202.73
Sales/rendering of services	10,840.53	11,927.20
	11,122.80	**12,129.93**

As per the terms of the contract with its customers, either all performance obligations are to be completed within one year from the date of such contracts or the Company has a right to receive consideration from its customers forall completed performance obligations. Accordingly, the Company has availed the practical expedient available under paragraph 121 of Ind AS 115 and dispensed with the additional disclosures with respect to performance obligations that remained unsatisfied (or partially unsatisfied) at the balance sheet date. Further, since the terms of the contracts directly identify the transaction price for each of the completed performance obligations, in all material respects, there are no elements of transaction price which have not been included in the revenue recognised in the financial statement. Further, there is no material difference between the contract price and the revenue from contract with customers.

22 Other income

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on		
Income tax refund	293.88	152.30
Bank deposits	149.52	175.06
Loans (refer note no. 36)	257.91	39.76
Others	-	15.23
Rental Income	308.93	283.84
Net gain on foreign currency transactions and translations	-	214.77
Dividend from foreign subsidiary company	-	80.96
Net gain on sale of investments in Mutual Fund Units	-	(1.21)
Net Profit on disposal of plant, property and equipment's	355.13	-
Unclaimed balances written back	128.09	29.52
Maintenance charges recovery	56.49	76.35
Reversal of provision for loss allowances	366.23	-
Miscellaneous income	0.47	0.67
	1,916.65	**1,067.25**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

23 Cost of goods and services procured

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Goods and services procured	233.78	146.90
	233.78	**146.90**

24 Cost of services rendered

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Value added service charges	8,338.53	7,138.22
	8,338.53	**7,138.22**

25 Employee benefits expense

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	2,133.87	3,269.24
Contribution to provident Fund and other fund	136.16	178.88
Gratuity expense (refer note 34)	70.29	67.78
Staff welfare expenses	17.08	81.52
Employee ESOP Compensation (refer note 39)	31.46	26.94
	2,388.86	3,624.36
Less: Capitalized as intangible assets/transferred to intangible under development	160.51	138.26
	2,228.35	**3,486.10**

26 Finance costs

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest Cost	38.81	37.36
Bill discounting charges	76.32	211.91
Other borrowing cost	9.37	10.62
	124.50	**259.89**

27 Depreciation and amortization expense

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment (refer note 3)	253.28	601.99
Amortization on intangible assets (refer note 5)	395.11	211.67
Depreciation/Amortisation on investment properties (refer note 4)	98.79	100.38
Depreciation on Right of use asset (refer note 3A)	4.25	4.26
	751.43	**918.30**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

28 Other expenses

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Net Loss on foreign currency transactions and translations	68.51	-
Rent	244.03	393.14
Rates and taxes	16.18	37.96
Insurance	50.06	13.06
Repairs and maintenance		
- Buildings	6.45	20.92
- Others	51.95	109.16
Advertising and sales promotion	23.70	26.31
Net loss on disposal of plant, property and equipment's	-	19.89
Travelling and conveyance	370.13	723.64
Legal and professional fees	314.83	436.51
Payment to statutory auditors (refer note 29 A below)	12.25	21.56
Bank charges	12.50	2.62
Asset Written off	-	4.50
Corporate social responsibility expenses (refer note 29 B below)	-	25.00
Communication cost	168.87	201.15
Electricity charges	64.88	190.22
Security and housekeeping expenses	57.14	132.63
Provision for Loss Allowances on Trade Receivables	(155.36)	103.02
Bad debts written off	155.36	-
Provision for doubtful rent and other receivables	91.71	
Irrecoverable balances written off	-	17.65
Miscellaneous expenses	47.28	68.11
	1,600.49	2,547.04
Less: Capitalized as intangible assets/transferred to intangible under development	4.45	23.04
	1,596.04	**2,524.00**

29 A. Payment to auditors

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
As auditor:*		
Statutory audit fee	5.50	7.00
Tax audit fee	2.00	2.00
Limited reviews	3.00	6.00
Other services	1.75	4.88
Reimbursement of expenses	-	1.69
	12.25	**21.57**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

29 B. Details of CSR expenditure

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Gross amount required to be spent by the Company during the year	-	12.43
b. Amount spent during the year ending :		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	25.00
iii) On purposes other than (i) above yet to be paid	-	-

30 Exceptional items

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Provision made for doubtful loans and debts and advances	-	(690.09)
Provision made for doubtful loans, debts and advances of subsidiary Companies	-	(913.62)
Payment of Excise and Service Tax	-	(182.34)
Provision for diminution in the value of Investments	(49.88)	(5,000.64)
	(49.88)	**(6,786.69)**

Refer note 49

31 Items of other comprehensive income that will not be reclassified to profit and loss

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Remeasurement gain of defined benefit plan	(2.72)	38.51
Deferred tax impact	-	(10.71)
	(2.72)	**27.80**

32 Income Tax

The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

A. Amount recognised in profit and loss:

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Current income tax:		
Current income tax charge*	49.16	189.35
Adjustment in respect of current tax of previous year*	91.13	-
Deferred tax		
Relating to origination and reversal of temporary differences	(20.69)	(373.36)
Income tax expense reported in the statement of profit or loss	**119.60**	**(184.01)**
*Including foreign withholding tax written off.		
Deferred tax impact on component of other comprehensive income (OCI)		
Remeasurement of defined benefit obligations	-	10.71
Total income tax benefit recognized in other comprehensive income	**-**	**10.71**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

B. Reconciliation of effective tax rate

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/(loss) before tax	**(283.06)**	**(8,062.93)**
Tax using the Company's domestic tax rate (C.Y. 27.82% and PY 27.82%)	(78.75)	(2,243.12)
Adjustments in respect of current income tax of previous years	91.13	-
Tax impact related to Provision for Impairment of Investments	13.88	1,391.32
Tax impact on non deductable expenditures/provisions	-	317.44
Foreign withholding taxes expensed off	49.16	189.35
Deferred tax assets not recognised on current year carry forward losses due to uncertaity invloved	203.75	-
Reversal of Deferred tax asset due to set off unabsorbed depreciation	-	161.00
Adjustment due to change in estimation in realisation of deferred tax assets and deffered tax assets on change in business losses claimed in Income Tax Return	(66.60)	-
Deferred tax Impact of various items which allowance/disallowance taken in income tax computation	(45.91)	-
Deferred tax not recognised on loss allowances on rent and other receivables	(25.51)	
Others	(21.55)	-
Total Tax	**119.60**	**(184.01)**

33 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders (after adjusting impact on profit of dilutive potential equity shares) by the aggregate of weighted average number of equity shares outstanding during the year and the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computations:

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/(Loss) attributable to equity holders of the Company:		
Profit/(loss) for the year	(402.66)	(7,878.92)
Profit/(Loss) attributable to equity holders of the Company	(402.66)	(7,878.92)
Weighted average (net) number of equity shares in calculating basic and diluted EPS	22,79,42,474	22,79,02,065
Weight Average no. of shares		
Weight Average no. of shares of opening shares	22,79,02,065	22,79,02,065
Weight Average no. of shares issued during the year	40,409	-
Total weighted Average no. of shares	**22,79,42,474**	**22,79,02,065**
Earnings per share		
Basic	(0.18)	(3.46)
Diluted	(0.18)	(3.46)

Diluted negative earnings per share is decreased when taking the vested ESOP options into account, hence ignored in the calculation of diluted earnings per share being anti-dilutive. Therefore, diluted earnings per share is equivalent to basic earning per share.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

34. Employee Benefit

A. Defined Contribution Plan

During the year, the company has recognised the following amounts in statement of Profit & Loss:

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Employer's contribution to provident and other fund	**136.16**	**178.88**
Total	**136.16**	178.88

B. Defined Benefit Plan

The Company have a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months. The level of benefits provided depends on the member's length of service and salary at the time of departure.

The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the plans:

(i). Liability for defined benefit obligation as at Balance sheet date:

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Gratuity plan	**307.37**	**383.39**
Total	**307.37**	383.39

(ii). Components of defined benefit cost recognised in the statement of profit and loss under Employee benefit Expense:

Net employee benefit expense (recognised in personnel expenses) for gratuity

(Amount in Rs. Lakhs)

	Gratuity	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	44.22	65.65
Interest cost on benefit obligation	26.07	2.13
Net benefit expense	**70.29**	**67.78**

(iii). Changes in the present value of the defined benefit obligation are as follows:

(Amount in Rs. Lakhs)

	Gratuity	
	As at 31 March 2021	As at 31 March 2020
Opening defined benefit obligation	**383.39**	**348.03**
Transfer adjustment on intra-group transfer of employees	(38.54)	**0.00**
Current service cost	44.22	65.65
Interest cost	26.07	2.13
Expenses Recognised in Profit and loss statement	**70.29**	**67.78**
Benefits paid	(105.05)	(78.38)
Actuarial (gain)/loss arising from change in financial assumption	-	39.82
Actuarial (gain)/loss arising from experience adjustment	(2.72)	5.94
Actuarial (gain)/loss arising from Change in Demographic Assumption	-	0.19
Total Change in defined benefit obligation due to change in actuarial losses/(gains) recognised in OCI	**(2.72)**	**45.96**
Closing defined benefit obligation	**307.37**	**383.39**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

(iv). The principal assumptions used in determining gratuity for the Company's plans are shown below:

	As at 31 March 2021	As at 31 March 2020
Discount rate	6.80%	6.80%
Future salary increase	8.00%	8.00%
Retirement age	58 Years	58 Years
Employee turnover		
- Upto 30 years	4.00%	4.00%
- 31-44 years	4.00%	4.00%
- Above 44 years	1.00%	1.00%
Mortality rate	100% of IALM	

(v). A quantitative sensitivity analysis for significant assumption as at 31 March 2021 is as shown below:

Amount in Rs. Lakhs

	As at 31 March 2021		As at 31 March 2021	
	Discount Rate		Future Salary Increase	
Sensitivity level	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Increase/(decrease) on defined benefit obligation	-19.29	21.10	20.76	(19.16)

(vi). A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:

Amount in Rs. Lakhs

	As at 31 March 2020		As at 31 March 2020	
	Discount Rate		Future Salary Increase	
Sensitivity level	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Increase/(decrease) on defined benefit obligation	(24.23)	26.57	22.09	(20.76)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

(vii) The following payments are expected contributions to the defined benefit plan in future years:

(Amount in Rs. Lakhs)

	Gratuity	
	As at 31 March 2021	As at 31 March 2020
Within the next 12 months (next annual reporting period)	8.10	14.12
Between 2-5 Years	56.79	62.57
Between 5-10 years	19.89	15.25
Beyond 10 years	222.59	291.45
Total expected payments	**307.37**	**383.39**

The average duration of the defined benefit plan obligation at the end of the reporting period is 22.80 years (31 March 2020: 23.66 years).

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

35 A. Lease Disclosure

1. Company as a Lessee

The Company has charged following amount in the statement of profit and loss:

(Amount in Rs. Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Short Term leases	230.33	379.44
Leases of low value assets	13.70	13.70
Total	**244.03**	**393.14**

2. Company as a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Company accounted for its leases in accordance with Ind AS 116. The details of the properties given on lease is as follows:

Property situated at	Date of Agreement	Lease Term	Lock in Period	Other Terms
Rampur	14-Oct-19	9 Years	-	Cancellable
Kolkata	1-Mar-21	11 Months	-	Lease term can be extend by mutual consent and it is cancellable lease after the lock in period.
Mumbai	14-Oct-19	9 Years	2 years	

The Company has recognised rent income under the head of other income as follows:

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Rent received during the year	308.93	283.84

35 B. Commitments and contingencies

a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. Nil (31 March 2020: Rs. Nil).

C. Contingent liabilities

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Demands and claims from government authorities		
1. Demand from excise/ service tax authorities		
a) Demand Includes penalty Rs 56.96 Lakhs (31 March 2020: Rs 56.96 Lakhs)in respect of non-registration of corporate office as a input service distributor and availment of input service CENVAT credit.	223.28	213.03
2. Demands raised by income tax authorities, disputed by the Company		
a) Income Tax Demand (including interest) on enhancement of income by AO under section 40(a)(Ia) of the Income tax Act, 1961 for not deducting TDS under section 194C of the Act on reimbursement of expenses for the assessment year 2009-10 against which the Company has filled SLP in the Supreme Court.#	246.28	246.28
b) TDS demands of Rs. 256.17 Lakhs pertain to assessment year 2009-10 to 2014-15. This has been quashed /settled for which order effect has been given during the previous year.	-	2.12

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
3. Others		
a) Demand of Interest on late payment by one of the vendor, disputed by the Company	113.29	-
b) One Vendor has filled a recovery suit against Spice Labs Pvt Ltd. (since merged with DigiSpice Technologies Limited) for terminating the Master Service Agreement for getting the premises on lease for its office space during the lock-in period. The Company has disputed the claim of vendor and contended that the termination has been made by vendor and not by Company.	54.88	54.88
	637.73	**516.31**

D. Other Disputed matters, not considered as contingent liabilities

(i) Income Tax Demand being disputed by the Compnay, pertaining to enhancement of income by Rs. 423.39 Lakhs having income tax impact(incl. Interest) of Rs. 149.36 lakhs relating to Assessment Year 2010-11 has been remanded back by ITAT to AO during the previous year and the assessment was not been completed as at 31 March 2021.#

(ii) Income Tax Demands being disputed by the Company, pertaining to enhancement of income by Rs. 1,594.73 Lakhs having income tax impact (inc. intetest) of Rs. 685.42 Lakhs relating to Assessment Year 2011-12 has been remanded back by ITAT to AO in the previous year and the assessment was not been completed as at 31 March 2021.

#The Income Tax Department has adjusted income tax refund of Rs. 395.63 lakhs against these demands.

Based on technical/legal advise, the Company has fair chances of success in all these cases and thus chances of liability devolving on the Company is not probable and hence no provision in respect thereof has been made in the books.

36. Related party transactions as per Ind AS 24 (Related Party Disclosures)

Ultimate Holding Company	Smart Global Corporate Holding Private Limited
Holding Company	Spice Connect Private Limited
Subsidiaries including step down subsidiaries	Spice Money Limited (formerly known as Spice Digital Limited)
	New Spice Sales and Solutions Limited
	Hindustan Retail Private Limited
	Kimaan Exports Private Limited
	Cellucom Retail India Private Limited
	S Global Services Pte. Ltd (formerly known as S GIC Pte. Ltd.)
	Spice VAS (Africa) Pte. Ltd.
	Digispice Nigeria Limited (formerly known as "Spice Digital Nigeria Limited")
	Beoworld SDN. BHD
	Digispice Uganda Limited (formerly known as "Spice VAS Uganda Limited")
	Spice VAS Kenya Limited
	S Mobility (HK) Limited
	S Mobility Pte. Ltd
	Digispice Ghana Limited (formerly known as "Spice VAS Ghana Limited")
	Digispice Zambia Limited (formerly known as "Spice VAS Zambia Limited")
	Digispice Tanzania Limited (formerly known as "Spice VAS Tanzania Limited")
	Spice Digital Bangladesh Limited
	PT Spice Digital Indonesia Limited
	Omnia Pte. Ltd
	Spice VAS RDC Limited
	Spice Digital FZCO
	Fast Track IT Solutions Limited
	Digispice Nepal Pvt. Limited

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

Names of other related parties with whom transactions have taken place during the year	
Fellow subsidiaries	Smart Entertainment Private Limited Wall Street Finance Limited Smart Dream Private Limited Single Stop Evaluation Private Limited Sterea Infratech Limited Bougainvillea Multiplex & Entertainment Center Private Limited IO Systems Limited
Key Management Personnel (KMP)	Mr. Dilip Modi (Executive Chairman till September 30, 2019 and Non - Executive Chairman w.e.f October 1, 2019) Mr. Subramanian Murali (Non Executive Director) Mr. Umang Das (Independent Director) (upto 07th August 2019) Mr. Shrenik M Khasgiwala (Non Executive Director, w.e.f 17th May 2018 till 06th August 2019) Ms. Rashmi Aggarwal Mr. Mayank Jain (Independent Director w.e.f 1st October 2019) Mr. Suman Ghosh Hazra (Independent Director) Ms. Preeti Das- (Chief Executive Officer upto September 30, 2019 and Chief Executive Officer & Executive Director from October 01, 2019 to May 04, 2020) Mr. Rohit Ahuja (Executive Director w.e.f. 5th May 2020) Mr. Rajneesh Arora (Chief Financial Officer w.e.f 07 December 2018 till 03 February 2020)# Mr. Deepak Mehta (Chief Financial Officer w.e.f 04 February 2020 till 30th May 2020)# Mr. Ravindra Sarawagi (Chief Finance officer w.e.f. 26th June 2020 till 14th Dec 2020)# Mr.Vinit Kishore (Chief Financial Officer w.e.f. 12th Feb 2021)# Mr. M R Bothra (Vice President- Corporate Affairs and Company Secretary)# # KMP under Companies Act 2013.
Associates of the Company	Creative Function Apps Labs Private Limited Sunstone Learning Private Limited Ziiki Media SA (Pty) Ltd (formerly known as Spice Digital South Africa (Pty) Limited) (till 1st July 2020)
Other Related parties with whom transactions have taken place during the year	S Global Innovation Centre Pte Ltd Laniakea Holdings-(Proprietor- Shrenik M Khasgiwala) (upto August 07,2019) Bharat BPO Services Limited

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

(Amount in Rs. Lakhs)

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
Revenue from services*		**695.14**		**1,091.20**
Omnia Pte. Ltd	136.31		312.14	
S Global Services Pte. Ltd	-		-	
Spice Digital Bangladesh Limited	2.15		7.55	
Spice Money Limited (formerly known as Spice Digital Limited)	75.94		35.28	
Spice Digital FZCO	19.85		0.12	
Spice VAS Kenya Limited	-		24.38	
Digispice Nepal Pvt. Limited	62.07		85.48	
Spice VAS (Africa) Pte. Ltd.	398.82		626.24	
Remuneration		**258.27**		**438.01**
Ms. Preeti Das	93.73		266.39	
Mr. Rajneesh Arora	-		97.38	
Mr. M R Bothra	56.08		65.08	
Mr. Deepak Mehta	16.22		9.16	
Mr. Rohit Ahuja	57.87			
Mr. Ravindra Sarawagi	28.69			
Mr. Vinit Kishore	5.68			
Director sitting Fees*		**13.00**		**9.75**
Mr. Umang Das	-		1.75	
Mr. Suman Ghosh Hazra	5.75		4.50	
Ms. Rashmi Aggarwal	5.50		3.00	
Mr. Mayank Jain	1.75		0.50	
*excluding GST.				
Cost of services taken		**355.36**		**488.11**
S Global Services Pte. Ltd	74.86		84.61	
Creative Function Apps Labs Private Limited	-		17.00	
Bharat BPO Services Limited	280.50		386.50	
Commission Expenses		**-**		**0.20**
Spice Money Limited (formerly known as Spice Digital Limited)	-		0.20	
Miscellaneous Expenses		**-**		**51.13**
Wall Street Finance Limited	-		51.13	
Rent Income		**196.65**		**204.41**
Spice Connect Private Limited	6.98		11.87	
Kimaan Exports Private Limited	1.80		1.20	
Spice Money Limited (formerly known as Spice Digital Limited)	59.30		120.51	
Smart Dreams Private Limited	-		11.38	
Smart Global Corporate Holding Private Limited	128.57		59.45	
Rent Expenses		**226.85**		**302.54**
Kimaan Exports Private Limited	180.02		302.54	

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for the year ended 31 March 2021

(Amount in Rs. Lakhs)

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
Spice Money Limited (formerly known as Spice Digital Limited)	46.83		40.73	
Dividend Income		**-**		**80.96**
Spice Digital Bangladesh Limited	-		80.96	
Interest Income		**256.74**		**38.07**
New Spice Sales and Solutions Limited	31.50		14.41	
Spice Money Limited (formerly known as Spice Digital Limited)	210.98		-	
Bharat BPO Services Limited	14.26		23.66	
Legal & Professional Fees		**-**		**2.50**
Laniakea Holdings -(Proprietor- Shrenik M Khasgiwala)	-		2.50	
Reimbursement of Expenses (recovered/ recoverable)		**167.76**		**157.57**
Omnia Pte. Ltd	18.62		115.42	
Spice Money Limited (formerly known as Spice Digital Limited)	149.14		42.15	
Reimbursement of expenses (paid/ payable)		**36.10**		**87.00**
Spice Money Limited (formerly known as Spice Digital Limited)	36.10		87.00	

(Amount in Rs. Lakhs)

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
Expenses recoverable (fully provided for doubtful)		**48.05**		**52.15**
Hindustan Retail Private Limited	0.25		6.32	
Cellucom Retail India Private Limited	0.25		12.14	
New Spice Sales and Solutions Limited	42.21		33.68	
S Mobility(HK) Limited	5.34		-	
Provision made/(reversed) for doubtful debts, loans , interest and other receivables		**(17.62)**		**913.62**
New Spice Sales and Solutions Limited- Trade receivable	(94.27)		-	
New Spice Sales and Solutions Limited- Loan Receivable	160.00		140.00	
New Spice Sales and Solutions Limited-Interest receivable	43.55		-	
Spice Digital bangladesh Limited	(65.25)		773.62	
Bharat BPO Services Limited	(61.65)		-	
Provision made/(reversed) for liability payout of subsidiary		**(160.00)**		**-**
New Spice Sales and Solutions Limited	(160.00)			
Loan given during the year		**-**		**300.00**
New Spice Sales and Solutions Limited	-		300.00	

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

(Amount in Rs. Lakhs)

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
Loan received back during the year		**-**		**25.00**
Hindustan Retail Private Limited	-		25.00	
Bharat BPO Services Limited	-		-	
Money received against outstanding balance arised on implementation of scheme (refere note no. 38)		**797.88**		**1,073.17**
Spice Money Limited (formerly known as Spice Digital Limited)	797.88		1,073.17	
Provision for Impairment provided on Investments		**49.88**		**5,000.64**
S Global Services Pte Limited	-		5,000.00	
S Mobility (HK) Limited	-		0.64	
Creative Functionalapp Private Limited	49.88		-	
Billing done by Spice Money Limited on behalf of the Company for the intervening period purusant to scheme of arrangement (Refer note no. 38)		**232.75**		**3,693.58**

(Amount in Rs. Lakhs)

Outstanding balances at the end of year	As at 31 March 2021		As at 31 March 2020	
Receivables		**5,092.43**		**6,067.32**
New Spice Sales and Solutions Limited	3,237.43		3,331.71	
S Global Services Pte. Ltd	-		6.43	
Spice Digital Bangladesh Limited	708.38		773.62	
Spice Digital FZCO	-		56.91	
Spice VAS (Africa) Pte. Ltd.	123.07		277.37	
Spice VAS Kenya Limited	-		7.81	
Digispice Nepal Pvt. Limited	645.29		681.96	
Omnia Pte. Ltd	117.31		670.58	
Bharat BPO Services Limited	260.95		260.95	
Provision for doubtful receivables		**4,145.11**		**4,366.28**
New Spice Sales and Solutions Limited	3,237.43		3,331.71	
Spice Digital Bangladesh Limited	708.38		773.62	
Bharat BPO Services Limited	199.30		260.95	
Payables		**345.93**		**1,027.90**
Spice Money Limited (formerly known as Spice Digital Limited)			46.46	
S Global Services Pte. Ltd	121.41		73.55	
Spice VAS (Africa) Pte. Ltd.	-		-	
Kimaan Exports Private Limited	47.39		772.94	
Creative Function Apps Labs Private Limited	-		9.00	
Digispice Tanzania Limited	-		16.95	
Wall Street Finance Limited	1.52		-	
Zikki Media Private Limited	13.85		-	
Bharat BPO Services Limited	161.77		109.00	

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

(Amount in Rs. Lakhs)

Outstanding balances at the end of year	As at 31 March 2021		As at 31 March 2020	
Loans receivable and money and advance receivable		**3,562.55**		**4,339.14**
New Spice Sales and Solutions Limited	471.57		471.57	
Hindustan Retail Private Limited	567.75		567.75	
Bharat BPO Services Limited -Secured loan	142.65		121.36	
Spice Money Limited (formerly known as Spice Digital Limited)	1,980.58		2,778.46	
Bharat BPO Services Limited-unsecured loan	400.00		400.00	
Provision for doubtful loans/advances		**1,439.32**		**1,279.33**
New Spice Sales and Solutions Limited	471.57		311.57	
Hindustan Retail Private Limited	567.75		567.76	
Bharat BPO Services Limited	400.00		400.00	
Other liability		**-**		**2.70**
Smart Global Corporate Holding Private Limited	-		2.70	
Corporate Guarantee given by		**572.60**		**572.60**
Spice Money Limited (formerly known as Spice Digital Limited)	572.60		572.60	
Unbilled revenue		**55.54**		**16.88**
S Global Services Pte. Ltd	-		-	
Spice Digital Bangladesh Limited	0.36		1.54	
Digispice Nepal Pvt. Limited	22.94		15.34	
Spice Digital FZCO	19.85		-	
Spice Money Limited	12.39			
Security deposits / rent advance (including rent received in advance)		**-**		**98.35**
Kimaan Exports Private Limited	-		98.35	
Provision for liability payout of subsidiary		**-**		**160.00**
New Spice Sales and Solutions Limited	-		160.00	
Provision for diminution in the value of investments / share application money		**48,103.40**		**48,053.52**
Hindustan Retail Private Limited	42,238.00		42,238.00	
S Global Services Pte. Ltd	5,000.00		5,000.00	
S Mobility (HK) Limited	0.64		0.64	
Sunstone Learning Private Limited	814.88		814.88	
Creative Functionalapp Private Limited	49.88		-	
Other Receivable		**409.57**		**309.53**
Smart Dreams Private Limited	-		36.18	
Spice Money Limited (formerly known as Spice Digital Limited)	164.80		-	
Smart Global Corporate Holding Pvt Ltd.	49.41		70.15	
Spice Connect Private Limited	-		12.09	
Spice Online Private Limited	-		0.02	
New Spice Sales & Solutions Limited	164.63		155.90	
Hindustan Retail Private Limited	6.62		10.54	
Cellucom Retail India Private Limited	18.77		24.65	
S Mobility(HK) Limited	5.34		-	
Provision for doubtful other receivables		**188.97**		**140.92**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

(Amount in Rs. Lakhs)

Outstanding balances at the end of year	As at 31 March 2021		As at 31 March 2020	
New Spice Sales and Solutions Limited	164.63		122.42	
Hindustan Retail Private Limited	4.46		4.21	
Cellucom Retail India Private Limited	14.54		14.29	
S Mobility(HK) Limited	5.34		-	
Interest receivable fully provided		**63.93**		**20.38**
New Spice Sales and Solutions Limited	63.93		20.38	
Interest accrued but not received		**108.67**		**35.72**
New Spice Sales and Solutions Limited	-		14.41	
Spice Money Limited (formerly known as Spice Digital Limited)	95.46		-	
Bharat BPO Services Limited	13.21		21.31	
Dividend receivable		**64.77**		**64.77**
Spice Digital Bangladesh Limited	64.77		64.77	
Payables to KMP		**21.88**		**68.83**
Ms. Preeti Das	-		48.34	
Mr. Rohit Ahuja	4.49		-	
Mr Ravindra Sarawagi	3.82		-	
Mr. Deepak Mehta	-		8.08	
Mr. M R Bothra	10.58		12.41	
Mr.Vinit Kishore	2.99		-	

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
Break up of remuneration				**438.01**
- Short term employee benefits	231.81		418.93	
- Long term employee benefits	-		-	
- Other Long term employee benefits # *	-		4.73	
- Post employment benefits# **	10.82		14.36	

Remuneration to key managerial personnel as disclosed above does not include provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole. Also, the amount includes value of perquisite computed as per Income Tax Act, 1961.

The Company has granted Stock Option to eligible employees, including Executive Directors and KMPs, under its Employee Stock Option Schemes, 2018 [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014] (refer note no. 39). Since such Stock Options are not tradeable, no perquisite of benefit is immediately conferred upon the employee by grant of such Stock Options and accordingly the said grants have not been considered as remuneration. However, in accordance with Ind AS - 102 'Share-based Payments', the Company has recorded employee benefits expense by way of share based payments to employees is attributable to Executive Directors and KMPs.

* Include payment made towards compensated absences of Rs. 11.52 Lakhs (31st March 2020: 4.72 lakhs) during the year against the provisions made in earlier years.

** Include payment made towards gratuity of Rs. 10.82 Lakhs (31st March 2020: 7.21 lakhs) during the year against the provisions made in earlier years.

Also refer note no. 35 D.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free (except for loan given) and settlement occurs in cash. This assessment for impairment of receivables relating to amounts owed by related parties is undertaken each financial year through examining the financial position of the related parties.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

37. Segment information

Information about geographical areas

The board of directors of the Company which have been identified as being the chief operating decision maker (CODM), evaluate the Company's performance. Based on identical services the Company deals in, which have similar risks and rewards, the entire business has been considered as a single segment i.e. Digital Technology Services (DTS) which includes Technology services and Value Added Services, in terms of Ind AS-108 on segment reporting.

The following table provides an analysis of the Company's sales by geography in which the customer is located, irrespective of the origin of the goods.

Secondary Segment Reporting (by Geographical Segments)

(Amount in Rs. Lakhs)

Geographical Segment	31 March 2021	31 March 2020
Revenue from the Domestic market	10,362.44	10,248.05
Revenue from the Overseas markets	760.36	1,881.88
Total Revenue	**11,122.80**	**12,129.93**

There are one major external customer (previous year -two external customers) where their individual revenue exceeds more than 10% of the entity's revenue.

All non current assets are situated in India as on 31 March, 2021 and 31 March, 2020.

38. Business combinations/ Scheme of Arrangement

Scheme of Arrangement

The Hon'ble National Company Law Tribunal, New Delhi, Principal Bench ("NCLT"), has approved the Scheme of Arrangement between Spice Mobility Limited and Spice Digital Limited and Spice IOT Solutions Private Limited and Mobisoc Technology Private Limited and Spice Labs Private Limited and their respective shareholders and creditors ("Scheme") under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013. Necessary procedural formalities in this respect is under process. Pursuant to the said Scheme, the assets and liabilities of Digital Technology Services (DTS) Business of Spice Digital Limited and the amalgamating companies (Spice IOT Solutions Private Limited and Mobisoc Technology Private Limited and Spice Labs Private Limited) were transferred to and vested with the Company with effect from the appointed date viz. April 01, 2017. DTS business undertaking of Spice Digital Limited and other amalgamating companies are engaged in the business of providing Technology services and Value Added Services. The amalgamation being a common control transaction has been accounted for under the 'pooling of interest' method as prescribed by the Ind AS 103 (Business Combinations). Accordingly, the Scheme of Arrangement has been given effect from appointed date April 01, 2017 in previous year. The Company has filed NCLT order with Registrar of Companies on June 01, 2019.

39. Share-based payments

The Company has granted stock options under the SML Employees stock option Plan 2018 (ESOP) to the eligible employees of the Company. Under ESOP, the company has granted 21,381,000 options on September 18, 2018 and 3,439,000 options on February 05, 2019. 40%, 30% and 30% of total options granted would vest in after one year, two year and three year from the date of respective grant subject to fulfilment of vesting conditions. The maximum period for exercise of options is three year from the date of vesting. Each option when exercised would be converted into one fully paid-up equity share of Rs.3 each of the Company. The options granted under ESOP carry no rights to dividends and voting rights till the date of exercise.

The fair value of the options are estimated at the grant dates using Black and Scholes Model, taking into account the terms and conditions upon which the options were granted.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

During the year, certain unvested options were cancelled on non-fulfilment of certain vesting conditions under ESOP. As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at 31 March 2021		As at 31 March 2020	
	No of Options	Weighted Average exercise price (Rs.)	No of Options	Weighted Average exercise price (Rs.)
Options outstanding at the beginning of the year (1)	1,14,82,250	-	2,27,61,000	-
Options granted under ESOP 2018 (2)	-			
Options exercised during the year	494,314	-	-	-
Options cancelled during the year	6,37,750	13.25	11,278,750	13.25
Options expired during the year	-	-	-	-
Options outstanding at the end of the year (3)	1,03,50,186	13.25	1,14,82,250	13.25
Options exercisable at the end of the year	1,03,50,186	13.25	1,14,82,250	13.25
Range of exercise price of outstanding options (₹)	13.25		13.25	
Remaining contractual life of outstanding options granted on September 18, 2018	1.47 years (40% vesting)		2.47 years (40% vesting)	
	2.47 years (30% vesting)		3.47 years (30% vesting)	
	3.47 years (30% vesting)		4.47 years (30% vesting)	
Remaining contractual life of outstanding options granted on February 05, 2019	1.85 years (40% vesting)		2.85 years (40% vesting)	
	2.85 years (30% vesting)		3.85 years (30% vesting)	
	3.85 years (30% vesting)		4.85 years (30% vesting)	

1) a) Options outstanding at the beginning of the current year includes 52,60,750 options hold by employees of Holding company (48,75,000 options) and subsidiary companies (3,85,750 options).

b) Options outstanding at the beginning of the previous year includes 71,59,000 options hold by employees of Holding company (48,95,000 options) and subsidiary companies (22,64,000 options).

2) a) Current Year- Options Excercised includes Nil options granted to employees of Holding company (Nil options) and subsidiary Companies (Nil options).

3) a) Current Year- Options cancelled includes 52,750 options granted to employees of Holding company (Nil options) and subsidiary Companies (52,750 options).

b) Previous year - Options cancelled includes 72,24,000 options granted to employees of Holding company (48,95,000 options) and subsidiary Companies (23,29,000 options).

4) a) Current year Options outstanding at the end of the year includes options 52,34,000 options hold by employees of Holding company (48,95,000 options) and subsidiary Companies (3,39,000 options).

b) Previous year Options outstanding outstanding at the end of the year includes options 52,60,750 options hold by employees of Holding company (48,75,000 options) and subsidiary Companies (3,85,750 options).

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

The fair value of each option is estimated on the date of grant based on the following assumptions:

Particulars	As at 31 March 2021	
Grant Date	**18-Sep-18**	**5-Feb-19**
No of options outstanding at the end of the year	1,07,76,500	68,000
Dividend yield (%)	-	-
Expected life	2.50,3.50 and 4.50 yrs.	2.50,3.50 and 4.50 yrs.
Risk free interest rate (%)	8.06% (2.50 yrs.)	7.02% (2.50 yrs.)
	8.11% (3.50 yrs.)	7.27% (3.50 yrs.)
	8.23% (4.50 yrs.)	7.42% (4.50 yrs.)
Expected Volatility (%)	62.56%	69.49%
Market price on date of grant/re-pricing ( )	13.25	9.70
Weighted Average Fair Value of option at grant date	6.73	4.43

40 A. Fair value

Set out below, is a comparison by class of the carrying amounts and fair value category of the Company's financial instruments

(Amount in Rs. Lakhs)

	As at 31 March 2021		As at 31 March 2020	
Financial assets	**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
Non current assets measured at amortized cost except non-current investment				
- Equity and other investment (excluding investment in subsidiaries, joint venture and associates) measured at FTPL	26.76	26.76	24.67	24.67
- Loans and advances	2,305.21	2,305.21	470.42	470.42
- Other financial assets	180.00	180.00	13.17	13.17
Total non current assets	**2,511.97**	**2,511.97**	**508.26**	**508.27**
Current assets measured at amortized except current investment				
- Current investment measured at FTPL	-	-	-	
- Trade receivables	3,018.76	3,018.76	4,443.09	4,443.09
- Cash and cash equivalents	1,095.67	1,095.67	843.69	843.69
- Bank balances other than above	2,812.04	2,812.04	1,799.64	1,799.64
- Loans and advances	20.43	20.43	2,885.80	2,885.80
- Other financial assets	1,578.58	1,578.58	2,182.12	2,182.12
Total current assets	**8,525.48**	**8,525.48**	**12,154.34**	**12,154.34**
Total financial assets	**11,037.44**	**11,037.44**	**12,662.60**	**12,662.61**
Financial liabilities				
Non current liabilities measured at amortized cost				
- Borrowings	-	-		-
- Other financial liabilities	10.47	10.47	68.46	68.46
Total non current liabilities	**10.47**	**10.47**	**68.46**	**68.46**
Current liabilities measured at amortized cost				
- Borrowings	1,329.58	1,329.58	1,436.53	1,436.53
- Trade payables	3,919.73	3,919.73	5,487.59	5,487.59
- Other financial liabilities	314.53	314.53	522.29	522.29
Total current liabilities	**5,563.84**	**5,563.84**	**7,446.41**	**7,446.41**
Total financial liabilities	**5,574.30**	**5,574.30**	**7,514.88**	**7,514.88**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

40 B. Fair value hierarchy

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The Company has assessed that the fair value of trade receivables, cash and cash equivalents, other bank balances, other current financial assets, trade payables and other current financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments. Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined present value. Similarly, unquoted equity instruments in subsidiary company and associate company has been considered at cost less impairement, if any, and has been excluded in the fair value measurement disclosed below.

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. The following methods and assumptions were used to estimate the fair values:

- Borrowings are evaluated by the Company based on parameters such as interest rates and specific country risk factors.
- The fair value of other financial liabilities, obligations under finance leases, is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The fair values of the FVTPL quoted financial investments are derived from quoted market prices in active markets.
- The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. No own non- performance risk as at 31 March 2021 was assessed.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2021:

Fair value measurement using

(Amount in Rs. Lakhs)

	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
- Equity and other non-current investment (excluding investment in subsidiaries, joint venture and associates)	26.76	-	-	26.76
- Current investment	-	-	-	-
Total	**26.76**	**-**	**-**	**26.76**
Assets for which fair values are disclosed :				
Investment properties (Note 4)	4,254.00	-	-	4,254.00
Non current assets				
- Loans and advances	2,305.21	-	-	2,305.21
- Other financial assets		180.00	-	-
Total non current assets	**2,485.20**	**180.00**	**-**	**2,305.21**

There have been no transfers between Level 1 and Level 2 during the year.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2021:

(Amount in Rs. Lakhs)

	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Non current liabilities				
- Borrowings	-		-	
- Other financial liabilities	10.47	-	-	10.47
Total non current liabilities	**10.47**	**-**	**-**	**10.47**

There have been no transfers between Level 1 and Level 2 during the year.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2020:

Fair value measurement using

(Amount in Rs. Lakhs)

	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
- Equity and other investment				
(excluding investment in subsidiaries, joint venture and associates)	24.67	-	-	24.67
- Current investment	-	-	-	-
Total	**24.67**	**-**	**-**	**24.67**
Assets for which fair values are disclosed:				
Investment properties (Note 4)	4,254.00	-	-	4,254.00
Non current assets				
- Loans and advances	470.42	-	-	470.42
- Other financial assets	13.17	13.17	-	-
Total non current assets	**483.60**	**13.17**	**-**	**470.42**

There have been no transfers between Level 1 and Level 2 during the year.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2020:

(Amount in Rs. Lakhs)

	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial labilities disclosed at fair value:				
- Borrowings	-		-	
- Other financial liabilities	68.46	-	-	68.46
Total non current liabilities	**68.46**	**-**	**-**	**68.46**

There have been no transfers between Level 1 and Level 2 during the year.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

41. Financial risk management objectives and policies

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets include loans, trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations. The Company also holds FVTPL investments and investment in subsidiary companies, associates and a joint venture measured at cost , unless otherwise as stated.

The Company is exposed to market risk, credit risk and liquidity risk. The senior management of the Company advises on financial risks and the appropriate financial risk governance framework. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarised below.

1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments. The Company is not effected by commodity risk.

The sensitivity analysis in the following sections relate to the position as at 31 March 2021 and 31 March 2020.

The sensitivity analysis have been prepared on the basis that the amount of net debt.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2021 and 31 March 2020.

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the loan given, Security deposits received/paid and borrowing.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, **present rate is 9.50% equivalent to MCLR** (Previous year 8.75% equivalent to MCLR)**,** the impact of change in rate is as follows:

Interest rate sensitivity calculated on borrowing and interest bearing deposits from customers. The impact of change in interest rate is given below:-

	Increase/ decrease in basis points	Effect on profit before tax
31-Mar-21		
Rs. Lakhs	50	(6.65)
Rs. Lakhs	(50)	6.65
31-Mar-20		
Rs. Lakhs	50	(7.18)
Rs. Lakhs	(50)	7.18

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for the year ended 31 March 2021

Fair value sensitivity analysis for fixed-rate instruments:

The Company does not account for any financial liabilities at fair value through profit or loss. Therefore, the company shall not be affected due to change in interest rates at the reporting date.

- **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, AFN, SGD, NPR and BDT exchange rates, with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities is given below. The Company's exposure to other foreign currency is not material.

(Amount in Rs. Lakhs)

	Currency	Change in rates	Increase/ (Decrease) effect on profit before tax	Increase/ (Decrease) effect on pre-tax equity
31-Mar-21	USD (US Dollar)	5%	(8.22)	(8.22)
		-5%	8.22	8.22
	SGD (Singapore Dollar)	5%	-	-
		-5%	-	-
	AFN (Afghanistan Afghani)	5%	5.14	5.14
		-5%	(5.14)	(5.14)
	BDT (Bangladeshi Taka)	5%	89.03	89.03
		-5%	(89.03)	(89.03)
31-Mar-20	USD (US Dollar)	5%	53.05	53.05
		-5%	(53.05)	(53.05)
	SGD (Singapore Dollar)	5%	0.18	0.18
		-5%	(0.18)	(0.18)
	AFN (Afghanistan Afghani)	5%	8.97	8.97
		-5%	(8.97)	(8.97)
	BDT (Bangladeshi Taka)	5%	91.48	91.48
		-5%	(91.48)	(91.48)

- **Equity price risk**

The Company's investment in unlisted equity securities are mainly in subsidiary companies which is susceptible to impairement test as applicable. The Company does not engage in active trading of equity instruments. The Board of Directors of Company reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value is not material (excluding investment in subsidiaries).

- **Other risk**

The Company operates in a service sector on revenue sharing model. There is downward revision of revenue shares frequently, as a result, the revenue of Company may reduce depending upon percentage decrease in revenue share of Company with the telecom operators.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

2) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including Loans, deposits with banks and financial institutions and other financial instruments.

The Company has used a practical expedient and analysed the recoverable amount of the receivables on an individual basis. The Company provide for expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information's.

The following table provides information about exposure to credit risk and expected credit loss for trade receivables for customers for the year ended 31 March 2021:

(Amount in Rs. Lakhs)

In Rs. Lakhs	Gross Carrying Amount	Weighted-Average Loss Rate	Loss Allowance
Not Due	428.11	0%	0.65
1- 90 days	892.19	2%	18.41
91-180 days	710.33	1%	8.78
181-270 days	262.44	5%	12.28
271-360 days	78.95	36%	28.54
More than 360 days	6,505.68	89%	5,790.28
	8,877.70		**5,858.94**

The following table provides information about exposure to credit risk and expected credit loss for trade receivables for customers for the year ended 31 March 2020:

(Amount in Rs. Lakhs)

In Rs. Lakhs	Gross Carrying Amount	Weighted-Average Loss Rate	Loss Allowance
Not Due	1,795.72	3%	54.91
1- 90 days	1,101.14	0%	0.65
91-180 days	1,126.71	0%	3.06
181-270 days	653.10	39%	256.60
271-360 days	104.01	29%	29.85
More than 360 days	6,042.94	100%	6,035.46
	10,823.62		**6,380.53**

Movement in the expected credit loss allowance of receivables

(Amount in Rs. Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at beginning of the year	6,380.53	4,814.30
Add: provided during the year	-	1,566.23
Less: Reversed during the year	(521.59)	-
Balance at the end of the year	**6,902.12**	**6,380.53**

- **Trade receivables**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on past track records, market credibility and other factors and individual credit limits are defined in accordance with this management assessment and also based upon agreements/terms with respective customers. Outstanding customer receivables are regularly monitored.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are categorized into homogenous trade receivables and assessed for impairment collectively. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as generally low, as its customers are located in several jurisdictions and industries and operate in largely independent markets except in case of few specific customers for which full loss allowances has been made.

- **Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed in accordance with the Company policy. Investments of surplus funds are made only with approved counterparties and based on the Investment Policy of the Company. All investments are reviewed by the Company Board of Directors on a quarterly basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

3) Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital facility including bill discounting facility. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

The table below summarises the maturity profile of the Company financial liabilities based on contractual undiscounted payments.

(Amount in Rs. Lakhs)

	On Demand	Less than 3 Months	3-12 Months	1-5 Years	> 5 years	Total
As at 31 March 2021						
Borrowings	264.85	1,064.73	-	-	-	1,329.59
Other financial liabilities(non-current)	-	-	-	10.47	-	10.47
Other financial liabilities(current)	19.82	259.24	35.47			314.53
Trade and other payables		2,587.76	1,331.97	-		3,919.73
Total	**284.67**	**3,911.74**	**1,367.44**	**10.47**	**-**	**5,574.32**

* Based on the maximum amount that can be called for under the financial guarantee contract.

(Amount in Rs. Lakhs)

	On Demand	Less than 3 Months	3-12 Months	1-5 Years	> 5 years	Total
As at 31 March 2020						
Borrowings	540.00	855.02	41.51	-	-	1,436.53
Other financial liabilities(non-current)	-	-	-	68.46	-	68.46
Other financial liabilities(current)	38.76	321.88	161.64		-	522.28
Trade and other payables		2,594.45	2,890.62	2.52		5,487.59
Total	**578.75**	**3,771.35**	**3,093.77**	**70.98**	**-**	**7,514.86**

* Based on the maximum amount that can be called for under the financial guarantee contract.

- **Excessive risk concentration**

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company performance to developments affecting a particular industry.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

In order to avoid excessive concentrations of risk, the Company policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

- **Collateral**

The Company has pledged part of its fixed deposits with bank as margin money against issuance of bank/corporate guarantees in order to fulfil the collateral requirements for its various contracts. At 31 March 2021 and 31 March 2020, the fair values of fixed deposits pledged were Rs. 1079.75 Lakhs and Rs. 1435.24 Lakhs respectively. The Company has an obligation to repay the deposit to the counterparties upon settlement of the contracts. There are no other significant terms and conditions associated with the use of collateral (refer note 11).

42. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents (excluding discontinued operations).

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Borrowings	1,329.58	1,436.53
Less: cash and cash equivalents	1,095.67	843.69
Net debt	**233.91**	**592.84**
Equity	6,069.85	6,055.02
Other equity attributable	15,861.17	16,176.89
Total equity attributable to owner of the Company	**21,931.02**	**22,231.91**
Capital and net debt	**22,164.93**	**22,824.76**
Gearing ratio	1.07%	2.67%

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 the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

43. As on 31st March, 2021, Independent Non-Promoter (Spice Employee Benefit) Trust ('EBT') holds 10,155,067 (March 31, 2020: 10,155,067) equity shares of the Company, for the benefit of the employees of the Company, its associates and subsidiaries and Independent Non-Promoter Trust ('NPT') holds 15,912,776 (March 31, 2020: 15,912,776) equity shares of the Company for the benefit of the Company. These equity shares were transferred to the Trusts pursuant to the Scheme of amalgamation of Spice Televentures Private Limited ('STPL'), the erstwhile holding company, with the Company, duly approved by High Court, Allahabad, at a value at which these equity shares were held in the books of STPL.

During the year the Company has received Nil (31 March 2020 Rs. Nil)), as a beneficiary, from the Independent Non-Promoter Trust including surplus arising from sale of its shares. The surplus fund would be utilised by the Company as per the terms of the Trust deed of Independent Non-Promoter Trust. Further, the Company has received Rs Nil (31 March 2020 Rs.Nil) against receivables, from the Independent Employee Benefit Trust and includes surplus arising from sale of its shares .The above receipts are shown as part of the Trust Reserve.

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for the year ended 31 March 2021

44. Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period, are as follows:

(Amount in Rs. Lakhs)

Date	Currency	Trade Receivables	Unbilled Revenue	Balances with banks	Advances	Net exposure to foreign currency risk (assets) (A)	Trade payable	Net exposure to foreign currency risk (liabilities) (B)	Net exposure to foreign currency risk (A-B)	Sensitivity at 50 basis points
As at 31 March 2021	**Dirham**	-	1.00	-	-	**1.00**	-	**-**	1.00	0.05
	ID	-		-	-	**-**	-	**-**	-	-
	NPR	-	0.59	-	-	**0.59**	-	**-**	0.59	0.03
	SDG	-		-	-	**-**	-	**-**	-	-
	SLR	-		-	-	**-**	-	**-**	-	-
	AFN	75.40	27.46	-	-	**102.87**	-	**-**	102.87	5.14
	IDR	-		-	-	**-**	-	**-**	-	-
	BDT	1,753.66	27.03	-	-	**1,780.69**	-	**-**	1,780.69	89.03
	LKR	-	2.18	-	-	**2.18**	-	**-**	2.18	0.11
	MMK	-	0.06	-	-	**0.06**	-	**-**	0.06	0.00
	GBP	5.54	-			**5.54**	-	**-**	5.54	0.28
	SGD	-		-	-	**-**	-	**-**	-	-
	USD	656.00	0.07	-	-	**656.08**	820.58	**820.58**	(164.50)	(8.22)
As at 31 March 2020	**Dirham**	-	-	-	-	**-**	-	**-**	-	
	ID									
	NPR									
	SDG									
	SLR									
	AFN	81.71	97.67	-	-	**179.38**	-	**-**	179.38	8.97
	IDR					**-**			-	-
	BDT	1,828.13	1.51	-	-	**1,829.64**	-	**-**	1,829.64	91.48
	LKR	-	0.82	-	-	**0.82**	-	**-**	0.82	0.04
	MMK	-	0.06	-	-	**0.06**	-	**-**	0.06	0.00
	GBP	2.44	-			**2.44**	-	**-**	2.44	0.12
	SGD	3.54		-	-	**3.54**	-	**-**	3.54	0.18
	USD	1,898.25	1.68	-	-	**1,899.93**	838.87	**838.87**	1,061.06	53.05

Taking a conservative interpretation of "Ind AS 32" face value of shares held by these trusts has been deducted from equity and amount over and above face value has been shown as deduction under the head "Trust shares" separately in other equity.

45. Disclosure required under Schedule V read with Regulation 34 (3) and 53 (f) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and disclosure required under section 186 (4) of the Companies Act, 2013*

Particulars of disclosures as required under Schedule V read with Regulation 34 (3) and 53 (f) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and disclosure required under section 186 (4) of the Companies Act, 2013:

(Amount in Rs. Lakhs)

Name of Loanee	Purpose	Rate of Interest	Outstanding balance as at 31 March 2021	Maximum balance in FY 2020-21	Outstanding balance as at 31 March 2020	Maximum balance in FY 2019-20
New Spice Sales and Solutions Limited	General Corporate purposes	10.50%	471.57	471.57	471.57	471.57
Hindustan Retail Private Limited		11.00%	567.75	567.75	567.75	592.75
Spice Money Limited		10.00%	1,980.58	2,208.19	-	-
Bharat BPO Services Limited		10.00%	142.65	142.65	121.36	121.36
Bharat BPO Services Limited	Advances against supply	0.00%	400.00	400.00	400.00	400.00

The Company has provided Rs. 1,439.32 Lakhs (Previous year - Rs. 1,279.32 Lakhs) against above loans as doubtful, out of which Rs. 1139.32 Lakhs were transferred to the Company as per Scheme of Arrangement (Refer note no. 38).

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for the year ended 31 March 2021

Particulars of Corporate laon given as required by Section 186(4) of Companies Act, 2013

(Amount in Rs. Lakhs)

Particulars	Purpose	Rate of Interest	Due Date	Outstanding balance as at 31 March 2021	Outstanding balance as at 31 March 2020
Hotspot Sales and Solutions Private Limited	General Corporate purposes	11%	On Demand	4,923.07	4,923.07
Spice Online Retail Private Limited		11%	On Demand	22.07	22.07

The Company has provided Rs. 4,945.14 Lakhs (Previous year - Rs. 4,945.14 Lakhs) against above loans as doubtful, out of which Rs. 4,945.14 Lakhs were transferred to the Company as per Scheme of Arrangement (Refer note no. 38).

Details of Investments made (At cost or FVTPL) as required by Section 186(4) of Companies Act, 2013:

(Amount in Rs. Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Spice Money Limited (formerly known as Spice Digital Limited)	7,320.67	7,320.67
Hindustan Retail Private Limited #	42,238.00	42,238.00
S Mobility (HK) Limited #	0.64	0.64
S Global Services Pte. Ltd (formerly known as S GIC Pte. Ltd.) &	5,853.61	5,853.61
Spice Digital Bangladesh Limited	30.33	30.33
S Mobile Devices Private Limited	5.00	5.00
Creative Functionapps Lab Pvt. Ltd*	100.00	100.00
Sunstone Learning Private Limited *#	814.88	814.88
	56,363.12	**56,363.12**

Fully impaired in books.

& Provision for Impairment of Rs. 5,000.00 Lakhs provided during the previous year.

* Provision for Impairment of Rs. 49.88 Lakhs provided during the year.

46. Details of dues to micro enterprised and small enterprises as defined under the MSMED Act, 2006 as identified by the management

Particulars	As at 31 March 2021	As at 31 March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	4.90	18.47
- Interest due on above	0.01	0.01
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
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 MSMED Act 2006.	0.58	0.10
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.70	0.11
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 MSMED Act 2006	0.70	0.11

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for the year ended 31 March 2021

47 Group information

Information about subsidiaries and associates.

The financial statements includes subsidiaries and associates as listed in the table below:

Subsidiary Companies

S. No.	Name	Notes	Country of Incorporation	% Equity Interest		
				As at 31 March 2021	As at 31 March 2020	Method of accounting of investment
1	Spice Money Limited (formerly known as Spice Digital Limited)		India	98.04%	100.00%	Cost
2	Kimaan Exports Private Limited	(a)	India	100.00%	100.00%	Cost
3	Hindustan Retail Private Limited		India	100.00%	100.00%	Cost
4	New Spice Sales and Solutions Limited	(b)	India	100.00%	100.00%	Cost
5	Cellucom Retail India Private Limited	(c)	India	100.00%	100.00%	Cost
6	S Mobility (HK) Limited		Hong Kong	100.00%	100.00%	Cost
7	Spice Digital Bangladesh Limited		Bangladesh	100.00%	100.00%	Cost
8	S Global Services Pte. Ltd (formerly known as S GIC Pte. Ltd.)		Singapore	100.00%	100.00%	Cost
9	Beoworld SDN. BHD	(d)	Malaysia	100.00%	100.00%	Cost
10	Fast Track IT Solutions Limited (wef 27th November 2018)	(d)	Bangladesh	70.00%	70.00%	Cost
11	Spice Digital FZCO	(d)	UAE	100.00%	100.00%	Cost
12	Spice VAS (Africa) Pte. Ltd.	(d)	Singapore	80.00%	80.00%	Cost
13	S Mobility Pte. Ltd	(d)	Singapore	100.00%	100.00%	Cost
14	Omnia Pte. Ltd	(e)	Singapore	100.00%	100.00%	Cost
15	Digispice Nigeria Limited (formerly known as "Spice Digital Nigeria Limited")	(e)	Nigeria	100.00%	100.00%	Cost
16	Digispice Ghana Limited (formerly known as "Spice VAS Ghana Limited")	(e)	Ghana	100.00%	100.00%	Cost
17	Digispice Zambia Limited (formerly known as "Spice VAS Zambia Limited")	(e)	Zambia	100.00%	100.00%	Cost
18	Digispice Tanzania Limited (formerly known as "Spice VAS Tanzania Limited")	(e) (g)	Tanzania	100.00%	100.00%	Cost
19	Spice VAS Kenya Limited	(e) (h)	Kenya	100.00%	100.00%	Cost
20	Digispice Uganda Limited (formerly known as "Spice VAS Uganda Limited")	(e)	Uganda	75.00%	75.00%	Cost
21	Spice VAS RDC Limited	(e)	Democratic Republic of Congo	100.00%	100.00%	Cost
22	PT Spice Digital Indonesia Limited	(f)	Indonesia	100.00%	100.00%	Cost
23	Digispice Nepal Pvt. Limited (w.e.f 21 January 2019)	(i)	Nepal	100.00%	100.00%	Cost

a) Subsidiary through Spice Money Limited (formerly known as Spice Digital Limited).

b) Subsidiary through Hindustan Retail Private Limited.

c) Subsidiary through New Spice Sales & Solutions Limited.

d) Subsidiary through S Global Services Pte. Ltd.(formerly known as S GIC Pte. Ltd.)

e) Subsidiary through Spice VAS (Africa) Pte. Limited.

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for the year ended 31 March 2021

f) Subsidiary through Omnia Pte. Ltd.

g) 0.1% an equity interest in the subsidiary company is held by a subsidiary company namely Spice VAS (Africa) Pte. Limited jointly with a third party.

h) An equity interest of 20% in the subsidiary company is held by a third party on behalf of a subsidiary company namely Spice VAS (Africa) Pte. Limited.

i) The Company is in the process of seeking necessary approval under FEMA to subscribe 50,000 equity shares having face value of NPR 10 each aggregating NPR 5,00,000 which is equivalent to Rs. 3.13 Lakhs as at reporting date.

Ultimate Holding Company

Smart Global Corporate Holding Private Limited

Holding Company

Spice Connect Private Limited

Sr. No	Name of associates and joint venture	Nature	Country of Incorporation	% Equity Interest		
				As at 31 March 2021	As at 31 March 2020	Method of accounting of investment
1	Sunstone Learning Private Limited, an associate of the company	Associate	India	41.61%	41.61%	Cost
2	Creative Function Apps Labs Private Limited, an associate of the company	Associate	India	26.00%	26.00%	Cost
3	Ziiki Media SA (Pty) Ltd (formerly known as Spice Digital South Africa (Pty) Limited) (w.e.f. 07 February 2019), an associate of the company #	Associate	South Africa	0.00%	Cost	

#Ziiki Media SA(Pty) Ltd (formerly known as Spice Digital South Africa(Pty) Limited) (Ceased to be a subsidiary w.e.f. 07.02.2019) (became an Associates Company w.e.f. 08.02.2019 and Ceased to be associate w.e.f. 01.07.2020)

48. Significant accounting judgements, estimates and assumptions

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Lease liability and Right of Use assets

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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Impairment of non-financial assets

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

Share based payments

The Company measures the cost of equity-settled transactions with employees using Black Scholes model to determine the fair value of options. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions relating to vesting of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 39.

Taxes

The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that recognised MAT credit will be utilized against normal tax liability within specified period for which MAT Credit allowed to be carried forward.

The tax assets of Rs 58.49 Lakhs (31 March 2020: Rs 58.49 Lakhs) recognised in earlier years as 'MAT Credit Entitlement' under' Deferred Tax assets'in respect of MAT payment for earlier years, represents that portion of MAT liability which can be recovered and set off in subsequent years based on the provisions of Section 115JAA of the Income Tax Act, 1961. The management based on the present trend of profitability and also the future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Company to utilize MAT credit assets.

The Company has recognised Deferred tax assets on unabsorbed depreciation and carry forward business losses. The Company has concluded that the deferred tax assets on unabsorbed depreciation and carry forward business lossess will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The Company is expeted to generate taxable income in near future. The unabsorbed depreciation and carry forward losses can be carried forward as per local tax regulation and the Company expects to recover the same in due course. 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.

The Company has short term and long term capital losses under the Income Tax Act, 1961 and certain provision for loss allowances against doubtful debts, loans & other receivable and impairment of investment which allowability under Income Tax Act is ambiguous. These losses may not be used to offset taxable income within prescribed time. The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognise deferred tax assets on these tax losses carried forward.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Defined benefit plans (gratuity benefits)

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

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the yield on government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future, salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 34.

Intangible asset under development

The Company capitalises intangible asset under development for project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Liabilities which depend on occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Contingent Assets are not recognized until the contingency has been resolved and amounts are received or receivable.

Allowance for expected credit loss

Trade receivables do not carry any interest and are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Allowance for the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

Useful lives of depreciable assets

The management estimates the useful life and residual value of depreciable assets based on technical assessment. These assumptions are reviewed at each reporting date.

49. Exceptional items include the Impairment provision of Rs 49.88 lakhs related to Investments in associate Creative Functionapps Lab Pvt. Ltd being the difference in carrying amount and recoverable value.

The Exceptional items for the previous year include as below

a) Rs 182.34 lakhs comprises of settlement of old liabilities pertaining to central excise and service tax matter under the scheme Sabka Vishwas Legacy Dispute Resolution Scheme, 2019,

b) Impairment provision of Rs 5,000.64 lakhs related to Investments in S Global Services Pte. Ltd (Rs 5000 lakhs) and S Mobility (HK) Limited (INR 0.64 lakhs) being the difference in carrying amount and recoverable value.

c) The Company reviewed the entire portfolio of its receivables and loans and, on a conservative basis, have made a provision of Rs 1603.71 lakhs out of which Rs 690.09 lakhs relates to other receivables and Rs 913.62 Lakhs for receivables and loans from subsidary companies in the year ended 31st March 2020. Since this provision has mainly arisen due to inordinate delays, business uncertainties and stress over cash-flows of our customers/subsidiaries accelerated by the spread of Covid 19 pandemic all over the world, this has been shown as Exceptional item".

Except as disclosed above, the management believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the Company, in the long-term.

The Company estimates to recover the carrying amount of all its assets including receivables and loans in the ordinary course of business based on information available on current economic conditions. These estimates may change and be affected by the severity and duration of pandemic. The Company is continuously monitoring any material change in future economic conditions.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2021

50. The Company has considered and made an estimate of the possible effects that may result from COVID-19 in the preparation of these Standalone financial statements including the recoverability of carrying amounts of financial and non -financial assets. The Company has an adequate liquidity to discharge its obligations. However, the actual impact of COVID-19 on the Company's financial results may differ from that estimated and the Company will continue to closely monitor any material changes to future economic conditions.

51. Spice Digital Bangladesh Limited, wholly owned subsidiary company has issued Equity shares of BDT 830,239 at par aggregating BDT 83,023,900 equivalent to Rs. 678.94 lakhs in the Financial year 2017-2018 against the overdue trade receivables towards technical fees. The Company has applied with RBI for the approval . Pending approval from RBI, the Company has not accounted the same and continue to disclose above dues under Trade Receivables .The Company has accounted for dividend Rs. Nil (previous year Rs. 72.46 lakhs) declared by above subsidiary on above shares .

52. The figures for the previous year have been regrouped/ rearranged, wherever considered necessary, to conform current year classifications.

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm registration number: 302049E

Bimal Kumar Sipani
Partner
Membership no.: 088926

Place : Noida
Date : June 09, 2021

For and on behalf of the board of directors

Rohit Ahuja
Executive Director
DIN : 0065417

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN : 00012223

Vinit Kishore
Chief Financial Officer

M R Bothra
Vice President - Corporate
Affairs and Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of DiGiSpice Technologies Limited (Formerly known as Spice Mobility Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of DiGiSpice Technologies Limited ("the Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group"), its associates, which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss including Consolidated other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, the consolidated Profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India 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 audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. The results of our audit procedures performed by us and by other auditors of components not audited by us, wherever reported by them in their audit reports furnished to us by the management, including those procedures wherever performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements

INDEPENDENT AUDITOR'S REPORT

S. N.	Key Audit Matter	Auditor's Response
1.	**Revenue Recognition** The accounting policies for revenue recognition are set out in Note 2.5 (f) to the consolidated financial statements and the different revenue streams of the Group have been disclosed in Note 24 to the consolidated financial statements. It involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Revenue recognition is susceptible to the higher risk that the revenue is recognized when performance obligation has not been completed. This was an area of focus for our audit and the area where significant audit effort was directed.	**How our audit addressed the key audit matter:** Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Selected samples of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. • Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue. • Selected samples of continuing and new contracts and performed the following procedures: – Read, analyzed and identified the distinct performance obligations in these contracts. – Compared these performance obligations with that identified and recorded. – Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. – Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes. – Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. – Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. – Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. We found the revenue recognition to be consistent with its accounting policy. We are satisfied that the revenue has been appropriately recognized and disclosure in the relevant accounting period.

INDEPENDENT AUDITOR'S REPORT

S. N.	Key Audit Matter	Auditor's Response
2.	**Income and Deferred Taxes** The accounting policies for current and deferred tax recognition are set out in Note 2.5 (G) and the breakup of deferred tax have been disclosed in Note 16 to the consolidated financial statements. Also refer note no. 36, 13, 40C and 40D of consolidated financial statements. There is significant judgement involved in accounting for taxes, particularly given the large number of jurisdictions in which they operate and exposures to income tax laws in India. This gives rise to complexity and uncertainty in respect of the calculation of current taxes, deferred tax positions. Due to significance to the consolidated financial statements as a whole, combined with the judgement and estimation required to determine their values, the evaluation of current and deferred tax balances is considered to be a key audit matter.	**How our audit addressed the key audit matter:** We assessed the adequate implementation of the policies and controls regarding current and deferred tax. We evaluated the design and implementation of controls in respect of provisions for current tax and the recognition and recoverability of deferred tax assets. We examined the procedures in place for the current and deferred tax calculations for completeness and valuation and audited the related tax computations and estimates in the light of our knowledge of the tax circumstances. We performed an assessment of the major items impacting the Company's tax expense, balances and exposures. We analyzed tax balances. In respect of net deferred tax assets, we assessed the appropriateness of management's assumptions and estimates, including the likelihood of generating sufficient future taxable income to support deferred tax assets on tax losses carried forward and MAT credit entitlement, which shall be available for utilization in future. We found that tax provision and deferred tax assets are appropriately recognized and disclosed in the consolidated financial statement.
3.	**Valuation of trade receivables** We refer to Note 10 and Note 2.5 (R) to the financial statements. As disclosed in Notes to the consolidated financial statements, company assesses periodically and at each reporting date, the expected credit loss associated with its receivables. When there is expected credit loss impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics. We focused on this area because of its significance and the degree of judgement required to estimate the expected credit loss and determining the carrying amount of trade receivables as at the reporting date.	**How our audit addressed the key audit matter:** We obtained an understanding of the Company's credit policy for trade receivables, process of approvals and terms and conditions and evaluated the processes for identifying impairment indicators. We have reviewed and tested the ageing of trade receivables and management's assessment on the credit worthiness of selected customers for trade receivables. We further discussed with the key management on the adequacy of the allowance for credit losses recorded by the Company and reviewed the supporting documents provided by management in relation to their assessment. We have also reviewed adequacy and appropriateness of allowance for credit impaired based on available information. Based on our audit procedures performed, we found management's assessment of the recoverability of trade receivables to be reasonable and the disclosures to be appropriate.

Other Information

The Parent Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Parent Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available 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. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. The respective Board of Directors of the companies included in the Group and associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the respective companies included in the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and associates are also responsible for overseeing the financial reporting process of companies included the Group and associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements, of which we are the independent Auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other Auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

We communicate with those charged with governance of the Parent Company and one of the subsidiary company audited by us included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- We did not audit six foreign subsidiaries, whose financial statements include total assets of Rs. 2,288 Lakhs as at March 31, 2021, revenues from operation of Rs. 2283 Lakhs, total net profit/(loss) after tax of Rs. (132) Lakhs and total comprehensive income of Rs. (132) Lakhs for the year ended on that date and net cash outflows of Rs. 61 Lakhs for the year ended March 31, 2021, as considered in the consolidated financial statements. These financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The company management has converted financial statements of such subsidiaries located outside India, from accounting principle generally accepted in their respective countries to accounting principle generally accepted in India. We have audited the conversion adjustment made by the company's management. Our opinion in so far as it relates to the balance and affair of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustment prepared by the management of the Company and audited by us. Our opinion on the financial statements, in so far as it relates to the amounts and disclosures, in terms of sub-sections (3) and (11) of Section 143 of the Act, in respect of these subsidiaries, is based solely on the report of the other auditors and procedures performed by us as stated in paragraph above.
- We did not audit two foreign subsidiaries, whose financial statements include total assets of Rs. 730 Lakhs as at March 31, 2021, revenues from services of Rs. 35 Lakhs, total net loss after tax of Rs 217 Lakhs, total comprehensive Income of Rs. (217) Lakhs, for the year ended on that date respectively, and net cash inflow of Rs. 28 Lakhs for the year ended March 31, 2021, as considered in the Statement. These audited financial statements have been prepared by the management of the foreign subsidiaries in accordance with accounting principles generally accepted in India and have been audited by a firm of chartered accountants whose reports have been furnished to us by the management and our opinion on the financial statements, in so far as it relates to the amounts and disclosures, in terms of sub-sections (3) and (11) of Section 143 of the Act, in respect of these subsidiaries, our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries are based solely on the reports of the firm of chartered accountants and procedures performed by us as stated in paragraph above.

INDEPENDENT AUDITOR'S REPORT

- We did not audit four subsidiaries, whose financial statements include total assets of Rs. 1929 Lakhs as at March 31, 2021, revenues from operations of Rs. Nil, total net loss after tax of Rs. 41 Lakhs, total comprehensive income of Rs. (41) Lakhs for the year ended on that date, and net cash inflows of Rs. 45 Lakhs for the year ended March 31, 2021, as considered in the financial statements which have been audited by other auditors, whose reports have been furnished to us by the management and our opinion on the financial statements, in so far as it relates to the amounts and disclosures in terms of sub-sections (3) and (11) of Section 143 of the Act, in respect of these subsidiaries, is based solely on the report of the other auditors and procedures performed by us as stated in paragraph above.

- We did not audit ten foreign subsidiaries, whose financial statements include total assets of Rs. 2826 Lakhs as at March 31, 2021, revenues from operation of Rs. 776 Lakhs, total net profit/(loss) after tax Rs. 655 Lakhs and total comprehensive income Rs. 740 Lakhs, for the year ended on that date and net cash inflows of Rs. 752 Lakhs for the year ended March 31, 2021, as considered in the financial statements. The management has prepared these financial statements of these subsidiaries in accordance with accounting principles generally accepted in their respective countries and converted these financial statements of such subsidiaries located outside India, from accounting principle generally accepted in their respective countries to accounting principle generally accepted in India. We have audited the conversion adjustment made by the Company's management. The consolidated financial statements also include the Group's share of net profit/(loss) of Rs. (64) and total comprehensive income of Rs. (64) Lakhs for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of three associates, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates, as noted in the 'other matter' paragraph, 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 purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit & Loss including other comprehensive income, Consolidated Statement of Change in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act;

(e) On the basis of the written representations received from the Directors of the Parent Company and the Indian subsidiary companies as on 31 March 2021 taken on record by the Board of Directors of the respective company, none of the Directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act. We are not able to comment whether directors of associate companies incorporated in India are qualified from being appointed as director in terms of Section 164(2) of the Act in absence of their audited financial statements;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Parent Company and its subsidiary companies, associate companies incorporated in India, refer to our separate Report in "Annexure A" to this report;

INDEPENDENT AUDITOR'S REPORT

(g) In our opinion and based on the reports of the statutory auditors of subsidiary companies incorporated in India, the remuneration paid/provided during the year by the parent company and its subsidiary companies, where applicable, to its directors is in accordance with the provisions of section 197 (16) of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates in its consolidated financial statements – Refer Note 40C and 40D to the consolidated financial statements;

ii. The Group and its associates did not have material foreseeable losses in long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiary and associate companies incorporated in India.

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN: 21088926AAAAHL9289

Place: Noida (Delhi-NCR)
Date: June 09, 2021

INDEPENDENT AUDITOR'S REPORT

ANNEXURE A

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

We have audited the internal financial controls over financial reporting of DiGiSpice Technologies Limited ('the Parent Company") and subsidiary companies which are incorporated in India, where applicable, as of March 31, 2021 in conjunction with our audit of the consolidated financial statements of the Parent Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company and its subsidiary companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over the financial reporting criteria established by the respective 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 its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "guidance Note") and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to as audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements of and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls with reference to financial statement, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal; financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company ; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INDEPENDENT AUDITOR'S REPORT

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion the Group, has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by respective 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.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to subsidiary companies incorporated in India, where applicable, is based on the corresponding reports of the auditors of such companies incorporated in India. Our Opinion is not modified in respect of this matter.

We could not comment on the adequacy of internal financial controls with reference to financial statements and its operating effectiveness, insofar as it relates to associate companies, which are companies incorporated in India, where applicable, as referred in Other Matters paragraph in Audit Report, in absence of their audited financial statements.

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN: 21088926AAAAHL9289

Place: Noida (Delhi-NCR)
Date: June 09, 2021

CONSOLIDATED BALANCE SHEET

as at 31 March 2021

(Amount in Rs. Lakhs)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
Assets			
Non-current assets			
Property,plant and equipment	3	2,611.47	3,594.70
Capital work in progress	3	249.35	85.92
Right of Use Assets	3A	437.51	505.75
Investment property	4	1,477.01	1,576.14
Goodwill on consolidation		5,165.89	5,152.05
Other intangible assets	5	948.61	1,582.03
Intangible assets under development	5	246.44	273.57
Investment accounted using equity method	6	50.12	592.77
Financial assets			
(i) Investments	7	5.00	5.00
(ii) Loans	8	444.16	388.33
(iii) Other financial assets	9	375.00	13.17
Deferred tax assets (net)	16	2,829.77	2,874.37
Non current tax assets (net)	13	5,717.89	5,890.01
Other assets	14	94.83	71.79
Total non-current assets		**20,653.04**	**22,605.60**
Current assets			
Inventories	15	462.21	62.45
Financial assets			
(i) Investments	7	-	-
(ii) Trade receivables	10	4,039.29	4,633.99
(iii) Cash and cash equivalents	11	9,215.98	4,942.54
(iv) Bank balance other than (iii) above	12	12,249.28	3,239.50
(v) Loans	8	89.95	21.18
(vi) Other financial assets	9	3,736.57	3,782.46
Current tax assets (net)	12	569.64	633.28
Other assets	14	1,698.27	1,352.30
Asset classified as held for sale		-	-
Total current assets		**32,061.18**	**18,667.70**
Assets of discontinued operations	47	420.00	527.43
		32,481.19	**19,195.13**
Total assets		**53,134.23**	**41,800.73**
Equity and liabilities			
Equity			
Equity share capital	17	6,069.85	6,055.02
Other equity	17A	17,707.58	16,311.92
Equity attributable to holders of the Company		23,777.43	22,366.94
Non controlling interests		351.40	900.99
Total equity		**24,128.83**	**23,267.93**
Non-current liabilities			
Financial liabilities			
(i) Lease liability		-	64.92
(ii) Other financial liabilities	20	165.08	68.46
Provisions	21	720.91	813.91
Deferred tax liabilities	16	-	-
Other liabilities	23	16.40	20.25
Total non-current liabilities		**902.39**	**967.54**
Current liabilities			
Financial liabilities			
(i) Borrowings	18	3,316.12	2,516.55
(ii) Trade payables	19		
- total outstanding dues of micro and small enterprises		54.39	18.58
- total outstanding dues of creditors other than micro and small enterprises		5,737.83	6,810.75
(iii) Lease liability		64.92	58.91
(iii) Other financial liabilities	20	1,071.69	772.22
Provisions	21	190.82	117.99
Current tax liabilities (net)	22	533.34	498.14
Other liabilities	23	16,822.80	6,415.54
Total current liabilities		**27,791.92**	**17,208.68**
Liabilities of discontinued operations	47	311.10	356.58
		28,103.02	**17,565.26**
Total equity and liabilities		**53,134.23**	**41,800.73**
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the consolidated financial statements			

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm registration number: 302049E

Bimal Kumar Sipani
Partner
Membership no.: 088926

Place : Noida
Date : 09 June 2021

For and on behalf of the board of directors

Rohit Ahuja
Executive Director
DIN : 00065417

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN : 00012223

Vinit Kishore
Chief Financial Officer

M R Bothra
Vice President - Corporate Affairs and Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2021

(Amount in Rs. Lakhs)

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Continuing operations			
Income			
Revenue from services	24	71,210.44	40,718.20
Other income	25	2,452.91	1,166.19
Total Income		**73,663.35**	**41,884.39**
Expenses			
Cost of goods and services procured	26	37,824.29	13,671.67
(Increase) / Decrease in inventories of procured goods	27	(317.86)	(31.11)
Cost of services rendered	28	21,773.19	15,049.17
Employee benefits expense	29	5,687.06	6,119.32
Finance costs	30	159.75	422.81
Depreciation and amortisation expense	31	2,266.35	2,061.67
Other expenses	32	4,965.62	5,216.64
Total expenses		**72,358.40**	**42,510.18**
Profit/(loss) before share of profit/(loss) of associates and a joint venture, exceptional items and tax from continuing operations		**1,304.95**	**(625.78)**
Share of (loss) of associates and a joint venture	45	(64.49)	(88.87)
Profit/(loss) before exceptional items and tax from continuing operations		**1,240.46**	**(714.65)**
Exceptional items	33	-	4,619.30
Profit/(loss) before tax from continuing operations		**1,240.46**	**(5,333.95)**
Tax expense:			
(1) Current tax	36	611.32	532.20
(2) Deferred tax credit	16	62.17	(477.57)
(3) Income tax adjustments for earlier years	36	(30.54)	143.10
Income tax expense		**642.95**	**197.73**
Profit/(loss) for the year from continuing operations		**597.51**	**(5,531.68)**
Discontinued operations			
(Loss) before tax for the year from discontinued operations	47	(38.64)	(39.34)
Tax expense of discontinued operations	47	-	-
Profit/(loss) for the year from discontinued operations		**(38.64)**	**(39.34)**
Profit/(loss) for the year		**558.87**	**(5,571.02)**
Other comprehensive income from continuing operations			
Items that will not be reclassified to profit or loss	34		
Remeasurement gain of defined benefit plan		(61.56)	(103.14)
Deferred tax impact		17.88	28.69
Items that will be reclassified to profit or loss	35		
Exchange differences on translations of foreign operations		220.05	67.27
Exchange difference on long term loan		(63.76)	10.60
Other comprehensive income from discontinued operations			
Items that will not be reclassified to profit or loss	47		
Remeasurement gain of defined benefit plan		-	-
Items that will be reclassified to profit or loss			
Exchange differences on translations of foreign operations		-	-
Other comprehensive income for the year		**112.62**	**3.42**
Total comprehensive income for the year		**671.49**	**(5,567.60)**
Profit/(loss) for the year		**558.87**	**(5,571.02)**
Attributable to:			
Equity holders of the Company		1,146.35	(4,928.49)
Non-controlling interests		(587.48)	(642.53)
Other comprehensive income for the year		**112.62**	**3.42**
Attributable to:			
Equity holders of the Company		83.78	(31.04)
Non-controlling interests		28.84	34.46
Total comprehensive income for the year		**671.49**	**(5,567.60)**
Attributable to:			
Equity holders of the Company		1,230.14	(4,959.53)
Non-controlling interests		(558.65)	(608.07)
Earnings per share for continuing operations (attributable to equity holders of the Company) (nominal value of share Rs. 3 (31 March 2020: Rs. 3)	37		
Basic, computed on the basis of profit/(loss) from continuing operations (Rs.)		0.52	(2.15)
Diluted, computed on the basis of profit/(loss) from continuing operations (Rs.)		0.51	(2.15)
Earnings per share for discontinued operations (attributable to equity holders of the Company) (nominal value of share Rs. 3 (31 March 2020: Rs. 3)	37		
Basic, computed on the basis of profit/(loss) from discontinued operations (Rs.)		(0.02)	(0.02)
Diluted, computed on the basis of profit/(loss) from discontinued operations (Rs.)		(0.02)	(0.02)
Earnings per share for continuing and discontinued operations (attributable to equity holders of the Company) (nominal value of share Rs. 3 (31 March 2020: Rs. 3)	37		
Basic, computed on the basis of profit/(loss) for the year (Rs.)		0.50	(2.16)
Diluted, computed on the basis of profit/(loss) for the year (Rs.)		0.49	(2.16)

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm registration number: 302049E

Bimal Kumar Sipani
Partner
Membership no.: 088926

Place : Noida
Date : 09 June 2021

For and on behalf of the board of directors

Rohit Ahuja
Executive Director
DIN : 00065417

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN : 00012223

Vinit Kishore
Chief Financial Officer

M R Bothra
Vice President - Corporate Affairs and Company Secretary

CONSOLIDATED CASH FLOWS STATEMENT

for the year ended 31 March 2021

(Amount in Rs. Lakhs)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES			
Profit/(loss) before tax from continuing operations		1,240.46	(5,333.95)
Profit/(loss) before tax from discontinued operations		(38.64)	(39.34)
Profit/(Loss) before tax		**1,201.82**	**(5,373.29)**
Adjustments for :			
Exceptional items			
Provision for diminution in the value of non current investments		-	1,333.23
Provision for doubtful debts and loans and advances		-	4,447.61
De Recognition of Loan Liability		-	(1,343.88)
Net Loss on foreign currency transactions and translations		132.32	(34.12)
Share of loss of associates and a joint venture		64.49	88.87
Depreciation and amortisation expense		2,266.35	2,061.67
(Profit)/Loss on disposal of plant, property and equipment's (net)		3.05	23.71
Interest income		(965.47)	(662.09)
Profit on sales of Investment (Ziiki Media)		(617.75)	-
Net rental (income)/expense on investment properties		(165.50)	93.16
Net loss/(gain) on sale of current investments in mutual fund units		-	1.21
Unclaimed balances written back		(479.38)	(29.52)
Interest expense		159.75	422.81
Employee ESOP Compensation		108.61	53.84
Provision for Impaired Credit		-	0.50
Provision for Loss Allowances		22.02	112.10
Irrecoverable balances written off		189.64	115.61
Operating profit before working capital changes		**1,919.94**	**1,311.41**
Movements in working capital:			
(Increase) in inventories		(399.76)	(31.11)
Decrease in trade receivables		552.20	1,229.48
(Increase)/Decrease in other receivables		(345.89)	5,791.78
(Decrease) in trade payables		(603.21)	(1,064.17)
Increase/(Decrease) in other payable		10,792.77	(360.58)
(Decrease)/Increase in provisions		(81.73)	59.01
Cash from operations		**11,834.33**	**6,935.82**
Direct taxes paid (net of refunds)		43.92	(1,190.31)
Net cash from operating activities	**(A)**	**11,878.25**	**5,745.51**
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Purchase of plant, property and equipment's (including capital work in progress and capital advances)		(381.34)	(977.45)
Purchase of intangible assets (Including intangible assets under development)		(209.72)	(660.61)
Proceeds from disposal of plant, property and equipment's and intangible assets		0.63	80.10
Sale of current investments		-	238.09
Proceeds from sale of Associate		1,095.91	-
Interest received		437.71	509.79
Net rental income/(expense) on investment properties		165.50	(93.16)
Net movement in Fixed deposits		(9,371.61)	164.35
Net cash (used in) investing activities	**(B)**	**(8,262.91)**	**(738.88)**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2021

(Amount in Rs. Lakhs)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES			
Proceeds/(repayment) from current borrowings		170.74	(1,081.55)
Share capital issued		14.83	-
Securities Premium received		50.66	-
Partly paid Share capital issued by a subsidiary company to a non- controlling interest holder		15.00	-
Lease liability		(58.91)	(53.46)
Dividend Paid		-	(1,150.04)
Interest paid		(159.75)	(422.78)
Net cash (used in)/from financing activities	**(C)**	**32.57**	**(2,707.83)**
Net Increase in cash and cash equivalents (A + B + C)		3,647.91	2,298.80
Cash and cash equivalents at the beginning of the year		3,405.32	1,106.52
Cash and cash equivalents at the end of the year		**7,053.23**	**3,405.32**
i) Components of cash and cash equivalents:			
Cash on hand		7.00	6.92
Cheques/ drafts on hand		-	18.37
With banks			
- on current accounts		8,904.34	4,838.82
- Deposits with original maturity of less than three months		310.35	80.82
Bank overdrafts		(2,168.45)	(1,539.61)
Total cash and cash equivalents (note 11, 18 & 47)		**7,053.23**	**3,405.32**

ii) Movement in financial liabilities (Amount in Rs. Lakhs)

	Current borrowings	Non-current borrowings	Lease Liability	Interest expense on financial liabilities	Total
As at 1 April 2020	976.93	-	123.83	-	1,100.77
Cash flows	170.74	-	(58.91)	-	111.83
Interest expenses	-	-	-	159.75	159.75
Interest paid	-	-	-	(159.75)	(159.75)
Non Cash items					
Foreign currency Translation Reserve (FCTR)	-	-	-	-	-
As at 31 March 2021	**1,147.68**	**-**	**64.92**	**-**	**1,212.60**
As at 1 April 2019	2,068.47	1,277.85	-	-	3,346.32
Cash flows	(1,081.55)	-	(53.46)	-	(1,135.01)
Interest expenses	-	-	-	422.78	422.78
Interest paid	-	-	-	(422.78)	(422.78)
Non Cash items					
De Recognition of Loan Liability	-	(1,343.88)	-	-	(1,343.88)
Recognition of lease Liability	-	-	177.30	-	177.30
Foreign currency Translation Reserve (FCTR)	(9.99)	66.03	-	-	56.04
As at 31 March 2020	**976.93**	**-**	**123.84**	**-**	**1,100.77**
Summary of significant accounting policies			2		

Cash Flow from operating activities for the 31 March 2021 is after considering Corporate Social Responsibility Expenditure of Rs. 48 Lakhs (31 March 2020: Rs. 25 Lakhs)
The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS – 7 "Statement of Cash Flows"
The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm registration number: 302049E

Bimal Kumar Sipani
Partner
Membership no.: 088926

Place : Noida
Date : 09 June 2021

For and on behalf of the board of directors

Rohit Ahuja
Executive Director
DIN : 00065417

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN : 00012223

Vinit Kishore
Chief Financial Officer

M R Bothra
Vice President - Corporate Affairs and Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

A : Equity share capital

	Number of shares	(Amount Rs. Lakhs)
Balance as at 31 March 2019*#	**201,830,219**	**6,054.90**
Change in equity share capital during the year		
Add :Actual Shares issued pursuant to scheme of arrangement**	4,003	0.12
Balance as at 31 March 2020*	**201,834,222**	**6,055.02**
Change in equity share capital during the year		
Add : Shares issued under ESOP 2018 Scheme	494,314	14.83
Balance as at 31 March 2021*	**202,328,536**	**6,069.85**

* 22,78,63,982 Equity shares are net off 26,067,843 equity shares as on 31 March, 2021, 22,78,63,982 Equity shares are net off 26,067,843 equity shares as on 31 March, 2020 and 26,067,843 equity shares as on 31 March, 2019 held by Employee benefit Trust and Independent Non Promoter Trust. (refer note no. 51)

includes estimated 34080 equity shares pending for issue pursuant to scheme of arrangement (Refer note no. 57) which have been issued during the previous year.

** Difference between the actual number of shares alloted (38083 equity shares) and the estimated number of shares (34080 equity shares) pursuant to scheme of arrangement.

For the year ended 31 March 2021 **(Amount in Rs Lakhs)**

Particulars	Trust Shares (Refer note 51)	Reserves and Surplus							Items of other comprehensive income			Total	Non-controlling interests	Total equity
		Capital reserve on Consolidation (i)	Securities Premium (ii)	Capital Redemption Reserve (iii)	General Reserve(iv)	Capital reserve on Scheme of Arrangement (v)	Share Based Payment Reserve(vi)	Retained Earnings (ix)	Foreign Currency Translation Reserve (vii)	Foreign Currency Monetary Item Translation Difference Account (viii)	'Remeasurement gain/(loss) on defined benefit plan, net of tax impact			
As at April 01, 2020	**161.19**	**(15.76)**	**1,770.80**	**306.66**	**5,712.74**	**(1.28)**	**980.81**	**7,710.18**	**197.01**	**(510.43)**	**-**	**16,311.92**	**900.99**	**17,212.91**
Profit for the year	-	-	-	-	-	-	-	1,146.35	-	-	-	1,146.35	(587.48)	558.87
Other comprehensive income (net of tax)	-	-	-	-	-	-	0.47	(43.63)	190.70	(63.76)	-	83.79	28.84	112.62
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**0.47**	**1,102.72**	**190.70**	**(63.76)**	**-**	**1,230.14**	**(558.65)**	**671.49**
Transactions with owners in their capacity as owners:														
Issue of equity share capital			**50.66**					**-**				**50.66**		**50.66**
Transactions with other:														
Share based payment to employees of the Group	-	-	-	-	-	-	165.34	(56.74)	-	-		108.60	0.31	108.91
Proceeds from fresh issue of equity by Subsidiaries	-	-	-	-	-	-	-	6.26	-			6.26	8.74	15.00
As at March 31, 2021	**161.19**	**(15.76)**	**1,821.46**	**306.66**	**5,712.74**	**(1.28)**	**1,146.63**	**8,762.42**	**387.71**	**(574.19)**	**-**	**17,707.58**	**351.40**	**18,058.98**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

For the year ended 31 March 2020 **(Amount in Rs Lakhs)**

Particulars	Trust Shares (Refer note 51)	Reserves and Surplus							Items of other comprehensive income			Total	Non-controlling interests	Total equity
		Capital reserve on Consolidation (i)	Securities Premium (ii)	Capital Redemption Reserve (iii)	General Reserve(iv)	Capital reserve on Scheme of Arrangement (v)	Share Based Payment Reserve(vi)	Retained Earnings (ix)	Foreign Currency Translation Reserve (vii)	Foreign Currency Monetary Item Translation Difference Account (viii)	Remeasurement gain/(loss) on defined benefit plan, net of tax impact			
As at April 01, 2019	**161.19**	**(15.76)**	**1,770.80**	**306.66**	**5,712.74**	**(1.02)**	**783.25**	**14,027.14**	**196.01**	**(503.60)**	**(20.28)**	**22,417.13**	**1,505.44**	**23,922.57**
Profit for the year	-	-	-	-	-	-	-	(4,928.49)	-	-	-	(4,928.49)	(642.53)	(5,571.02)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	(74.44)	50.23	(6.83)	-	(31.04)	34.46	3.42
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(5,002.93)**	**50.23**	**(6.83)**	**-**	**(4,959.53)**	**(608.07)**	**(5,567.60)**
Transactions with owners in their capacity as owners:														
Dividend paid including DDT	-	-	-	-	-	-	-	(1,150.04)	-	-	-	(1,150.04)	-	(1,150.04)
Transactions with other:														
Addition pursuant to Scheme of Arrangement (refer note 57)	-	-	-	-	-	(0.26)	-	-	-	-	-	(0.26)	-	(0.26)
Share based payment to employees of the Group	-	-	-	-	-	-	197.56	(143.71)	-	-	-	53.85	3.62	57.47
Transfer OCI to retained earning	-	-	-	-	-	-	-	(20.28)	-	-	20.28	-	-	-
Adjustment on Deemed loss of Control/Other	-	-	-	-	-	-	-	-	(49.23)	-	-	(49.23)	-	(49.23)
As at March 31, 2020	**161.19**	**(15.76)**	**1,770.80**	**306.66**	**5,712.74**	**(1.28)**	**980.81**	**7,710.18**	**197.01**	**(510.43)**	**-**	**16,311.92**	**900.99**	**17,212.91**

Notes:

(i) excess of Company's share of equity of the subsidiary on the date of investment over cost of investment.

(ii) This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

(iii) Capital redemption reserve represents amount created upon cancellation of shares pursuant to buy back of shares.

(iv) General reserve represents free reserve amount appropriated out of retained earnings.

(v) Capital reserve represent reserve created pursuance to scheme of arrangement.

(vi) Share based payment reserve relates to stock options granted to employees (including employees of holding company and Subsidiary companies) under "SML Employees stock option Plan (ESOP) 2018 of the company" and to employees of a subsidiary under "SDL Employee Stock Option Plan 2015' of Spice Digital Limited, a subsidiary company "and shall be transferred to securities premium account/retained earnings on exercise/cancellation of options (refer note no.46).

(vii) arise as a result of translating the financial statement items from the functional currency into the presentational currency using the exchange rate at the reporting date.

(viii) arise due to exchange differences on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the year.

(ix) Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm registration number: 302049E

Bimal Kumar Sipani
Partner
Membership no.: 088926

Place : Noida
Date : 09 June 2021

For and on behalf of the board of directors

Rohit Ahuja
Executive Director
DIN: 00065417

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN : 00012223

Vinit Kishore
Chief Financial Officer

M R Bothra
Vice President - Corporate Affairs and Company Secretary

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2021

1. Corporate information

The Consolidated financial statements comprise financial statements of Digispice Technologies Limited (formerly known as Spice Mobility Limited) ("the parent" or "the Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates for the year ended 31 March 2021. The Company is domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its share are listed on National Stock Exchange of India Limited and BSE Limited in India.

The Group is primarily engaged into the Information and Communication Technology business providing Value Added Services, and Mobile Content services to the domestic/international Telecom Operators. Also, the Group undertakes development and sale of telecom related software. In addition to this, Group is corporate agent of IRCTC for booking of railway tickets all over India though its appointed agents. Besides IRCTC ticketing, agents also book air tickets, hotels and provides other travel needs through the platform provided by the Group. Group is also providing financial technologies services such as Domestic Money Transfer(DMT) services, aadhar enabled payment services (AEPS), Bharat Bill payment system (BBPS) and other related services.

The registered office of the Company is situated at 622, 6th Floor, DLF Tower A, Jasola Distt Centre, New Delhi – 110025 .

These financial statements were approved by the Board of Directors of the Company in their meeting held on 09 June 2021.

2. Summary of Significant accounting policies

2.1 Statement of Compliance:-

The financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended.

These financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

2.2 Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention on accrual basis except for the followings :

i. Non-current borrowings and lease liabilities are initially measured at amortised cost.

ii. Current investments are measured at fair value at each reporting date.

iii. Defined benefit plans and other long-term employee benefits are measured at fair value at each reporting date.

The consolidated financial statements are presented in Rs. Lakhs and all values are rounded upto two decimal places, except when otherwise indicated.

2.3 Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

2.4 Basis of consolidation of financial statements

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries, associates and a joint venture as at and for the year ended 31 March 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and

The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March. When the end of the reporting period of the Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Company to enable the Company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Company's investment in each subsidiary and the Company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the Company's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the group had directly disposed of the related assets and liabilities.

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2.5 Summary of significant accounting policies

A. Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward without adjustment. The same first time adoption exemption is also used for associates and joint venture.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non- controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non- controlling interests in the acquiree at fair value or at the proportionate share of the acquirer's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 *Financial Instruments*, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

B. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Impairment in the value of investments' in an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

C. Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle

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- Held primarily for the purpose of trading
- Expected to be realised 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

All other assets are classified as non-current.

A liability is 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

The Group classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

D. Foreign currencies

The Groups consolidated financial statements are presented in Rs. Lakhs, which is also Company's functional currency. For each entity the group determines the functional currency and items included in the financial statement of each entity are measured using that functional currency. The group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at currency spot rates at the date the transaction first qualifies for recognition.

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following;

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Rs. at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of Ind AS transition, viz., 1 April 2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

E. Fair value measurement

The Group measures financial instruments, such as, investments etc. at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability (The principal or the most advantageous market must be accessible by the Group.)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

F. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Goods and services tax (GST) is not received by the Group on its own account, rather, it is tax collected on behalf of the government. Accordingly, it is excluded from revenue.

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The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

The Group recognises revenue from sale of goods when effective control of goods have been passed along with all the following conditions are satisfied:

i) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

ii) The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

iii) The amount of revenue can be measured reliably;

iv) It is probable that the economic benefits associated with the transaction will flow to the Group; and

v) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, etc. The Group considers shipping and handling activities as costs to fulfil the promise to transfer the related products and the customer payments for shipping and handling costs are recorded as a component of revenue.

Sale of software/hardware (customised bundled solution) and software services

Revenue is recognised based on milestone achieved by the Group on development of software's, and invoice for that milestone raised on the customer.

The Group derives revenues primarily from software development and related services and from the licensing of software products. Arrangements with customers for software related services are either on a fixed-price, fixed-time frame or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the balance sheet date is recognized as unbilled revenues. Revenue from fixed-price, fixed-time frame contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognized rateably over the term of the underlying maintenance arrangement.

Advances received for services and products are reported as client deposits until all conditions for revenue recognition are met.

Income from services

Revenue from value added services are recognized as per arrangement with the customers at the end of each month/period in which the services are rendered.

Revenue from Fintech services such as Domestic Money Transfer(DMT), AEPS, BBPS, Top up recharges etc. are recognized when the services are actually rendered on real time basis.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental income

Rental income arising from operating leases on investment properties and leasehold improvements is accounted for on a straight-line basis over the lease terms unless the payments by the lessee are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Rental income is included in other income in the statement of profit or loss due to its operating nature.

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G. Taxes

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date in respective country, where the Group operates and generates taxable income.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before Tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Current income tax includes tax paid on foreign income in accordance with the tax laws applicable in the respective jurisdiction. The foreign taxes paid are generally available for set off against the Indian income tax liability of the Group's worldwide income.

Current tax, relating to items recognised outside the statement of profit or loss, is recognised directly either in other comprehensive income or in equity in correlation to the underlying transaction. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax relate to the same taxable entity and the same taxation authority.

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Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets.

The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income tax during the specified period.

H. Sales/ value added taxes/GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

I. Non-current assets held for sale/ distribution to owners and discontinued operations

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

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/ distribution classification is regarded met only when the assets or disposal Group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal group), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale/ distribution of the asset or disposal to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal Group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

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

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

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A disposal Group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

  Or
- Is a subsidiary acquired exclusively with a view to resale

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

Additional disclosures are provided in Note 47. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

J. Property, plant and equipment

The Group has elected to continue with the carrying value for all of its property, plant & equipment, as recognised in its Indian GAAP financial statements as deemed cost at the Ind AS transition date, viz., 1 April 2015 .

Capital work in progress, property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on cost of PPE less their estimated residual values over their estimated useful lives using straight line method and is recognised in Statement of Profit and loss .The estimated useful lives of items of PPE for the current and comparative periods are as follows:

Particulars	Useful Life(estimated by management)
- Building	period of lease, or useful life of 25 years, whichever is lower
- Plant and Machinery	15 Years
- Computers(other than servers etc.)	3-5 Years
- Server	6 Years
- Leasehold Improvements	period of lease, or useful life of 1-9 years, whichever is lower
- Furniture and fittings	3-10 Years
- Office equipment's (other than mobile handsets)	2-7 Years
- Mobile handsets	3 Years
- Vehicles	8-10 years

The Group, based on assessment made, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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 Derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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K. Investment properties

The Group has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial statements as deemed cost at the Ind AS transition date, viz., 1 April 2015.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

If Group classify a property as an investment property on the basis of its use, which was previously classified under "property, plant and equipment", then on the date of reclassification, the cost of investment property will be the carrying value of that property.

The Group depreciates building component of investment property over 60 years from the date of original purchase. Furniture & fixture and office equipment, which form part of investment property are depreciated at useful life mentioned in para J.

The Group depreciates building (on leasehold land) component of investment property over the leasehold period of land.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by external independent valuers.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of Derecognition.

The residual values, useful lives and methods of depreciation of investment properties are reviewed at each financial year end and adjusted prospectively, if appropriate.

L. Intangible assets

The Group has elected to continue with the carrying value for all of its intangible assets as recognised in its Indian GAAP financial statements as deemed cost at the Ind AS transition date, viz., 1 April 2015.

Intangible assets (software) acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The Group capitalises intangible asset under development for a project in accordance with its accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

Software (In-house Developed) product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economical benefits are probable, the company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include material cost, employee benefits and other overhead cost that are directly attributable to preparing the asset for its intended use.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss.

Gains or losses arising from Derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

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Intangible assets are amortised using the Straight Line Method over their estimated useful lives as follows :

Intangible Asset	Estimated Useful Life
Computer Software (Office)	3 Years
Computer Software (Site)	5 Years
In-house developed Software	5 Years
Intellectual Property Right	5 Years
Web site Development Cost	3 Years

M. Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

N. Inventories

Inventories comprise of traded goods which are valued at the lower of cost and net realisable value.

Cost of traded goods includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

O. Impairment of non-financial assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

P. Provisions, contingent liabilities and contingent assets

Provisions and Contingent Liabilities

Based on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date. A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

If the effect of the time value of money is material, provisions are discounted 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.

Contingent Assets

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

Warranty

The Group gives warranty on spice brand handsets. Warranty costs on these mobile handsets are provided on an accrual basis, taking into account the past trend of warranty claims received by the "Spice Brand Handset Business" of the Company, to settle the obligation at the balance sheet date.

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Q. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Group operates a defined benefit plan i.e. gratuity plan. The liability as at the year end represents the actuarial valuation of the gratuity liability of continuing employees as at the end of the year. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Refer note no. 39

Remeasurement comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non- routine settlements; and
- Net interest expense or income

Liabilities recognised in respect of other long-term employee benefits such as annual leave and sick leave are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. These obligations are valued annually by independent qualified actuaries.

R. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

1) Debt instruments at amortised cost
2) Debt instruments at fair value through other comprehensive income (FVTOCI)
3) Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
4) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised 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 amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at 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 FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

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Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either
  - (a) the Group has transferred substantially all the risks and rewards of the asset
  - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables and all other financial assets with no significant financing component is measured at an amount equal to 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured for specific assets. 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 recognized as an impairment gain or loss in the statement of profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised 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 Derecognition 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 or loss.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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 realise the assets and settle the liabilities simultaneously.

S. Trust Shares as per Scheme of Amalgamation (refer Note 51)

In pursuance to a Scheme of Amalgamation following trusts were created:

- Independent Non-Promoter Trust ("NPT')
- Independent Non-Promoter (Spice Employee Benefit) Trust ('EBT')

EBT holds equity shares of the Group for the benefit of the employees of the Company, its associates and subsidiaries and NPT holds equity shares for the benefit of the company. Considering conservative interpretation of Ind AS 32, number of equity shares held by the NPT and EBT are reduced from total number of issued equity shares.

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Equity shares that are held by two trusts are recognised at cost and deducted from Equity / Other Equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

T. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Group's cash management.

U. Segment Reporting Policies

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Chief operating decision makers review the performance of the Group according to the nature of business of the Group. The Group is operating in Digital Technology Services segment and financial technologies services.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Group as a whole.

V. Share-based payments

The Group recognises compensation expense relating to share-based payment in statement of profit and loss using fair value in accordance with Ind AS 102, Share-based Payment except the value of Stock Options to employees of holding company are directly reduced from the retained earnings.

'The Group initially measures the cost of equity-settled transactions with employees using Black and Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. Vesting conditions, other than market conditions i.e. performance based condition are not taken into account when estimating the fair value. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 46

W. Business Combinations

Business Combination other than Common Control

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the Group and fair value of any assets or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values. However, certain assets and liabilities i.e. deferred tax assets or liabilities, assets or liabilities related to employee benefit arrangements, liabilities or equity instruments related to share-based payment arrangements and assets or disposal groups that are classified as held for sale, acquired or assumed in a business combination are measured as per the applicable Ind AS.

Measuring Goodwill or a gain from Bargain Purchase

The excess/(short) of the sum of the consideration transferred and the acquisition-date fair value of any previous equity interest in the acquired entity over the acquisition-date fair value of the net identifiable assets (net of identifiable assets acquired and liabilities assumed/contingent consideration) acquired is recognised as goodwill/(bargain purchase gain). Any gain on a bargain purchase is recognised in other comprehensive income and accumulated in equity as Capital Reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase, otherwise the gain is recognised directly in equity as Capital Reserve.

Business Combination under Common Control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations involving entities or businesses under common control

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shall be accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts.

X. Leases

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.

Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

Group as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term. If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

Lease Liability

The lease payments that are not paid at the commencement date, are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are presented as a separate line in the Balance Sheet and details of assets are given ROU note under "Notes forming part of the Financial Statement".

The Group applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Y. Earnings per share

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders (after deducting the redeemable preference share dividend) by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is calculated by dividing the net profits attributable to equity shareholders (after deducting dividend on redeemable preference shares) by the weighted average number of equity shares outstanding during the year (adjusted for the effects of dilutive options).

Z. Recent Accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015, as amended, include:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.
"The amendments are extensive and the Group will evaluate the same to give effect to them as required by law."

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3 Property ,plant and equipment and capital work in progress

(Amount in Rs. Lakhs)

Particulars	Leasehold Land	Building	Leasehold Improvement	Plant and Machinery	Office Equipment's	Furniture and Fittings	Computers	Vehicle	Payment Devices	Total	Capital Work in Progress	Grand Total
At 31 March 2019	**412.21**	**2,514.34**	**254.33**	**406.84**	**410.45**	**425.27**	**4,372.62**	**230.89**	**827.91**	**9,854.86**	**130.01**	**9,984.87**
Additions for the year	-	-	18.10	-	4.58	3.60	230.07	2.76	760.34	1,019.45	990.67	2,010.12
Disposals	-	-	-	-	(51.06)	(65.60)	(4.14)	(28.00)	-	(148.80)	(1,034.76)	(1,183.56)
Transfer to Right of Use Assets	(412.21)	-	-	-	-	-	-	-	-	(412.21)	-	(412.21)
Exchange differences	-	-	-	-	0.78	(4.00)	77.82	(0.62)	-	73.98	-	73.98
At 31 March 2020	**-**	**2,514.34**	**272.43**	**406.84**	**364.74**	**359.26**	**4,676.37**	**205.04**	**1,588.26**	**10,387.28**	**85.92**	**10,473.20**
Additions for the year	-	-	-	-	1.96	-	50.31	-	195.15	247.42	444.50	691.92
Disposals	-	-	-	-	-	(8.46)	(0.08)	(0.79)	-	(9.33)	(199.17)	(208.50)
Transfer	-	-	-	-	(1.38)	0.95	(0.84)	1.27	-	0.00	-	0.00
Transfer to Inventory (refer note 27)	-	-	-	-	-	-	-	-	-	-	(81.90)	(81.90)
Exchange differences	-	-	-	-	(0.17)	(0.20)	5.31	(0.43)	-	4.51	-	4.51
At 31 March 2021	**-**	**2,514.34**	**272.43**	**406.84**	**365.15**	**351.55**	**4,731.06**	**205.09**	**1,783.41**	**10,629.87**	**249.35**	**10,879.22**
Accumulated depreciation												
At 31 March 2019	**19.85**	**1,444.20**	**234.05**	**133.96**	**365.33**	**272.68**	**2,763.38**	**112.21**	**176.71**	**5,522.36**	**-**	**5,522.36**
Depreciation for the year	-	359.96	11.63	33.58	25.64	49.25	442.01	20.26	399.94	1,342.27	-	1,342.27
Disposals	-	-	-	-	(41.74)	(32.12)	(2.20)	(12.11)	-	(88.17)	-	(88.17)
Transfer to Right of Use Assets	(19.85)	-	-	-	-	-	-	-	-	(19.85)	-	(19.85)
Exchange differences	-	-	-	-	0.60	0.00	35.80	(0.42)	-	35.98	-	35.98
At 31 March 2020	**(0.00)**	**1,804.14**	**245.68**	**167.54**	**349.83**	**289.81**	**3,238.99**	**119.93**	**576.65**	**6,792.58**	**-**	**6,792.58**
Depreciation for the year	-	84.57	13.99	33.48	13.76	41.30	545.21	17.96	484.51	1,234.78	-	1,234.78
Disposals	-	-	-	-	-	(5.49)	(0.64)	(0.68)	-	(6.81)	-	(6.81)
Transfer	-	-	-	-	(2.35)	0.97	0.08	1.31	-	0.00	-	0.00
Adjustment	-	0.07	-	-	-	-	(0.35)	(3.65)	-	(3.93)	-	(3.93)
Exchange differences	-	-	-	-	(0.41)	(0.06)	2.64	(0.37)	-	1.80	-	1.80
At 31 March 2021	**(0.00)**	**1,888.78**	**259.67**	**201.02**	**360.82**	**326.54**	**3,785.92**	**134.49**	**1,061.16**	**8,018.41**	**-**	**8,018.41**
Net Book Value												
At 31 March 2020	0.00	710.19	26.75	239.30	14.92	69.46	1,437.38	85.10	1,011.60	3,594.70	85.92	3,680.62
At 31 March 2021	0.00	625.56	12.76	205.82	4.33	25.01	945.14	70.60	722.24	2,611.47	249.35	2,860.82

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2021

Notes:-

a. **Property plant and equipment include the following assets given on operating lease :**

Particulars	Gross Block		Depreciation*		Accumulated Depreciation	
	As at 31 March 2021	As at 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	As at 31 March 2021	As at 31 March 2020
Building	189.00	189.00	28.98	28.98	174.01	145.03
Leasehold Land	22.96	22.96	0.27	0.27	1.67	1.40
Furniture and Fittings	19.24	19.24	3.10	3.10	18.43	15.33
Plant and Machinery	30.78	30.78	2.76	2.76	16.54	13.78
Office Equipment	17.90	17.90	0.42	0.49	17.90	17.48
Total	**279.88**	**279.88**	**35.53**	**35.60**	**228.55**	**193.02**

* Depreciation is for the period during which building along with other assets were given on operating lease.

b. Building includes assets of Dehradun property having gross value of Rs. 211.71 lakhs (Rs. 211.71 lakhs as on 31 March, 2020) and Net WDV of Rs. 161.01 lakhs (Rs. 169.58 lakhs as on 31 March, 2020) given as security against bill discounting, bank guarantee limit taken from a bank.

c. Depreciation for the year includes depreciation on Property plant and equipment, pertaining to discontinued operation of Nil (31 March 2020 Rs Nil).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

3A. Right of Use Assets

(Amount in Rs. Lakhs)

Particulars	**Lease hold Land**	**Building**	**Total**
Cost as at March 31, 2019	-		-
Transfer from Property, Plant & Equipment as per Ind AS 116 *	412.21	-	412.21
Additions		181.64	181.64
Cost as at April 01, 2019	**412.21**	**181.64**	**593.85**
Sold/discarded during the period	-		-
Adjustment during the period	-		-
Cost as at March 31, 2020	**412.21**	**181.64**	**593.85**
Additions	-	-	-
Sold/discarded during the period	-	-	-
Adjustment during the period	-	-	-
Cost as at March 31, 2021	**412.21**	**181.64**	**593.85**
Accumulated depreciation as at April 1, 2019	-		-
Transfer from Property, Plant & Equipment as per Ind AS 116 *	19.85		19.85
Depreciation for the period	7.70	60.55	68.25
Adjustment / Reclassification during the period	-	-	-
Accumulated depreciation as at March 31, 2020	**27.55**	**60.55**	**88.10**
Depreciation for the period	7.69	60.55	68.24
Adjustment / Reclassification during the period	-	-	-
Accumulated depreciation as at March 31, 2021	**35.25**	**121.10**	**156.34**
Net carrying value as on March 31, 2019	-	-	-
Net carrying value as on April 01, 2019	392.36	181.64	574.00
Net carrying value as on March 31, 2020	**384.66**	**121.09**	**505.75**
Net carrying value as on March 31, 2021	**376.97**	**60.54**	**437.51**

Above leasehold land situated at Dehradun given as security against bill discounting, bank guarantee and limit taken from a bank. This leasehold land is pending transfer in the name of the Company in pursuance to Scheme of Arrangement became applicable from appointment dated 01 April, 2017. (refer note no 57)

4 Investment Property

(Amount in Rs. Lakhs)

Particulars	**Free hold land**	**Lease hold land**	**Building**	**Office Equipment's**	**Furniture and Fittings**	**Total**
At 31 March 2019	**8.00**	**264.63**	**1,733.05**	**79.35**	**12.16**	**2,097.19**
At 31 March 2020	**8.00**	**264.63**	**1,733.05**	**79.35**	**12.16**	**2,097.19**
At 31 March 2021	**8.00**	**264.63**	**1,733.05**	**79.35**	**12.16**	**2,097.19**
Accumulated depreciation						
At 31 March 2019	**-**	**95.59**	**243.51**	**75.28**	**6.28**	**420.65**
Depreciation for the year	-	23.90	73.86	-	2.63	100.39
At 31 March 2020	**-**	**119.49**	**317.37**	**75.28**	**8.91**	**521.04**
Depreciation for the year	-	23.65	72.53	-	2.61	98.79
Adjustment	-	0.89	(3.29)	4.07	(1.32)	0.35
At 31 March 2021	**-**	**144.02**	**386.61**	**79.35**	**10.20**	**620.18**
Net Book Value						
At 31 March 2020	**8.00**	**145.14**	**1,415.69**	**4.07**	**3.25**	**1,576.14**
At 31 March 2021	**8.00**	**120.60**	**1,346.45**	**-**	**1.96**	**1,477.01**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

1. **Information regarding income and expenditure of Investment property**

	As at 31 March 2021	As at 31 March 2020
Rental income derived from investment properties	199.52	130.39
Less: Direct operating expenses (including repairs and maintenance) generating rental income	20.05	22.68
Less: Direct operating expenses (including repairs and maintenance) that did not generate rental income	13.97	14.56
Profit arising from investment properties before depreciation and indirect expenses	**165.50**	**93.15**
Less - Depreciation	98.79	100.39
Profit arising from investment properties before indirect expenses	**66.71**	**(7.24)**

2. The Group Iinvestment properties as on 31 March 2021 and 31 March 2020 consist of two office property situated at Kolkata and Mumbai (Jogeshwari) and one factory land and building situated at Rampur in India. The management has determined the classification of investment properties based on nature, characteristics and risks of each property.

3. The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

4. **Measurement of fair value**

   The fair value of investment properties has been determined by external, independent property valuers in previous years. In the Opinion of management, there is no material change in the fair value of investment property since then.

   The fair value measurement for investment properties has been categorised as a level 3 fair value based on inputs to valuation techniques used (refer note 4 (6)). Fair value hierarchy disclosures have been given in note 48.

5. **Fair value of Investment Properties**

(Amount in Rs. Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Fair Value of Investment Properties	4,254.00	4,254.00

6. **Description of valuation techniques used and key inputs to valuation on investment properties:**

Investment properties	Valuation technique	Significant unobservable Inputs	Valuation Date
Office properties			
- Kolkata	Market Approach	Reference pricing	30-Mar-19
- Rampur Land	Market Approach	Reference pricing	31-Aug-19
- Rampur Building	Depreciated Replacement Cost		31-Aug-19
- Mumbai (Jogeshwari)	Sale Comparison Method	Reference pricing	31-Aug-19

The market approach uses prices and other relevant information generated by market transactions involving identical or complete assets. valuation techniques consistent with the market approach often use market multiples derived from a set of comparables. Multiples might be in ranges with a different multiple for each comparable. The selection of the appropriate multiple within range requires judgement, considering qualitative and quantitative factors specific to the reasurement.

Depreciated Replacement cost method represents amount that would be required currently to replace cost of building less accumulated depreciation for used life i.e. current replacement cost.

Sale Comparison Method represents the amount that would be received to sell similar property in an orderly transaction between marker participants less transaction cost to be incurred to execute the sell.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

5 Intangible assets

(Amount in Rs. Lakhs)

Particulars	Intellectual Property Rights	Computer Software	In-house developed Software	Web site Development Cost	Total	Intangible asset under development	Grand Total
At 31 March 2019#	**522.68**	**1,690.03**	**948.68**	**-**	**3,161.39**	**251.33**	**3,412.72**
Additions for the year	159.04	162.75	271.15	-	592.94	26.74	619.67
Disposals	-	-	-	-	-	(4.50)	(4.50)
Exchange differences	-	25.66	-	-	25.66	-	25.66
At 31 March 2020	**681.72**	**1,878.44**	**1,219.83**	**-**	**3,779.98**	**273.57**	**4,053.56**
Additions for the year	-	44.77	192.09	-	236.86	164.98	401.84
Disposals	-	(23.30)	-	-	(23.30)	(192.10)	(215.40)
Adjustment	(12.89)	12.89	-	-	-	-	-
Exchange differences	-	(12.11)	-	-	(12.11)	-	(12.11)
At 31 March 2021	**668.83**	**1,900.69**	**1,411.92**	**-**	**3,981.44**	**246.44**	**4,227.89**
Accumulated amortisation							
At 31 March 2019#	**123.55**	**1,245.53**	**263.81**	**-**	**1,632.89**	**-**	**1,632.89**
Amortisation for the year	97.75	293.22	159.79	-	550.76	-	550.76
Disposals	-	-	-	-	-	-	-
Exchange differences	-	14.31	-	-	14.31	-	14.31
At 31 March 2020	**221.30**	**1,553.06**	**423.60**	**-**	**2,197.96**	**-**	**2,197.96**
Amortisation for the year	370.99	163.05	330.50	-	864.54		864.54
Disposals	-	(22.13)	-	-	(22.13)	-	(22.13)
Adjustment	(7.76)	10.76	-	-	3.00	-	3.00
Exchange differences	-	(10.55)	-	-	(10.55)	-	(10.55)
At 31 March 2021	**584.54**	**1,694.20**	**754.10**	**-**	**3,032.82**	**-**	**3,032.82**
Net Book Value							
At 31 March 2020	**460.42**	**325.38**	**796.23**	**-**	**1,582.03**	**273.57**	**1,855.60**
At 31 March 2021	**84.29**	**206.50**	**657.82**	**-**	**948.61**	**246.44**	**1,195.05**

1. Amortisation for the year includes amortisation of intangible asset, pertaining to discontinued operation of Nil (31 March 2020 Rs. Nil Lakhs)
2. Intangible assets under development includes Manpower and other cost incurred for various internally developed softwares.
3. As at March 31, 2021, the Company has reestimated balace useful life of one of the Intellectual property and based on such reestimation, the Company has amortised balance carring value of Rs. 227.19 Lakhs at the year end.

Some opening assets as at 31 March 2019 have been re-grouped from computer software class to in-house developed software. The Gross block transferred amounts to Rs 294.03 lakhs and corresponding depreciation transferred in opening balance amounts to Rs 136.97 lakhs and in depreciation for FY 2019-20 amounts to Rs 58.52 lakhs.

6 Investment in associates and a joint venture
(carrying amount determined using the equity method of accounting)

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Investment in associates- unquoted (refer note 45)		
Creative Functionapps Lab Pvt. Ltd 3,514 (31 March 2020 : 3,514) equity share of Rs 10 each	50.12	64.66
Sunstone Learning Private Limited 95,058 (31 March 2020 : 95,058) equity share of Rs 1 each	782.09	782.09
Less: Impairment of Investment	(782.09)	(782.09)
Ziiki Media SA Pty. Ltd. (Formerly known as Spice Digital South Africa Pty. Ltd.) Nil (31 March 2020: 40,016,870) equity shares of 1 Zar each	-	528.11
	50.12	**592.77**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

7 Investments

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Financial instrument carried at fair value through profit and loss				
Investment in equity instrument (unquoted)				
S Mobile Devices Limited				
50,000 (31 March 2020 : 50,000) equity shares of Rs.10 each fully paid up	5.00	5.00	-	-
Investment in unquoted cumulative compulsorily convertible bonds				
Investment in PT Solusi Pasti Indonesia				
(IDR 27,000,000,000 (Twenty Seven Billion Rupiah) convertible bonds)	1,400.49	1,357.89	-	-
Less: Provision for Impairment of Investment (refer note 54)	(1,400.49)	(1,357.89)	-	-
Investment in PT Jasa Digital Nusantara				
(USD 2,00,000 (Two hundred thousand USD) convertible bonds	139.85	139.85	-	-
Less: Provision for Impairment of Investment (refer note 54)	(139.85)	(139.85)	-	-
	5.00	**5.00**	**-**	**-**
Aggregate amount of unquoted investments	5.00	5.00	-	-
Aggregate amount of impairment in value of investments	-	-	-	-

8 Loans - financial assets

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Secured, considered good				
Loans to related party#	142.64	121.36	-	-
Unsecured, considered good				
Security deposits	284.86	254.97	80.47	7.08
Loans to employees	16.65	12.00	9.48	14.10
	444.16	**388.33**	**89.95**	**21.18**
Doubtful				
Security deposits	-	-	2.10	2.10
Advances recoverable in cash or kind*	-	-	404.92	404.92
	-	**-**	**407.02**	**407.02**
Allowances for bad & doubtful				
Security deposits	-	-	2.10	2.10
Advances recoverable in cash or kind*	-	-	404.92	404.92
	-	**-**	**407.02**	**407.02**
	444.16	**388.33**	**89.95**	**21.18**

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

Loan to body corporate secured against property, plant and equipment and receivables (refer note no. 41).

*Includes advance given to related party Rs 400.00 Lakhs (31 March 2020: Rs 400.00 Lakhs), refer note 41

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

9 **Others- financial assets**

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good				
Receivable from related party (refer note 41)				
Rent and other receivable	-	-	49.42	118.36
Receivable against ticketing	-	-	1.96	13.40
Interest accrued on inter-corporate loans			13.22	38.18
Receivable from others				
Interest accrued on fixed deposits	-	-	196.11	29.28
Interest accrued on inter-corporate loans	-	-	-	-
Interest accrued on Income Tax Refund	-	-	32.15	-
Rent and other receivable	-	-	18.92	-
Contract Assets (Unbllled Receivables)	-	-	1,562.73	2,954.31
Receivable against ticketing	-	-	3.20	29.51
Receivable against collection from agents	-	-	1,845.64	599.42
Advances recoverable in cash or kind	-	-	13.22	-
Fixed deposits with remaining maturity of more than 12 months				
(Refer note 12 for fixed deposit pledged with bank)	375.00	13.17	-	-
	375.00	**13.17**	**3,736.57**	**3,782.46**
Unsecured, considered doubtful				
5 (31 March 2020 : 5) of Rs.10,000 each (Purchased in the name of an employee of the Company and pledged with sales tax department)	0.50	0.50	-	-
Receivable against collection from agents	-	-	12.39	12.85
Contract Assets (Unbllled Receivables)	-	-	3,154.93	3,154.93
Rent and other receivables - from others	-	-	22.23	22.22
	0.50	**0.50**	**3,189.55**	**3,190.00**
Allowances for bad & doubtful				
5 (31 March 2020 : 5) of Rs.10,000 each (Purchased in the name of an employee of the Company and pledged with sales tax department)	0.50	0.50	-	-
Receivable against collection from agents	-	-	12.39	12.85
Contract Assets (Unbllled Receivables)	-	-	3,154.93	3,154.93
Rent and other receivables - from others	-	-	22.23	22.22
	0.50	**0.50**	**3,189.55**	**3,190.00**
	375.00	**13.17**	**3,736.57**	**3,782.46**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

10 Trade receivables

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Trade receivables*	7,118.84	7,749.93
Less: provision for Credit Impaired*	(3,079.55)	(3,115.94)
	4,039.29	**4,633.99**
Unsecured, considered good*	4,039.29	4,633.99
Trade Receivables- Credit Impaired*	3,079.55	3,115.94
	7,118.84	7,749.93
Less: Loss Allowance*	(3,079.55)	(3,115.94)
	4,039.29	**4,633.99**

*For related party balances, refer note no. 41.

11 Cash and cash equivalents

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Balance with banks :		
On current accounts	8,898.66	4,836.47
Cheques, drafts on hand	-	18.37
Cash on hand	6.97	6.88
Deposit with original maturity of less than three months*	310.35	80.82
	9,215.98	**4,942.54**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

Balance with banks on current account does not earn interest. Short-term deposits are made for varying periods of between one day and three months, more than 3 months and in some cases more than 12 months (which have been classified as non current assets under note no 9) also, depending on the immediate cash requirements of the group, and earn interest at the respective short-term deposit rates.

12 Bank balances other than (11) above

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Unclaimed dividend accounts	19.82	21.85
Deposits with remaining maturity of less than 12 months	6,077.47	342.55
Deposit held as security against borrowings/bank guarantee (remaining maturity of less than 12 months)##	6,151.99	2,875.10
Fixed deposits with remaining maturity of more than 12 months	375.00	13.17
	12,624.28	3,252.67
Amount disclosed under other non current financial assets (refer note 9)	(375.00)	(13.17)
	12,249.28	**3,239.50**

Deposit with banks earns interest at fixed rates based on bank deposit rates for the tenor of deposit at the time of placing the deposit.

Fixed deposits with carrying amount of Rs. 1079.75 Lakhs (31 March 2020: Rs.1,435.24 Lakhs) pledged with bank/government authority.

Includes deposits of Rs. 36.92 Lakhs (31 March 2020: Rs. 43.18 Lakhs) pledged against issue of bank guarantees and deposit of Rs. 102.88 Lakhs (31 March 2020: Rs. 100.00 Lakhs) pledged for pre paid instrument business and Deposits of Rs. 4907.44 Lakhs (31 March 2020: Rs. 1271.68 Lakhs) pledged against borrowings and Deposits of Rs. 25 Lakhs (31 March 2020: Rs. 25 Lakhs) pledged against issue of corporate credit card.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

13 Income tax assets (net)

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Advance income-tax (net of provision for taxation)	5,717.89	5,890.01	569.64	633.28
	5,717.89	**5,890.01**	**569.64**	**633.28**

14 Other assets

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good				
Capital advances	89.96	-	-	112.76
Prepaid expenses	3.33	62.62	483.01	274.29
Prepaid rent	1.54	4.43	1.56	1.56
Balances with statutory / government authorities	-	-	458.26	254.29
Amount under paid under protest with Government Departments	-	4.74	-	-
Advance to suppliers/ service providers	-	-	755.44	709.41
	94.83	**71.79**	**1,698.27**	**1,352.30**
Unsecured, considered doubtful				
Advances receivable in cash or kind	-	-	206.66	151.93
Balances with statutory / government authorities	-	-	17.91	22.78
Allowances for bad and doubtful				
Advances receivable in cash or kind	-	-	206.66	151.93
Balances with statutory / government authorities	-	-	17.91	22.78
	94.83	**71.79**	**1,698.27**	**1,352.30**

15 Inventories (valued at lower of cost and net realisable value)

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Goods and services procured	462.21	62.45
	462.21	**62.45**

The cost of inventories recognised as an expense includes Rs. 32 Lakhs (31 March 2020: Rs. 15 Lakhs) in respect of write-downs of inventory to net realisable value.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

16. Deferred tax

Recognised deferred tax assets and liabilities

A. Deferred tax assets and liabilities are attributable to the following: **(Amount in Rs. Lakhs)**

	Deferred tax assets		Deferred tax (liabilities)		Net deferred tax asset/(liabilities)	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Property, plant and equipments and intangible assets: impact of difference between tax depreciation and depreciation/ amortisation recognised in books	-	-	(132.97)	(360.17)	(132.97)	(360.17)
Provisions for loss allowance	544.32	690.25	-	-	544.32	690.25
Provisions-employee benefits	387.25	351.91	-	-	387.25	351.91
Business Losses including unabsorbed depreciation	902.63	925.36	-	-	902.63	925.36
Other items	126.62	127.84	(5.86)	(0.42)	120.76	127.42
Deferred tax assets/ (liabilities)	**1,960.83**	**2,095.36**	**(138.83)**	**(360.59)**	**1,821.99**	**1,734.77**
MAT credit receivable	1,007.78	1,139.60	-	-	1,007.78	1,139.60
Net deferred tax assets/ (liabilities)	**2,968.60**	**3,234.96**	**(138.83)**	**(360.59)**	**2,829.77**	**2,874.37**

B. Movement in deferred tax **(Amount in Rs. Lakhs)**

	As at 31 March 2019	Recognised in profit or loss during 2019-20	Recognised in OCI during 2019-20	As at 31 March 2020	Recognised in profit or loss during 2020-21	Recognised in OCI during 2020-21	As at 31 March 2021
	(A)	(B)	(C)	(D=A-B+C)	(E)	(F)	(G=D-E+F)
Property, plant and equipments and intangible assets	(425.57)	65.40	-	(360.17)	227.20	-	(132.97)
Loans at fair value (security deposits)	0.22	(0.22)	-	-	-	-	-
Other financial assets at fair value	0.39	(0.39)	-	-	-	-	-
Provisions for loss allowance	471.52	218.73	-	690.25	(145.93)	-	544.32
Provisions-employee benefits	215.58	107.64	28.69	351.91	17.46	17.88	387.25
Business Losses including unabsorbed depreciation	807.89	117.47		925.36	(22.73)	-	902.63
Other items	158.48	(31.06)	-	127.42	(6.66)	-	120.76
MAT credit receivables	1,139.60	-	-	1,139.60	(131.82)	-	1,007.78
Exchange difference on translation	-	-	-	-	0.31	-	-
	2,368.11	**477.57**	**28.69**	**2,874.37**	**(62.17)**	**17.88**	**2,829.77**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

Reflected in the balance sheet as follows:

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Deferred tax assets	2,968.60	3,234.96
Deferred tax liabilities	(138.83)	(360.59)
Deferred tax assets (net)	**2,829.77**	**2,874.37**

Reflected in the statement of profit and loss as follows:

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Tax income/(expense) during the year	(62.17)	477.57
Deferred tax impact OCI	17.88	28.69
Total	**(44.29)**	**506.26**

- The Group offsets deferred tax assets and deferred tax liabilities if and only if it relate to income taxes levied by the same tax authority.

  In pursuance to section 115BAA of the Income Tax Act, 1961 notified by Government of India through Taxation Laws (Amendment) Act 2019, the Group has an irrevocable option of shifting to lower tax rate foregoing other tax incentives.The Group is having Unabsorbed Depreciation and unutilised MAT Credit accumulation as on the reporting date and continue to accumulate MAT credit till FY 2023-24 to 2028-29.As per the projections the Group expects to recover or adjust the MAT Credit (MAT is eligible for adjustment in 15 year). It is difficult to appropriately evidence that from which year and how much deferred tax will be realised/settled based on new tax rate regime.The parent company and one of its subsidiary have not exercised this option during the year the and continue to recognise the taxes on income for year ended 31st March 2021 as per the normal tax rate at which management expect to recover or settle the deferred tax at this reporting date.The Group reviews the above position at each year end.

C. Unrecognised deferred tax assets on the following amounts:

Entity	As at 31 March 2021	Expiry date	As at 31 March 2020	Expiry date
- Parent Company				
Business Losses	363.25	31 March 2029	-	
Unabsorbed depreciation	369.14		-	
Long term capital losses	2,110.04	31 March 2022 to 31 March 2026	2,686.02	31 March 2021 to 31 March 2026
Short term capital losses	7.66	31 March 2025	7.66	31 March 2025
Provision for Loss Allowances-Loan and other receivables	6,391.49		6,231.49	
Provision for Loss Allowances-Trade Receivables	3,968.64		4,105.33	
Provision for Impairment of Investment	48,103.40		5,000.64	
Total	**61,313.64**		**18,031.14**	

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

17. Equity share capital

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Authorized		
413,500,000 (31 March 2020: 413,500,000) equity shares of Rs. 3 each	12,405.00	12,405.00
Issued, subscribed and fully paid-up		
228,396,379 (31 March 2020: 227,902,065) equity shares of Rs. 3 each	6,851.89	6,837.06
Less: Equity shares held by Independent Non-Promoter (Spice Employee Benefit) Trust / Independent Non-Promoters Trust		
(face value of 26,067,843 (31 March 2020 :26,067,843) shares transferred to the trust pursuant to the Scheme of Amalgamation) (refer to note 51)	782.04	782.04
	6,069.85	6,055.02

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	Nos.	Rs. Lakhs
Outstanding at the end of the year as at 31 March 2019#	227,898,062	6,836.94
Add:Additional share issued pursuant to the scheme of arrangment (refer note 57)*	4,003	0.12
Outstanding at the end of the year as at 31 March 2020	227,902,065	6,837.06
Add:Additional Share issued under ESOP Scheme 2018 (refer note 46)	494,314	14.83
Outstanding at the end of the year as at 31 March 2021	228,396,379	6,851.89

includes estimated 34080 equity shares pending for issuance pursuant to scheme of arrangement. (Refer note no. 57) which have been issued during the previous year.

*Difference between the actual number of shares alloted (38083 equity shares) and the estimated number of shares (34080 equity shares) pursuant to the Scheme of Arrangement.

(b) Terms/ rights attached to equity shares

The Company has single class of equity shares having a par value of Rs 3 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

In winding up of the Company, the holders of equity shares will be entitled to receive residual assets of the Company, remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding company are as below:

	As at 31 March 2021	As at 31 March 2020
Holding Company		
Spice Connect Private Limited (formerly Smart Ventures Private Limited), the holding company		
169,447,570 (31 March 2020: 169,447,570) equity shares of Rs. 3 each fully paid	5,083.43	5,083.43

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

(d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder#	As at 31 March 2021		As at 31 March 2020	
	Nos.	% holding in the class	Nos.	% holding in the class
Equity shares of Rs. 3 each fully paid				
Spice Connect Private Limited, the holding company	**169,447,570**	**74.19%**	169,447,570	**74.35%**
Mediatek India Technology Private Limited	**19,368,439**	**8.48%**	19,368,439	**8.50%**
Independent Non Promoter Trust	**15,912,776**	**6.97%**	15,912,776	**6.98%**

#As per records of the Company, including its register of shareholders/ members.

(e) Paid up share capital includes 38083 equity shares allotted on June 14, 2019 pursuant to Scheme of Arrangement (refer note no. 60) without payment being received in cash. No share has been allotted by way of bonus shares and buy back shares during the period of five years immediately preceding the balance sheet date.

17A. Other equity

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Securities premium	1,821.46	1,770.80
Capital redemption reserve	306.66	306.66
General reserve	5,712.74	5,712.74
Capital reserve on consolidation	(15.76)	(15.76)
Retained earnings	8,762.42	7,710.18
Trust shares (refer note 51)	161.19	161.19
Share Based Payment Reserve	1,146.63	980.81
Capital reserve on Scheme of Arrangement	(1.28)	(1.28)
Other comprehensive income (OCI)	(186.48)	(313.42)
	17,707.58	**16,311.92**
a) Securities premium		
Balance as per the last financial statements	1,770.80	1,770.80
Add: Created during the year	50.66	-
Closing Balance	**1,821.46**	**1,770.80**
b) Capital redemption reserve		
Balance as per the last financial statements	306.66	306.66
Closing Balance	**306.66**	**306.66**
c) General reserve		
Balance as per the last financial statements	5,712.74	5,712.74
Closing Balance	**5,712.74**	**5,712.74**
d) Capital reserve on consolidation		
Balance as per the last financial statements	(15.76)	(15.76)
Closing Balance	**(15.76)**	**(15.76)**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

(Amount in Rs. Lakhs)

		As at 31 March 2021	As at 31 March 2020
e)	**Retained earnings**		
	Balance as per the last financial statements	7,710.18	14,027.14
	Add: Created during the year	558.87	(5,571.02)
	Non Controlling Interest	587.48	642.53
	Add: Other Comprehensive income during the year	(43.63)	(74.44)
	Add: OCI transfer to Retained Earning	-	(20.28)
	Less : Dividend Paid	-	(953.95)
	Less : Dividend Distribution Tax on above	-	(196.09)
	Add: Proceeds from fresh issue of equity by Subsidiaries	6.26	-
	Add: Share based payment to employees of the Group (refer note 46 (I))	(56.74)	(143.71)
	Closing Balance	**8,762.42**	**7,710.18**
f)	**Trust shares (refer note 51)**		
	Opening balance	161.19	161.19
	Closing Balance	**161.19**	**161.19**
g)	**Share Based Payment Reserve**		
	Opening balance	980.81	783.25
	Add: Created during the year	108.60	53.86
	Add: ESOP Outstanding_Holding company	56.74	143.70
	Less: Exchange difference	0.47	-
	Closing Balance	**1,146.63**	**980.81**
h)	**Capital reserve on Scheme of Arrangement**		
	Opening balance	(1.28)	(1.02)
	Add: Addition pursuant to Scheme of Arrangement (refer note 57)	-	(0.26)
	Closing Balance	**(1.28)**	**(1.28)**
i)	**Items of OCI**		
	1. Foreign Currency Translation Reserve		
	Balance as per the last financial statements	197.01	196.01
	Add: Addition/(deletion) during the year	190.70	50.23
	Less: Adjustment on deemed loss of control/other (Refer note 44a)	-	(49.23)
	Closing Balance	**387.71**	**197.01**
	2. Foreign Currency Monetary Item Translation Difference Account		
	Balance as per the last financial statements	(510.43)	(503.60)
	Add: Addition/(deletion) during the year	(63.76)	(6.83)
	Closing Balance	**(574.19)**	**(510.43)**
	3. Remeasurement gain/(loss) on defined benefit plan, net of tax impact		
	Balance as per the last financial statements	-	(20.28)
	Less: OCI transfer to Retained Earning	-	20.28
		-	-
	Total (1+2+3)	**(186.48)**	**(313.42)**
	Total other equity	**17,707.58**	**16,311.92**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

18 Borrowings

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Secured				
Bill discounting facility from a bank (secured) (repayable on demand) $	-	-	1,064.73	855.02
Overdraft limit from bank (repayable on demand) #	-	-	264.85	540.00
Bank Overdraft facility (Secured) &			1,903.60	999.62
Vehicle Loan from a bank*	-	-	-	41.50
	-	**-**	**3,233.18**	**2,436.14**
Unsecured				
Interest free loan and advances from others repayable on demand (repayable on demand)	-	-	82.94	80.41
	-	**-**	**82.94**	**80.41**
	-	**-**	**3,316.12**	**2,516.55**

$ The bill discounting facility from a bank is secured by first and exclusive charge on current assets and movable assets of the Company, both present and future . Further, lien is marked on fixed deposits with bank to extent of 15% of bill discounting outstanding amount. The facility carries interest equivalent to 3 Months MCLR.

#The working capital limit from bank and bank guarantees secured against fixed deposits of Rs. 687.50 lakhs (31 March 2020: Rs. 687.50 lakhs) and are further secured by land and building situated at Dehradun.

& In the current year, overdraft facilities from bank are secured by pledge of fixed deposit with banks. In previous year, overdraft facilities from bank were secured by pledge of fixed deposit with banks and by exclusive charge by way of hypothecation on entire receivable from NPCI routed through RBL Bank. The facility carried interest at 8% as at 31 March 2021 (31 March 2020: 8.75%).

* secured against the vehicle finance by bank and carries interest at 9%.

19 Trade payables

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Trade payables		
- Due to Micro and Small Enterprises (refer note 52)	54.39	18.58
- Due to Other than Micro and Small Enterprises	5,560.69	6,625.00
Trade payable to related parties (refer note 41)*	177.14	185.75
	5,792.22	**6,829.33**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

20 Other financial liabilities

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
At amortised cost				
Security deposits	165.08	68.46	35.47	-
Unpaid dividends	-	-	19.82	21.85
Payable on settlement of transactions			203.27	-
Payable towards capital goods	-	-	17.07	10.35
Employee related liabilities				
(includes salary payable and variable compensation)				
-to related parties (refer note 41)	-	-	21.88	68.82
-to other employees	-	-	774.17	669.53
Interest Accrued but not due	-	-	-	1.67
	165.08	**68.46**	**1,071.69**	**772.22**

21 Provisions

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Provision for employee benefit				
Gratuity (refer note 39)	516.58	519.42	105.45	50.27
Compensated absences	204.33	294.49	74.41	57.46
Provision for GST under dispute	-	-	10.26	10.26
Provision for interest payable to MSME	-	-	0.70	-
	720.91	**813.91**	**190.82**	**117.99**

22 Current tax liabilities (net)

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Provision for income-tax (net of advance tax)	533.34	498.14
	533.34	**498.14**

23 Other liabilities

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Rent received in advance	16.40	-	-	-
Security deposits	-	20.25	-	-
Statutory dues payables	-	-	808.90	535.21
Prepaid balance of agents (against future remittances)	-	-	15,528.87	5,781.43
Advance from customers and their credit balances	-	-	398.08	37.84
Contract liabilities (Deferred Income)	-	-	76.68	1.79
Others	-	-	10.26	59.27
	16.40	**20.25**	**16,822.80**	**6,415.54**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

24 Revenue from services

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of hardware, traded goods, Air Time and software solution	38,123.02	13,866.11
Sales/rendering of services	33,087.42	26,852.09
	71,210.44	**40,718.20**

As per the terms of the contract with its customers, either all performance obligations are to be completed within one year from the date of such contracts or the Group has a right to receive consideration from its customers forall completed performance obligations. Accordingly, the Group has availed the practical expedient available under paragraph 121 of Ind AS 115 and dispensed with the additional disclosures with respect to performance obligations that remained unsatisfied (or partially unsatisfied) at the balance sheet date. Further, since the terms of the contracts directly identify the transaction price for each of the completed performance obligations, in all material respects, there are no elements of transaction price which have not been included in the revenue recognised in the financial statement. Further, there is no material difference between the contract price and the revenue from contract with customers.

25 Other income

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on income tax refund	353.74	152.30
Interest received on financial and non financial assets -carried at amortised cost		
Bank deposits	588.06	280.90
Loan to an employee and body corporate	15.42	52.73
Others	8.25	176.15
Rent received	279.21	202.45
Income on foreign exchange fluctuation (net)	-	149.00
Dividend income on :-		
Profit on sale of investment in an associates	617.75	-
Net gain on sale of current investments in mutual fund units	-	(1.21)
Unclaimed balances written back (net)	479.38	29.52
Maintenance charges recovery	24.15	76.35
Miscellaneous income	0.47	0.68
Other non-operating income	86.48	47.32
	2,452.91	**1,166.19**

26 Cost of goods and services procured

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Goods and services procured	37,824.29	13,671.67
	37,824.29	**13,671.67**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

27 (Increase) / Decrease in inventories of procured goods

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventories at the end of the year		
Goods and services procured	462.21	62.45
	462.21	**62.45**
Inventories at the beginning of the year		
Goods and services procured*	144.35	31.34
	144.35	**31.34**
	(317.86)	**(31.11)**

*Includes Rs. 81.90 Lakhs transferred from Capital work in progress to inventory at the beginning of the year (refer note 3)

28 Cost of services rendered

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Value added charges and other service charges	21,773.19	15,049.17
	21,773.19	**15,049.17**

29 Employee benefits expense

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	5,254.43	5,677.45
Contribution to provident and other funds	313.90	333.89
Gratuity expense (refer note 39)	126.94	103.85
Staff welfare expenses	43.70	151.09
Employee ESOP Compensation	108.61	53.84
	5,847.57	6,320.12
Less: Capitalized as intangible assets	(160.51)	(200.80)
	5,687.06	**6,119.32**

30 Finance costs

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest Cost	55.04	181.03
Interest on lease liability	9.49	14.94
Bill discounting charges	76.33	211.90
Other finance cost	18.90	14.94
	159.75	**422.81**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

31 Depreciation and amortization expense

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on plant, property and equipments (refer note 3)	1,234.78	1,342.27
Amortization on intangible assets (refer note 5)	864.54	550.76
Depreciation on investment property (refer note 4)	98.79	100.39
Depreciation on Right of Use Assets (refer note 3A)	68.24	68.25
	2,266.35	**2,061.67**

32 Other expenses

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Net Loss on foreign currency transactions and translations	190.38	-
Rent	177.46	343.13
Rates and taxes	11.92	80.06
Insurance	66.83	35.41
Repairs and maintenance		
- Buildings	6.45	20.92
- Others	196.58	229.12
Advertising and sales promotion	479.97	214.01
Loss on disposal of plant,property and equipments (net)	3.05	23.71
Travelling and conveyance	782.21	1,442.72
Legal and professional fees	1,599.96	1,310.03
Payment to statutory auditors (refer note A below)	85.60	99.83
Corporate social responsibility expenses (refer note B below)	48.00	25.00
Asset Written off	-	4.50
Provision for doubtful investments	-	0.50
Provision for Loss Allowance	22.02	112.10
Irrecoverable balances written off	189.64	115.61
Donation and contributions to charitable institutions	-	0.94
Miscellaneous expenses	1,109.99	1,257.97
	4,970.07	5,315.56
Less: Capitalized as intangible assets	(4.45)	(98.92)
	4,965.62	**5,216.64**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

A. Payment to auditors

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
As auditor*:		
Statutory audit fees	62.15	43.42
Tax audit fees	10.07	18.40
Limited reviews	10.50	12.00
Other services (certification fees)	2.85	23.22
Reimbursement of expenses	0.03	2.79
	85.60	**99.83**

*includes fees paid to statutory auditor of subsidiary companies

33 Exceptional items

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Provision for doubtful debts and loans and advances	-	4,447.61
Provision for diminution in the value of non current investments	-	1,333.23
Settlement of excise cases	-	182.34
De Recognition of Loan Liability	-	(1,343.88)
	-	**4,619.30**

Refer Note no. 53

34 Items that will not be reclassified to profit and loss

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Remeasurement gain of defined benefit plan	(61.56)	(103.14)
Deffered tax impact	17.88	28.69
	(43.67)	**(74.45)**

35 Items that will be reclassified to profit and loss

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Exchange differences on translations of foreign operations	220.05	67.27
Exchange difference on long term loan*	(63.76)	10.60
	156.29	**77.87**

* Represents foreign exchange loss on translation of a long term monetary item forming part of a subsidiary's net investment in its foreign subsidiary.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

36 Income Tax

The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

A. Amount recognised in profit and loss:

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Current income tax:		
Current income tax charge	611.32	532.20
Adjustment in respect of current tax of previous year	(30.54)	143.10
Deferred tax		
Relating to origination and reversal of temporary differences	62.17	(477.57)
Income tax expense reported in the statement of profit or loss	**642.95**	**197.73**

B. Reconciliation of effective tax rate

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/(loss) before tax from continuing operations	1,240.46	(5,333.95)
Profit/(loss) before tax from discontinued operations	(38.64)	(39.34)
(Loss) before tax	**1,201.82**	**(5,373.29)**
Tax using the Company's domestic tax rate (C.Y. 27.82% and PY 27.82%)	334.35	(1,494.85)
Adjustments in respect of current income tax of previous years	(30.53)	143.10
Tax impact on non deductible expenditures/provisions	203.77	149.67
Foreign withholding taxes expensed off	130.20	385.22
Reversal of deferred tax assets due to set off unabsorbed depreciation	-	160.99
Deferred tax recognised on tax losses of earlier years	-	(89.33)
Set off of tax losses of earlier year with current year's taxable income	(36.76)	(54.67)
Permanent differences related to provision of advances	-	51.46
Tax adjustment due to rate difference	(1,280.26)	297.43
Share of losses of associates and joint venture	17.94	(22.21)
Deferred tax assets not accounted in respect of entities having business loss and remote possibility of deferred tax assets realisation	203.75	676.83
MAT Credit taken during the year related to earlier year	(40.04)	-
Adjustment due to change in estimation in realisation of deferred tax assets and deffered tax assets on change in business losses claimed in Income Tax Return	1,192.38	-
Tax impact related to Provision for Impairment of Investments	13.88	-
Income tax effect on acquisition adjustment on intra group transfer of employees	(18.00)	-
Others	(47.73)	(5.91)
Effective tax rate	**642.95**	**197.73**

*The Group has recognised deferred tax asset on certain items due to reasonable certainty in realisation of these deferred tax assets in view of improved business plan as implementation of scheme of arrangement resulting increase in profitability.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

37 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the loss for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computations:

(Amount in Rs. Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/(loss) attributable to equity holders of the parent:		
Continuing operations	1,184.99	(4,889.15)
Discontinued operation	(38.64)	(39.34)
Loss attributable to equity holders of the parent for basic earnings	1,146.35	(4,928.49)
Weighted average (net) number of equity shares in calculating basic EPS	**22,79,42,474**	**22,79,02,065**
Potential ESOPs vested as at 31 March 2021 issued for no consideration	52,25,816	-
Weighted average (net) number of equity shares in calculating diluted EPS	**23,31,68,290**	**22,79,02,065**
Earnings per share for continuing operations		
Basic, computed on the basis of loss from continuing operations attributable to equity holders of the parent	0.52	(2.15)
Diluted, computed on the basis of loss from continuing operations attributable to equity holders of the parent	0.51	(2.15)
Earnings per share for discontinued operations		
Basic, computed on the basis of loss from discontinued operations attributable to equity holders of the parent	(0.02)	(0.02)
Diluted, computed on the basis of loss from discontinued operations attributable to equity holders of the parent	(0.02)	(0.02)
Earnings per share for continuing and discontinued operations		
Basic, computed on the basis of loss for the year attributable to equity holders of the parent	0.50	(2.16)
Diluted, computed on the basis of loss for the year attributable to equity holders of the parent	0.49	(2.16)

38 Group information

Information about subsidiaries

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

S. No.	Name	Notes	Country of Incorporation	% Equity Interest	
				As at 31 March 2021	As at 31 March 2020
1	Spice Money Limited (formerly known as Spice Digital Limited)	(i)	India	98.04%	100.00%
2	Kimaan Exports Private Limited	(a)	India	100.00%	100.00%
3	Hindustan Retail Private Limited		India	100.00%	100.00%
4	New Spice Sales & Solutions Limited	(b)	India	100.00%	100.00%
5	Cellucom Retail India Private Limited	(c)	India	100.00%	100.00%
6	S Mobility (HK) Limited		Hong Kong	100.00%	100.00%

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

S. No.	Name	Notes	Country of Incorporation	% Equity Interest	
				As at 31 March 2021	As at 31 March 2020
7	Spice Digital Bangladesh Limited		Bangladesh	100.00%	100.00%
8	S Global Services Pte. Ltd (formerly known as S GIC Pte. Ltd.)		Singapore	100.00%	100.00%
9	Digispice Nepal Private Limited	(j)	Nepal	100.00%	100.00%
10	Beoworld SDN. BHD	(d)	Malaysia	100.00%	100.00%
11	Fast Track IT Solutions Limited	(d)	Bangladesh	70.00%	70.00%
12	PT Spice Digital Indonesia	(f)	Indonasia	100.00%	100.00%
13	Omnia Pte. Ltd.	(e)	Singapore	100.00%	100.00%
14	S Mobility Pte. Ltd.	(d)	Singapore	100.00%	100.00%
15	Spice VAS (Africa) Pte. Limited	(d)	Singapore	80.00%	80.00%
16	Digispice Nigeria Limited (formerly known as Spice Digital Nigeria Limited)	(e)	Nigeria	100.00%	100.00%
17	Spice VAS Kenya Limited	(e) & (h)	Kenya	100.00%	100.00%
18	Digispice Uganda Limited (formerly known as Spice VAS Uganda Limited)	(e)	Uganda	75.00%	75.00%
19	Digispice Ghana Limited (formerly known as Spice VAS Ghana Limited)	(e)	Ghana	100.00%	100.00%
20	Digispice Zambia Limited (formerly known as Spice VAS Zambia Limited)	(e)	Zambia	100.00%	100.00%
21	Digispice Tanzania Limited (formerly known as Spice VAS Tanzania Limited)	(e) & (g)	Tanzania	100.00%	100.00%
22	Spice VAS RDC Limited	(e)	Democratic Republic of Congo	100.00%	100.00%
23	Spice Digital FZCO	(d)	UAE	100.00%	100.00%

a) Subsidiary through Spice Money Limited (formerly known as Spice Digital Limited).

b) Subsidiary through Hindustan Retail Private Limited.

c) Subsidiary through New Spice Sales & Solutions Limited.

d) Subsidiary through S Global Services Pte. Ltd.(formerly known as S GIC Pte. Ltd.).

e) Subsidiary through Spice VAS (Africa) Pte. Limited.

f) Subsidiary through Omnia Pte. Ltd.

g) 0.1% an equity interest in the subsidiary company is held by a subsidiary company namely Spice VAS (Africa) Pte. Limited jointly with a third party.

h) An equity interest of 20% in the subsidiary company is held by a third party on behalf of a subsidiary company namely Spice VAS (Africa) Pte. Limited.

i) An equity interest of 0.1% in the subsidiary company is held by a third party.

j) The Company is in the process of seeking necessary approval under FEMA to subscribe 50,000 equity shares having face value of NPR 10 each aggregating NPR 5,00,000 which is equivalent to Rs. 3.13 Lakhs as at reporting date.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

Ultimate Holding Company

Smart Global Corporate Holdings Private Limited

Holding Company

Spice Connect Private Limited

Name of associates and joint venture	Nature	Country of Incorporation	% Equity Interest	
			As at 31 March 2021	As at 31 March 2020
Sunstone Learning Private Limited, an associate of the company	Associate	India	41.61%	41.61%
Creative Functionapps Lab Private Limited, an associate of the company	Associate	India	26.00%	26.00%
Ziiki Media SA (Pty) Ltd (formely known as Spice Digital South Africa (Pty) Limited), an associate of the company	Associate	South Africa	-	49.00%

39. Employee Benefit

A. Defined Contribution Plan

During the year, the Group has recognised the following amounts in the statement of Profit & Loss:

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Employer's contribution to provident and pension fund	**314.35**	334.53

*Includes Rs. 0.45 Lakhs (31 March 2020 Rs. 0.64 Lakhs) for discontinued operations.

B. Defined Benefit Plan

The Company and its subsidiaries have a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months. The scheme was partially funded with an insurance company in the form of a qualifying insurance policy. The level of benefits provided depends on the member's length of service and salary at the time of departure.

The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the plans:

(I) Liability for defined benefit obligation as at Balance sheet date:

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Gratuity plan*	**623.38**	571.04
Total	**623.38**	571.04

*Includes Rs. 1.35 Lakhs (31 March 2020 Rs. 1.35 Lakhs) for discontinued operations.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

(II) Components of defined benefit cost recognised in the statement of profit and loss under employee benefit expense:

(Amount in Rs. Lakhs)

	Gratuity	
	As at 31 March 2021	**As at 31 March 2020**
Current service cost	89.24	92.14
Interest cost on benefit obligation	37.70	11.71
Net benefit expense*	**126.94**	**103.85**

*Includes Rs. Nil Lakhs (31 March 2020 Rs. Nil Lakhs) for discontinued operations.

(III) Changes in the present value of the defined benefit obligation are as follows:

(Amount in Rs. Lakhs)

	Gratuity	
	As at 31 March 2021	**As at 31 March 2020**
Opening defined benefit obligation	**571.04**	**492.22**
Acquisition adjustment	0.00	0.00
Current service cost	89.24	92.14
Interest cost	37.70	11.71
Contribution paid from the Fund	-	-
Actuarial loss arising from change in demographic assumption	0.00	-
Expenses Recognised in Profit and loss statement	**126.94**	**103.85**
Benefits paid	(136.17)	(135.62)
Actuarial (Gain)/Loss arising from change in financial assumption	64.28	104.46
Actuarial (Gain)/Loss arising from experience adjustment	(2.72)	5.94
Actuarial (Gain)/Loss arising from change in demographic adjustment	-	0.19
Total Change in defined benefit obligation due to change in actuarial losses/(gains) recognised in OCI	**61.56**	**110.59**
Liability transferred to third party due to change in ownership	-	-
Closing defined benefit obligation*	**623.37**	**571.04**

*Includes Rs. 1.35 Lakhs (31 March 2020 Rs. 1.35 Lakhs) for discontinued operations.

(IV) Changes in the fair value of plan assets are as follows:

(Amount in Rs. Lakhs)

	Gratuity	
	As at 31 March 2021	**As at 31 March 2020**
Opening fair value of plan assets	-	-
Expected return	-	-
Benefit Paid	-	-
Actuarial gain /(loss) for the year on asset recognised in OCI	**-**	**-**
Liability transferred to third party due to change in ownership	-	-
Closing fair value of plan assets	**-**	**-**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	As at 31 March 2021	As at 31 March 2020
Investments with insurer	-	-

(V) The principal assumptions used in determining gratuity for the Group's plans are shown below:

	As at 31 March 2021	As at 31 March 2020
Discount rate	6.80%	6.80%
Future salary increase	8.00%	8.00%
Retirement age	58 Years	58 Years
Employee turnover		
- Upto 30 years	4% to 15%	4% to 15%
- 31-44 years	4% to 15%	4% to 15%
- Above 44 years	1% to 15%	1% to 15%
Mortality rate	100% of IALM	

A quantitative sensitivity analysis for significant assumption as at 31 March 2021 is as shown below:

(Amount in Rs. Lakhs)

	As at 31 March 2021		As at 31 March 2021	
	Discount Rate		Future Salary Increase	
Sensitivity level	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Impact on defined benefit obligation	(26.12)	28.30	27.84	(25.96)

A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:

(Amount in Rs. Lakhs)

	As at 31 March 2020		As at 31 March 2020	
	Discount Rate		Future Salary Increase	
Sensitivity level	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Impact on defined benefit obligation	(28.85)	31.44	25.82	(24.44)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

(Amount in Rs. Lakhs)

	Gratuity	
	As at 31 March 2021	As at 31 March 2020
Within the next 12 months (next annual reporting period)	87.88	35.01
Between 2-5 Years	175.97	148.47
Between 5-10 years	37.02	27.38
Beyond 10 years	322.51	360.18
Total expected payments	**623.38**	**571.04**

The average duration of the defined benefit plan obligation at the end of the reporting period is 2 to 26 years (31 March 2020: 2 to 26 years).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

40. Commitments and contingencies

A. Lease Disclosure

The Group incurred 177.46 Lakhs (31 March 2020: Rs. 343.13 Lakhs) for the year ended March 31, 2021 towards expenses relating to short-term leases and leases of low-value assets.

Group as lessor

The Group has leased out a portion of the office premises on operating lease. The lease term is for 11 months and thereafter renewable on mutual agreement. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements.

Property situated at	Date of Agreement	Lease Term	Lock in Period	Other Terms
Rampur	14-Oct-19	9 Years	-	Cancellable
Kolkata	1-Mar-21	11 Months	-	Lease term can be extend by mutual consent and it is cancellable lease after the lock in period.
Mumbai	14-Oct-19	9 Years	2 years	

The Group has recognised rent income under the head of other income as follows:

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Rent received during the year	279.21	202.45

B. Commitments and contingencies

a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 500.67 Lakhs (31 March 2020: Rs. 205.02 Lakhs).

C. Contingent liabilities

(Amount in Rs. Lakhs)

	As at 31 March 2021	As at 31 March 2020
Demands and claims from government authorities		
1) Demand from excise/ service tax and sales tax authorities		
a) Demand Includes penalty Rs 56.96 Lakhs (31 March 2020: Rs 56.96 Lakhs) in respect of non-registration of corporate office as a input service distributor and availment of input service CENVAT credit.	223.28	213.03
b) Demands raised by sales tax authorities**	4,363.28	14,523.06
2) Demands raised by income tax authorities		
a) Income Tax Demand (including interest) on enhancement of income by AO under section 40(a)(Ia) of the Income tax Act, 1961 for not deducting TDS under section 194C of the Act on reimbursement of expenses for the assessment year 2009-10 against which the Company has filled SLP in the Supreme Court.#	246.28	246.28
b) TDS demands of Rs. 256.17 pertains to assessment year 2009-10 to 2014-15 has been quashed/settled which order effect has been given during the year.	-	2.12
c) Income Tax demand being disputed by the Company. In respect of assessment year 2018-19, the Assessing Officer has made disallowance of Rs 69.01 lakhs to the assessed income in the order of assessment passed u/s 143(3) and refunded the balance amount of Rs 7.10 lacs. The Company has filed an appeal to the Commissioner of Income-tax (Appeals) against the said order on 7 April 2021.	14.89	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

(Amount in Rs. Lakhs)

	As at 31 March 2021	**As at 31 March 2020**
3) Others		
a) The group has not provided against case filed by content partner (Spice VAS Uganda Limited).	-	32.82
b) Consumer disputes*	12.39	28.01
c) Labour case (Spice VAS Kenya Limited)	111.85	-
d) Demand of Interest on late payment by one of the vendor, disputed by the Company	113.29	-
e) One Vendor has filled a recovery suit against Spice Labs Pvt. Ltd. (since merged with DigiSpice Technologies Limited) for terminating the Master Service Agreement for getting the premises on lease for its office space during the lock-in period. The Company has disputed the claim of vendor and contended that the termination has been made by vendor and not by Company.	54.88	54.88
f) Various other claims against the Group not acknowledged as debts	104.04	67.81
	5,244.18	**15,168.01**

* The cases are pending with various consumer disputes redressal forums. As per the management, the Group is made only a proforma party to these claims and liability, if any, arising out of these claims would be on the manufacturer and not likely to devolve on the Group.

**The Hon'ble Supreme Court of India vide its order dated 17 December 2014 on the judgment in case of State of Punjab Vs. Nokia India Pvt. Ltd. has held that sales tax liability on battery charger sold along with mobile phone should be charged at sales tax rate applicable to chargers, which is higher than the sales tax rate applicable to mobile phones in few states. Demand of Rs 110.35 Lakhs, Rs 546.65 Lakhs, Rs 275.97 Lakhs, Rs 15.04 Lakhs and Rs.7.19 Lakhs (31 March 2020 : Rs 110.35 Lakhs, Rs 827.63 Lakhs, Rs 240.58 Lakhs, Rs 193.38 Lakhs and Rs.171.00 Lakhs) have been received from Punjab, Rajasthan, Haryana, Uttar Pradesh and Karnatka respectively.

D. Other Disputed matters, not considered as contingent liabilities

(i) Income Tax Demand being disputed by the Compnay, pertaining to enhancement of income by Rs. 423.39 Lakhs having income tax impact(incl. Interest) of Rs. 149.36 lakhs relating to Assessment Year 2010-11 has been remanded back by ITAT to AO during the previous year and the assessment was not been completed as at 31 March 2021.#

(ii) Income Tax Demands being disputed by the Company, pertaining to enhancement of income by Rs. 1,594.73 Lakhs having income tax impact (inc. intetest) of Rs. 685.42 Lakhs relating to Assessment Year 2011-12 has been remanded back by ITAT to AO in the previous year and the assessment was not been completed as at 31 March 2021.

(iii) In June 2014, an audit was conducted by Service Tax department for the period 01.01.2013 to 31.03.2014 in the Company and determined inadmissible CENVAT Credit amounting to Rs. 72 Lakhs which was reversed by the company in July 2014 in service tax return. However Joint Commissioner has created a demand of Rs. 72 Lacs with Interest and Penalty of equivalent amount vide order dated 15.02.2019. NSSL had filed an appeal before Commissioner (Appeal) on 12.06.2019 after 3 months 18days along with application for condonation of delay. This appeal was to be filed with in 2 months from the date of communication of the order. Due to delay in filing appeal the Commissioner (Appeal) rejected the appeal stating that he has no power to condone delay of more than 30 days vide order dated 14.05.20 which was received by us on 14.10.20. The Appeal has been filed before CESTAT on 21/12/2020. Hearing awaited.

#The Income Tax Department has adjusted income tax refund of Rs. 395.63 lakhs against these demands.

Based on technical/legal advise, The Group has fair chances of success in all these cases and likelihood of liability devolving on the Group is less than probable. Hence no provision in respect thereof has been made in the books.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

41. Related party transactions

In accordance with the requirements of Ind AS - 24 'Related Party Disclosures', names of the related parties, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods are:

Entity with significant influence:

Ultimate Holding Company	Smart Global Corporate Holding Private Limited
Holding Company	Spice Connect Private Limited
Key Management Personnel	Mr. Dilip Modi (Executive Chairman till September 30,2019 and Non -Executive Chairman w.e.f October 1,2019) Mr. Subramanian Murali (Non Executive Director) Mr. Umang Das (Independent Director) (upto 07th August 2019) Mr. Shrenik M Khasgiwala (Non Executive Director) (upto 07th August 2019) Ms. Rashmi Aggarwal (Independent Director) Mr. Mayank Jain (Independent Director w.e.f 1st October 2019) Mr. Suman Ghosh Hazra (Independent Director) Mr. Hanif Mohamed Dahya (Independent Director) (upto 7th feb 2019) Ms. Preeti Das- Chief Executive Officer (upto 30th September 2019 and Chief Executive Officer & Executive Director (w.e.f 01 October 2019) Mr. Rohit Ahuja (Executive Director w.e.f. 05 May 2020) Mr. Rajneesh Arora- Chief Financial Officer (upto 03 February 2020)# Mr. Deepak Mehta- Chief Financial Officer (w.e.f 04 February 2020 till 30th May 2020)# Mr. Ravindra Sarawagi- Chief Financial officer (w.e.f. 26th June 2020 till 14th Dec 2020)# Mr.Vinit Kishore-Chief Financial Officer (w.e.f. 12th Feb 2021)# Mr. M R Bothra- Vice President- Corporate Affairs and Company Secretary# # KMP under the Companies Act, 2013.
Names of other related parties with whom transactions have taken place during the year	
Enterprises directly or indirectly through one or more intermediaries are under common control with the Company	Smart Bharat Private Limited (formerly known as Smart Entertainment Private Limited) Wall Street Finance Limited S Global Innovation Centre Pte Ltd SpiceBulls Investments Limited Sterea Infratech Limited Smart Dreams Private Limited Spice Smart Solutions Limited Smartvalue Ventures Private Limited
Associates and joint venture of the Group	Sunstone Learning Private Limited, an associate of the company Creative Function Apps Labs Private Limited, an associate of the company Ziiki Media SA (Pty) Ltd (formerly known as Spice Digital South Africa (Pty) Limited) (upto July 01, 2020),an associate of the company
Other Related parties with whom transactions have taken place during the year	Laniakea Holdings- (Proprietor- Shrenik M Khasgiwala) (upto August 07,2019) Bharat BPO Services Limited
Enterprises over which individuals having significant influence over the Company is able to exercise significant influence	Sevak Limited (formerly known as S i2i Limited)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

(Amount in Rs. Lakhs)

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
Remuneration#		**258.27**		**438.01**
Ms. Preeti Das ##	93.73		266.39	
Mr. Rajneesh Arora	-		97.38	
Mr. M R Bothra	56.08		65.08	
Mr. Deepak Mehta	16.22		9.16	
Mr. Rohit Ahuja	57.87		-	
Mr. Ravindra Sarawagi	28.69		-	
Mr. Vinit Kishore	5.68		-	
Director sitting Fees*		**19.00**		**16.50**
Mr. Umang Das	-		4.00	
Mr. Suman Ghosh Hazra	11.25		9.00	
Ms. Rashmi Aggarwal	6.00		3.00	
Mr. Mayank Jain	1.75		0.50	
*excluding Service Tax/GST.				
Cost of services rendered		**457.02**		**403.50**
Creative Function Apps Labs Private Limited	-		17.00	
Ziiki Media SA (Pty) Ltd	176.52			
Bharat BPO Services Limited	280.50		386.50	
Miscellaneous Expenses		**83.95**		**51.13**
Wall Street Finance Limited	-		51.13	
Ziiki Media SA (Pty) Ltd	83.95		-	
Rent Income		**140.74**		**82.70**
Spice Connect Private Limited	12.17		11.87	
Smart Dreams Private Limited	-		11.38	
Smart Global Corporate Holding Private Limited	128.57		59.45	
Reimbursement of Expenses (recovered)		**-**		**184.02**
Spice Connect Private Limited	-		3.36	
Wall Street Finance Limited	-		0.76	
Mr. Dilip Modi	-		39.61	
Reimbursement of Expenses (recovered)/ Content recovered		**33.09**		**140.29**
Ziiki Media SA (Pty) Ltd	33.09		140.29	
Reimbursement of Expenses (provided)		**39.08**		**-**
Wall Street Finance Limited	-		-	
Ziiki Media SA (Pty) Ltd	31.70		-	
E-Arth Travel Solutions Private Limited	7.38		-	
Provision made/(reversed) for doubtful debts, loans , interest and other receivables		**(61.65)**		**-**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

(Amount in Rs. Lakhs)

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
Bharat BPO Services Limited	(61.65)		-	
Bad Debts Written off during the year		**-**		**11.10**
Sterea Infratech Limited	-		0.52	
Smart Bharat Private Limited	-		2.62	
Smartvalue Ventures Private Limited	-		4.74	
Spice Smart Solutions Limited	-		3.22	
Legal & Professional Fees		**-**		**2.50**
Laniakea Holdings -(Proprietor- Shrenik M Khasgiwala)	-		2.50	
Travel Commission		**-**		**0.23**
Spice Connect Private Limited	-		0.09	
Mr. Dilip Modi	-		0.14	
Interest expense		**-**		**25.86**
S Global Innovation Centre Pte Ltd	-		25.86	
Interest Income		**14.26**		**51.04**
SpiceBulls Investments Limited	-		27.39	
Bharat BPO Services Limited	14.26		23.66	
Loan/Advance Given during the year		**-**		**700.00**
SpiceBulls Investments Limited	-		700.00	
Loan/Advance received back during the year		**-**		**700.00**
SpiceBulls Investments Limited	-		700.00	

(Amount in Rs. Lakhs)

Outstanding balances at the end of year	As at 31 March 2021		As at 31 March 2020	
Receivables		**260.95**		**260.95**
Bharat BPO Services Limited	260.95		260.95	
Provision for doubtful receivables		**199.30**		**260.95**
Bharat BPO Services Limited	199.30		260.95	
Payables		**177.14**		**185.75**
Smart Global Corporate Holding Private Limited	-		2.70	
Ziiki Media SA (Pty) Ltd	13.85		65.05	
Creative Function Apps Labs Private Limited	-		9.00	
Wall Street Finance Limited	1.52		-	
Bharat BPO Services Limited	161.77		109.00	
Loan/advances receivable		**542.64**		**608.89**
Sevak Limited (formerly known as S i2i Limited)	-		87.54	
Bharat BPO Services Limited -Secured loan	142.64		121.36	
Bharat BPO Services Limited-unsecured loan	400.00		400.00	
Loan/advances payable		**-**		**1,343.88**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

(Amount in Rs. Lakhs)

Outstanding balances at the end of year	As at 31 March 2021		As at 31 March 2020	
S Global Innovation Centre Pte Ltd	-		1,343.88	
De Recognition of Loan Liability		**-**		**1,343.88**
S Global Innovation Centre Pte Ltd	-		1,343.88	
Provision for doubtful debts and advances		**400.00**		**487.54**
Sevak Limited (formerly known as S i2i Limited)	-		87.54	
Bharat BPO Services Limited	400.00		400.00	
Other Receivable		**51.38**		**134.50**
Smart Dream Private Limited	-		36.18	
Spice Connect Private Limited	-		22.57	
Mr. Dilip Modi	-		5.35	
Mr. Subramanian Murali	1.65		-	
Mr. Rajneesh Arora	0.32		-	
Smart Global Corporate Holding Private Limited	49.42		70.15	
Wall Street Finance Limited	-		0.25	
Interest accrued but not received		**13.22**		**38.18**
Bharat BPO Services Limited	13.22		21.31	
SpiceBulls Investments Limited	-		16.87	
Director Fees Payable		**-**		**0.25**
Suman Ghosh Hazra	-		0.25	
Payables to KMP		**21.88**		**68.82**
Ms. Preeti Das	-		48.34	
Mr. Rohit Ahuja	4.49		-	
Mr. M R Bothra	10.58		12.40	
Mr Ravindra Sarawagi	3.82		-	
Mr. Vinit Kishore	2.99		-	
Mr. Deepak Mehta	-		8.08	

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
Break up of remuneration		**248.63**		**438.00**
- Short term employee benefits	237.81		418.92	
- Long term employee benefits	-		-	
- Other Long term employee benefits # *	-		4.73	
- Post employment benefits# **	10.82		14.36	

Remuneration to key managerial personnel as disclosed above does not include provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole. Also, the amount includes value of perquisite computed as per Income Tax Act, 1961.

The Group has granted Stock Option to eligible employees, including Executive Directors and KMPs, under its Employee Stock Option Schemes, 2018 [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014] (Refer note no. 46). Since such Stock Options are not tradeable, no perquisite of benefit is immediately conferred upon the employee by grant of such Stock Options and accordingly the said grants have not been considered as remuneration. However, in accordance with Ind AS - 102 'Share-based Payments', the Company has recorded employee benefits expense by way of share based payments to employees is attributable to Executive Directors and KMPs.

#* Include payment made towards compensated absences of Rs. 11.52 Lakhs (31st March 2020: 4.72 lakhs) during the year against the provisions made in earlier years.

#** Include payment made towards gratuity of Rs. 10.82 Lakhs (31st March 2020: 7.21 lakhs) during the year against the provisions made in earlier years.

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The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free (except for loan given) and settlement occurs in cash. This assessment for impairment of receivables relating to amounts owed by related parties is undertaken each financial year through examining the financial position of the related parties.

42. Segment information

Operating segments: Business Segments

The Spice Group has organized its operations into two primary business segments;

i) Digital Technology Services (DiGiSPICE) - The segment is engaged in Information and Communication Technology business providing Value Added Services to the Telecom Operators and development and sale of telecom related software.

ii) Financial Technology Services (Spice Money) - The segment is engaged in providing financial technologies services such as Domestic Money Transfer(DMT) services, aadhar enabled payment services (AEPS), Bharat Bill payment system (BBPS) and other related services.

These are the reportable segments in terms of Ind AS-108 on Segment Reporting issued by Institute of Chartered Accountants of India. These have been identified taking into account the nature of activities carried out.

Segment Revenue & Segment Income/ Expense

(Amount in Rs. Lakhs)

Particulars	Digital Technology Services (DiGiSPICE)		Financial Technology Services (Spice Money)		Total	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Revenue						
External revenue (including other operating revenue)	13,435.64	15,694.72	57,802.80	25,023.48	71,238.44	40,718.20
Inter segment revenue	28.00	-	-	-	28.00	-
Total revenue	**13,407.64**	**15,694.72**	**57,802.80**	**25,023.48**	**71,210.44**	**40,718.20**
Income/ (expense)						
Depreciation and amortisation	881.32	713.78	1,097.03	849.63	1,978.35	1,563.41
Share of profit/(loss) of associates and a joint venture	-	-	-	-	-	-
Segment profit	(274.01)	861.42	955.02	79.40	681.02	940.82
Segment assets	9,676.34	11,790.66	12,575.64	7,145.04	22,251.98	18,935.70
Segment liabilities	5,989.36	7,582.86	18,473.59	6,952.77	24,462.95	14,535.63
Other disclosures						
Investment in associates and a joint venture	-	-	-	-	-	-
Capital expenditure	-	204.94	-	1,385.60	-	1,590.54

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

Reconciliations to amounts reflected in the financial statements

Particulars	31 March 2021	31 March 2020
Reconciliation of profit		
Segment profit	681.02	940.82
Reconciliation items:-		
Dividend income	-	-
Interest income	965.47	662.08
Income from Long term investments in Fixed Maturity Plan (Other than trade)	-	-
Profit on sale of Investment property	-	-
Profit on sale of investment in an associates	617.75	-
Profit/(Loss) on disposal of plant,property and equipments (net)	(3.05)	-
Profit on sale of current investments in mutual fund units	-	(1.21)
Gain on dilution of Investment in a Subsidiary Company	-	-
Maintenance charges recovery	24.15	-
Rent Received	279.21	278.80
Other Non-Operating Income	106.98	47.32
Employee benefits expense	(392.26)	(641.64)
Depreciation and amortisation	(288.00)	(498.26)
Interest Cost	(159.75)	(422.81)
Exceptional items	-	(4,619.30)
Other expenses	(591.05)	(1,079.73)
Profit before tax from continuing operations	**1,240.46**	**(5,333.95)**
Profit /(Loss) before tax from Discontinued Operations	(38.64)	(39.34)
Profit/Loss before tax for Continued + Discontinued Operation	**1,201.82**	**(5,373.29)**

Reconciliation of assets

(Amount in Rs. Lakhs)

Particulars	31 March 2021	31 March 2020
Segment operating assets	22,251.98	18,935.70
Property, plant and equipment including intangible assets, capital work in progress and intangible asset under development	654.91	1,032.68
Right of Use Assets	376.96	
Investment Property	1,477.01	1,576.14
Goodwill	5,165.89	5,152.05
Non-current/current investments	55.12	597.77
Income Tax assets (net)	6,287.53	6,523.29
Deferred Tax assets (net)	2,829.77	2,874.37
Cash and bank balances	12,613.53	4,158.09
Loans and advances	203.59	182.27
Assets of a discontinued operations	420.00	527.43
Others	797.94	240.94
Total assets	**53,134.23**	**41,800.73**

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for the year ended 31 March 2021

Reconciliation of liabilities

(Amount in Rs. Lakhs)

Particulars	31 March 2021	31 March 2020
Segment operating liabilities	24,462.95	14,535.63
Short-term borrowings	3,316.12	2,516.55
Provisions	109.77	154.40
Trade payables	169.90	341.03
Income Tax liabilities (net)	533.34	498.14
Liabilities of a discontinued operations	311.10	356.58
Others	102.23	130.47
Total liabilities	**29,005.41**	**18,532.80**

Information about geographical areas

The following table provides an analysis of the Company's sales by geography in which the customer is located, irrespective of the origin of the goods.

Secondary Segment Reporting (by Geographical Segments)

(Amount in Rs. Lakhs)

Geographical Segment	31 March 2021	31 March 2020
Revenue from the Domestic market	68,442.20	35,234.52
Revenue from the Overseas markets	2,768.24	5,483.68
Total Revenue	**71,210.44**	**40,718.20**

There are no major external customer where revenue exceeds more than 10% of the entity's revenue.

The following table shows the carrying amount of property, plant and equipment and additions to property, plant and equipment and intangible fixed assets by geographical area in which the assets are located:

Particulars	Carrying amount of Property Plant and Equipment, Intangible Assets and Investment Property* (Rs. in Lakhs)		Additions to Property Plant and Equipment, Intangible Assets and Investment Property (Rs. in Lakhs)		Carrying amount of other non current assets** (Rs. in Lakhs)	
	As at 31 March 2021	As at 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	As at 31 March 2021	As at 31 March 2020
Domestic Market	10,217.33	11,447.00	1,069.98	1,566.30	912.80	472.07
Overseas Markets	918.94	1,323.16	(8.85)	24.24	1.19	1.22
Total	**11,136.27**	**12,770.16**	**1,061.13**	**1,590.54**	**913.98**	**473.29**

* including capital work in progress, intangible assets under development and goodwill on consolidation.

** including carrying amount of non current loans, non current other financial assets and other non current assets by geographical area in which the assets are located.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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43. Additional information pursuant to schedule III of Companies Act, 2013, "General instructions for the preparation of consolidated financials statement" for financials year 2020-21.

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount in Rs. Lakhs	As % of consolidated profit and loss	Amount in Rs. Lakhs	As % of consolidated other comprehensive income	Amount in Rs. Lakhs	As % of total comprehensive income	Amount in Rs. Lakhs
Company								
DiGiSPICE Technologies Limited (Formerly known as Spice Mobility Limited)								
Balance as at 31 March 2021	92.23%	21,931.00	-35.13%	(402.66)	3.25%	2.72	-32.51%	(399.94)
Balance as at 31 March 2020	99.40%	22,231.91	159.86%	(7,878.92)	89.53%	(27.79)	159.42%	(7,906.71)
Subsidiaries								
Indian								
1 Spice Money Limited (Formerly known as Spice Digital Limited)								
Balance as at 31 March 2021	33.83%	8,044.58	93.36%	1,070.28	-55.38%	(46.40)	83.23%	1,023.88
Balance as at 31 March 2020	30.98%	6,930.29	-3.94%	194.19	150.28%	(46.65)	-2.97%	147.54
2 Kimaan Exports Private Limited								
Balance as at 31 March 2021	6.02%	1,430.52	1.89%	21.68	0.00%	-	1.76%	21.68
Balance as at 31 March 2020	6.30%	1,408.83	-4.56%	224.78	0.00%	-	-4.53%	224.78
3 Hindustan Retail Private Limited								
Balance as at 31 March 2021	-2.46%	(584.49)	-0.15%	(1.72)	0.00%	-	-0.14%	(1.72)
Balance as at 31 March 2020	-2.61%	(582.77)	0.12%	(5.71)	0.00%	-	0.12%	(5.71)
4 New Spice Sales & Solutions Limited								
Balance as at 31 March 2021	-54.90%	(13,053.15)	-62.07%	(711.55)	0.00%		-57.84%	(711.55)
Balance as at 31 March 2020	-55.18%	(12,341.61)	14.36%	(707.68)	0.00%	-	14.27%	(707.68)
5 Cellucom Retail India Private Limited								
Balance as at 31 March 2021	-0.19%	(46.03)	-0.97%	(11.12)	0.00%	-	-0.90%	(11.12)
Balance as at 31 March 2020	-0.15%	(34.39)	0.27%	(13.27)	0.00%	-	0.27%	(13.27)

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	Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
		As % of consolidated net assets	Amount in Rs. Lakhs	As % of consolidated profit and loss	Amount in Rs. Lakhs	As % of consolidated other comprehensive income	Amount in Rs. Lakhs	As % of total comprehensive income	Amount in Rs. Lakhs
Foreign									
1	Spice Digital Bangladesh Limited								
	Balance as at 31 March 2021	-0.72%	(171.27)	-30.69%	(351.83)	14.25%	11.94	-27.63%	(339.89)
	Balance as at 31 March 2020	0.75%	168.50	2.82%	(139.11)	-72.77%	22.59	2.35%	(116.52)
2	S Global Servicers Pte. Ltd.								
	Balance as at 31 March 2021	9.33%	2,219.55	-333.78%	(3,826.33)	0.00%	-	-311.05%	(3,826.33)
	Balance as at 31 March 2020	26.21%	5,863.48	20.01%	(985.97)	0.00%	-	19.88%	(985.97)
3	Beoworld SDN. BHD								
	Balance as at 31 March 2021	-0.01%	(2.38)	-0.21%	(2.41)	0.00%	-	-0.20%	(2.41)
	Balance as at 31 March 2020	0.00%	0.02	0.11%	(5.64)	0.00%	-	0.11%	(5.64)
4	PT Spice Digital Indonesia								
	Balance as at 31 March 2021	0.11%	24.97	34.37%	394.00	0.00%	-	32.03%	394.00
	Balance as at 31 March 2020	-1.48%	(332.13)	13.31%	(655.80)	0.00%	-	13.22%	(655.80)
5	Omnia Pte. Ltd.								
	Balance as at 31 March 2021	-7.25%	(1,722.74)	-26.91%	(308.48)	0.00%	-	-25.08%	(308.48)
	Balance as at 31 March 2020	-6.13%	(1,371.12)	33.23%	(1,637.74)	0.00%	-	33.02%	(1,637.74)
6	S Mobility Pte. Ltd.								
	Balance as at 31 March 2021	-0.05%	(12.12)	-0.36%	(4.13)	0.00%	-	-0.34%	(4.13)
	Balance as at 31 March 2020	-0.03%	(7.75)	0.05%	(2.31)	0.00%	-	0.05%	(2.31)
7	Spice VAS (Africa) Pte. Limited								
	Balance as at 31 March 2021	12.31%	2,926.10	-263.97%	(3,026.04)	0.00%	-	-245.99%	(3,026.04)
	Balance as at 31 March 2020	26.06%	5,828.62	78.62%	(3,874.77)	0.00%	-	78.13%	(3,874.77)
8	Digispice Nigeria Limited (formerly known as "Spice Digital Nigeria Limited")								
	Balance as at 31 March 2021	-3.70%	(879.56)	-24.58%	(281.79)	0.00%	-	-22.91%	(281.79)
	Balance as at 31 March 2020	-2.81%	(628.71)	2.18%	(107.42)	0.00%	-	2.17%	(107.42)

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	Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
		As % of consolidated net assets	Amount in Rs. Lakhs	As % of consolidated profit and loss	Amount in Rs. Lakhs	As % of consolidated other comprehensive income	Amount in Rs. Lakhs	As % of total comprehensive income	Amount in Rs. Lakhs
9	Spice VAS Kenya Limited								
	Balance as at 31 March 2021	-0.13%	(30.80)	15.35%	175.95	0.00%	-	14.30%	175.95
	Balance as at 31 March 2020	-0.97%	(218.05)	-2.85%	140.28	0.00%	-	-2.83%	140.28
10	Digispice Uganda Limited (formerly known as "Spice VAS Uganda Limited")								
	Balance as at 31 March 2021	0.02%	5.45	-1.41%	(16.18)	0.00%	-	-1.32%	(16.18)
	Balance as at 31 March 2020	0.10%	21.42	1.54%	(75.68)	0.00%	-	1.53%	(75.68)
11	Digispice Ghana Limited (formerly known as "Spice VAS Ghana Limited")								
	Balance as at 31 March 2021	0.66%	157.46	5.00%	57.37	0.00%	-	4.66%	57.37
	Balance as at 31 March 2020	0.47%	104.21	-0.30%	14.83	0.00%	-	-0.30%	14.83
12	Digispice Zambia Limited (formerly known as "Spice VAS Zambia Limited")								
	Balance as at 31 March 2021	0.21%	49.71	1.38%	15.78	0.00%	-	1.28%	15.78
	Balance as at 31 March 2020	0.20%	45.48	-0.11%	5.63	0.00%	-	-0.11%	5.63
13	Digispice Tanzania Limited (formerly known as "Spice VAS Tanzania Limited")								
	Balance as at 31 March 2021	-1.97%	(467.27)	11.80%	135.27	0.00%	-	11.00%	135.27
	Balance as at 31 March 2020	-2.77%	(620.55)	1.20%	(58.92)	0.00%	-	1.19%	(58.92)
14	Spice Digital RDC Limited								
	Balance as at 31 March 2021	-0.06%	(14.36)	-0.11%	(1.24)	0.00%	-	-0.10%	(1.24)
	Balance as at 31 March 2020	-0.07%	(15.76)	0.15%	(7.40)	0.00%	-	0.15%	(7.40)
15	SVA (Mauritius) Pvt. Limited (formerly known as Spice (Mauritius) Pvt. Limited								
	Balance as at 31 March 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	Balance as at 31 March 2020	0.00%	-	0.01%	(0.47)	0.00%	-	0.01%	(0.47)

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	Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
		As % of consolidated net assets	Amount in Rs. Lakhs	As % of consolidated profit and loss	Amount in Rs. Lakhs	As % of consolidated other comprehensive income	Amount in Rs. Lakhs	As % of total comprehensive income	Amount in Rs. Lakhs
16	S Mobility (HK) Limited								
	Balance as at 31 March 2021	-0.03%	(7.87)	-0.47%	(5.34)	0.00%	-	-0.43%	(5.34)
	Balance as at 31 March 2020	-0.01%	(2.45)	0.00%	-	0.00%	-	0.00%	-
17	Spice Digital FZCO								
	Balance as at 31 March 2021	-2.51%	(597.45)	-7.27%	(83.32)	0.00%	-	-6.77%	(83.32)
	Balance as at 31 March 2020	-2.36%	(528.40)	1.89%	(92.95)	0.00%	-	1.87%	(92.95)
18	Fast Track IT Solutions Ltd								
	Balance as at 31 March 2021	0.01%	1.32	-0.01%	(0.11)	0.00%	-	-0.01%	(0.11)
	Balance as at 31 March 2020	0.01%	1.47	0.02%	(0.94)	0.00%	-	0.02%	(0.94)
19	Digispice Nepal Pvt. Limited								
	Balance as at 31 March 2021	-0.06%	(15.21)	-1.82%	(20.91)	0.67%	0.56	-1.65%	(20.35)
	Balance as at 31 March 2020	0.02%	5.29	-0.11%	5.43	0.45%	(0.14)	-0.11%	5.29
Non-controlling interests in all subsidiaries									
	Balance as at 31 March 2021	-1.48%	(351.40)	51.25%	587.48	-34.42%	(28.84)	45.41%	558.65
	Balance as at 31 March 2020	-4.03%	(900.99)	-13.04%	642.53	111.01%	(34.46)	-12.26%	608.07
Associates									
1	Creative Functionapps Lab Private Limited								
	Balance as at 31 March 2021	0.00%	-	-1.27%	(14.54)	0.00%	-	-1.18%	(14.54)
	Balance as at 31 March 2020	0.00%	-	0.18%	(9.02)	0.00%	-	0.18%	(9.02)
2	Ziiki Media SA (Pty) Ltd (formely known as Spice Digital South Africa (Pty) Limited) (from 7 February 2019)								
	Balance as at 31 March 2021	0.00%	-	-4.36%	(49.95)	0.00%	-	-4.06%	(49.95)
	Balance as at 31 March 2020	0.00%	-	1.62%	(79.85)	0.00%	-	1.61%	(79.85)
Eliminations									
	Balance as at 31 March 2021	20.79%	4,942.88	681.13%	7,808.20	171.63%	143.80	646.43%	7,951.99
	Balance as at 31 March 2020	-11.88%	(2,657.93)	-206.62%	10,183.44	-178.51%	55.41	-206.45%	10,238.85
Total	**Balance as at 31 March 2021**	**100.00%**	**23,777.43**	**100.00%**	**1,146.35**	**100.00%**	**83.78**	**100.00%**	**1,230.14**
	Balance as at 31 March 2020	**100.00%**	**22,366.94**	**100.00%**	**(4,928.49)**	**100.00%**	**(31.04)**	**100.00%**	**(4,959.53)**

44. Business combinations

A) Loss of Control over a subsidiary, SVA (Mauritius) Pvt. Limited (formerly known as Spice (Mauritius) Pvt. Limited

The financial statements of SVA (Mauritius) Pvt. Limited had been incorporated line by line adding together like items of income and expenses for the period 1st April 2019 to 2nd August 2019.

Summary of Assets and Liabilities of Subsidiary in which control was lost :

Particulars	(Amount in Rs. Lakhs)
Assets	
Current assets	
Financial assets	
- Cash and cash equivalents	0.71
- Other financial assets	4.97
Total current assets	**5.68**
Total assets (A)	**5.68**
Liabilities	
Current liabilities	
Financial liabilities	
- Trade payables	3.75
- Other financial liabilities	35.06
Total current liabilities	**38.81**
Total liabilities (B)	**38.81**
Net Assets (A-B)	**(33.13)**

Gain on Disposal of subsidiary

Particulars	(Amount in Rs. Lakhs)
Net Assets Disposed of	-
Forex impact	(0.71)
Sales consideration	(0.07)
Cumulative exchange difference in respect of the net assets	0.42
Gain on Loss of Control recognised in statement of profit and loss	**(0.36)**

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45. Investment in associates and a joint venture

(Amount in Rs. Lakhs)

Particulars	**31-Mar-21**		**31-Mar-20**	
	Carrying value of investment	**Sharing of profit/(loss) during the year**	**Carrying value of investment**	**Sharing of profit/(loss) during the year**
Investment in associates				
Nil (31 March 2020: 40,016,870) Ziiki Media SA Pty. Ltd. (Formerly known as Spice Digital South Africa Pty. Ltd.)*	-	(49.95)	528.11	(79.85)
3,514 (31 March 2020 : 3,514) equity share of Re 10 each in Creative Functionapps Lab Pvt. Ltd	50.12	(14.54)	64.66	(9.02)
95,058 (31 March 2020 : 95,508) equity share of Re 1 each in Sunstone Learning Pvt. Ltd**	-	-	-	-
Total	**50.12**	**(64.49)**	**592.77**	**(88.87)**

*** ceased to be Associate w.e.f. July 01, 2020.**

**** Fully impaired in earlier years.**

46. Share-based payments

1) SML Employees stock option Plan (ESOP) 2018 of the Parent Company

The Parent Company has granted stock options under the SML Employees stock option Plan 2018 (ESOP) to the eligible employees of the Group. Under ESOP, the parent company has granted 21,381,000 options on September 18, 2018 and 3,439,000 options on February 05, 2019. 40%, 30% and 30% of total options granted would vest in after one year, two year and three year from the date of respective grant subject to fulfilment of vesting conditions.The maximum period for exercise of options is three year from the date of vesting. Each option when exercised would be converted into one fully paid-up equity share of Rs.3 each of the Company.The options granted under ESOP carry no rights to dividends and voting rights till the date of exercise.

The fair value of the options are estimated at the grant dates using Black and Scholes Model, taking into account the terms and conditions upon which the options were granted.

During the year, certain unvested options were cancelled on non-fulfilment of certain vesting conditions under ESOP. As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	**As at 31 March 2021**		**As at 31 March 2020**	
	No of Options	**Weighted Average exercise price (Rs.)**	**No of Options**	**Weighted Average exercise price (Rs.)**
Options outstanding at the beginning of the year (1)	1,14,82,250	-	2,27,61,000	-
Options granted under ESOP 2018 (2)	-	-	-	13.25
Options exercised during the year	4,94,314	-	-	-
Options cancelled/provision for attrition during the year	6,37,750	13.25	1,12,78,750	13.25
Options expired during the year	-	-	-	-
Options outstanding at the end of the year (3)	1,03,50,186	13.25	1,14,82,250	13.25
Options exercisable at the end of the year	1,03,50,186	13.25	1,14,82,250	13.25
Range of exercise price of outstanding options (Rs.)	13.25	-	13.25	-
Remaining contractual life of outstanding options granted on September 18, 2018	1.47 years (40% vesting) 2.47 years (30% vesting) 3.47 years (30% vesting)		2.47 years (40% vesting) 3.47 years (30% vesting) 4.47 years (30% vesting)	
Remaining contractual life of outstanding options granted on February 05, 2019	1.85 years (40% vesting) 2.85 years (30% vesting) 3.85 years (30% vesting)		2.85 years (40% vesting) 3.85 years (30% vesting) 4.85 years (30% vesting)	

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1) a) Options outstanding at the beginning of the current year includes 52,60,750 options hold by employees of Holding company (48,75,000 options) and subsidiary companies (3,85,750 options).

b) Options outstanding at the beginning of the previous year includes 71,59,000 options hold by employees of Holding company (48,95,000 options) and subsidiary companies (22,64,000 options).

2) a) Current Year- Options Excercised includes Nil options granted to employees of Holding company (Nil options) and subsidiary Companies (Nil options).

3) a) Current Year- Options cancelled includes 52,750 options granted to employees of Holding company (Nil options) and subsidiary Companies (52,750 options).

b) Previous year - Options cancelled includes 72,24,000 options granted to employees of Holding company (48,95,000 options) and subsidiary Companies (23,29,000 options).

4) a) Current year Options outstanding at the end of the year includes options 52,34,000 options hold by employees of Holding company (48,95,000 options) and subsidiary Companies (3,39,000 options).

b) Previous year Options outstanding outstanding at the end of the year includes options 52,60,750 options hold by employees of Holding company (48,75,000 options) and subsidiary Companies (3,85,750 options).

The fair value of each option is estimated on the date of grant based on the following assumptions:

Particulars	**As at 31 March 2021**		**As at 31 March 2020**	
Grant Date	**18-Sep-18**	**5-Feb-19**	**18-Sep-18**	**5-Feb-19**
No of options outstanding at the end of the year	1,07,76,500	68,000	1,13,06,250	1,76,000
Dividend yield (%)	-	-	-	-
Expected life	2.50,3.50 and 4.50 yrs.	2.50,3.50 and 4.50 yrs.	2.50,3.50 and 4.50 yrs.	2.50,3.50 and 4.50 yrs.
Risk free interest rate (%)	8.06% (2.50 yrs.)	7.02% (2.50 yrs.)	8.06% (2.50 yrs.)	7.02% (2.50 yrs.)
	8.11% (3.50 yrs.)	7.27% (3.50 yrs.)	8.11% (3.50 yrs.)	7.27% (3.50 yrs.)
	8.23% (4.50 yrs.)	7.42% (4.50 yrs.)	8.23% (4.50 yrs.)	7.42% (4.50 yrs.)
Expected Volatility (%)	62.56%	69.49%	62.56%	69.49%
Market price on date of grant/re-pricing (Rs.)	13.25	9.70	13.25	9.70
Weighted Average Fair Value of option at grant date	6.73	4.43	6.73	4.43

2) 'SDL Employee Stock Option Plan 2015' of Spice Money Limited (Previously known as Spice Digital Limited), a subsidiary company

In May 2018, in order to motivate the employees of the Fintech Business Undertaking ('designed employees'), the Nomination and Remuneration Committee granted Options to the designated employees pursuant to the subsidiary company's stock option plan namely, 'SDL Employee Stock Option Plan 2015' ('ESOP 2015'). The Options so granted will vest over a period of 3 years from the date of grant in the manner given below:

Time Period	**% of Options granted**
1st Vesting	40
2nd Vesting	30
3rd Vesting	30

The subsidiary company further granted options ("newly issued options") to employees in FY 2020-21 under ESOP 2015.

The maximum period for exercise of options is 3 years from end of each vesting date. Each option, when exercised, would be converted into one fully paid-up equity share of 10 each of the subsidiary company. The options granted under ESOP 2015 carry no rights to dividends and no voting rights till the date of exercise.

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The fair value of the share options is estimated at the grant date using Black and Scholes Model, taking into account the terms and conditions upon which the share options were granted.

During the year, certain unvested options were cancelled on non-fulfilment of certain vesting conditions under ESOP 2015. As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at 31 March 2021		As at 31 March 2020	
	No of Options	Weighted Average exercise price (Rs.)	No of Options	Weighted Average exercise price (Rs.)
Options granted under ESOP 2015	45,23,279	34.10	54,26,519	34.10
Options granted under ESOP 2015 (newly issued options)	27,53,560	33.80	-	-
Options outstanding at the beginning of the year	-	-	-	-
Options exercised during the year	-	-	-	-
Options cancelled during the year	6,84,360	34.10	9,03,240	34.10
Options expired during the year	-	-	-	-
Options outstanding at the end of the year	38,38,919	34.10	45,23,279	34.10
Options outstanding at the end of the year- newly issued options	27,53,560	33.80	-	-
Options exercisable at the end of the year	-	-	-	-
Remaining contractual life of outstanding options (years)	3 yrs for 1st Vesting 4 yrs for 2nd Vesting 5 yrs for 3rd vesting		3 yrs for 1st Vesting 4 yrs for 2nd Vesting 5 yrs for 3rd vesting	
Remaining contractual life of outstanding options (years) (newly issued options)	4 yrs for 1st Vesting 5 yrs for 2nd Vesting 6 yrs for 3rd vesting		-	

The fair value of each option is estimated on the date of grant based on the following assumptions:

Particulars	ESOP 2015	ESOP 2015
	Originally Issued Options	Newly Issued Options
Dividend yield (%)	Nil	Nil
Expected life	2.5 yrs. for 1st vesting 3.5 yrs for 2nd vesting 4.5 yrs. for 3rd vesting	2.5 yrs. for 1st vesting 3.5 yrs for 2nd vesting 4.5 yrs. for 3rd vesting
Risk free interest rate (%)	6.82% for 1st Vesting 7.04% for 2nd vesting 7.21% for 3rd Vesting	5.28% for 1st Vesting 5.66% for 2nd vesting 5.94% for 3rd Vesting
Volatility(%)	24.90%	31.35%
Market price on date of grant/re-pricing (Rs.)	34.10	33.80
Fair Value Per Option(Rs.)	9.81	10.26

3) Share Award Scheme (The Scheme)

The Scheme was approved by the Board of Directors of Spice Vas Africa Pte Ltd, Singapore, a step down subsidiary of the Group, on 17 September 2012 and by its shareholders on 20 September 2012. The Scheme is administered by Share Award Committee of Directors. The Scheme applies to the full time employees of the company or its subsidiaries including an executive director of the company and for any of its subsidiaries or any Promoter Group Employee (as defined in the scheme) based on certain eligibility criteria as may be decided by the Board of Directors or Share Award Committee.

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The eligible employees or participants are not required to pay for the grant of share award or share received pursuant to the terms and conditions of The Scheme. The Scheme awards fully paid shares to the participants. The shares are issued at par Value of 1$ SGD, which is equivalent to the fair value. During the financial year, there were no shares of the company issued by virtue of the exercise of an option to take up unissued shares.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year (excluding SARs):

	FY 2020-2021	FY 2019-20
Outstanding at 1 April	-	2,260
Granted	-	-
Expired/Forfeited	-	(2,260)
Exercised	-	-
Outstanding at 31 March	**-**	-

Exercisable at 31 March

Unissued shares under option

Except as disclosed above, there were no unissued shares of the subsidiary company under options granted by that company as at the end of the financial year

47. Discontinued operations

A. The Board of Directors of the Company had approved the sale of entire stake in Omniventures Pvt Ltd.(OVPL), a wholly owned subsidiary of the Company, subsequently, the shareholders of the Company have also approved the same through postal ballot. Consequent to sale of stake in OVPL, OVPL and its subsidiary companies i.e. Spice Online Pvt. Limited and Hotspot Sales & Solutions Private Limited have ceased to be the subsidiaries of the Company with effect from 13 February 2018.These subsidiaries were operating in retail business.

B. Pursuant to decision of board of directors of a step down subsidiary company on 10 February 2017, the said Company has discontinued "Spice" Brand mobile handset business.

Both the above being discontinued operation, Device segment is no longer presented in the segment note.Accordingly, assets and liabilities of the business have been classified separately as assets / liabilities related to discontinued operations.

The details of assets and liabilities as at 31 March 2021 and 31 March 2020 classified separately as assets / liabilities related to discontinued operations are given below:

(Amount in Rs Lakhs)

	As at 31 March 2021	As at 31 March 2020
Assets		
Financial Assets		
Loans	0.24	0.24
Others	0.20	0.20
Other assets	0.15	0.15
Non Current Tax Assets	40.67	96.62
Total non-current assets	**41.27**	**97.21**
Current assets		
Financial Assets		
Trade receivables	12.86	12.86
Cash and bank balances	5.71	2.38
Other Bank Balances	11.71	11.71
Loans	1.49	1.49

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(Amount in Rs Lakhs)

	As at 31 March 2021	As at 31 March 2020
Others	4.33	3.48
Other assets	342.63	398.30
Total current assets	**378.73**	**430.22**
Assets directly associated with assets pertaining to discontinued operations	**420.00**	**527.43**
Non-current liabilities		
Financial Liabilities		
Others	92.09	92.08
Total non-current liabilities	**92.09**	**92.08**
Current liabilities		
Financial Liabilities		
Trade payables	12.19	60.01
Others	15.47	15.51
Other liabilities	189.41	187.04
Provisions	1.94	1.94
Total current liabilities	**219.01**	**264.50**
Liability directly associated with assets pertaining to discontinued operations	**311.10**	**356.58**
Net assets directly associated with discontinued operations	**(108.90)**	**(170.85)**

The following statement shows the revenue and expenses of discontinued operations, of the Company which has been discontinued.

(Amount in Rs Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Income		
Revenue from operations	-	-
Revenue from operations (net)	**-**	**-**
Other income	9.49	22.97
Total revenue (I)	**9.49**	**22.97**
Expenses		
Employee benefits expense	12.98	24.58
Other expenses	35.15	37.73
Total (II)	**48.13**	**62.31**
(Loss) before exceptional items and tax from discontinued operations (I) – (II)	**(38.64)**	**(39.34)**
Exceptional items (refer note 53)	-	-
(Loss) before tax	**(38.64)**	**(39.34)**
Profit/(Loss) for the year from discontinued operations	**(38.64)**	**(39.34)**
Other comprehensive income from discontinued operations		
Items that will not be reclassified to profit or loss		
Remeasurement gain of defined benefit plan	-	-
Items that will be reclassified to profit or loss		
Exchange differences on translations of foreign operations	-	-
Total comprehensive income for the year from discontinued operations	**(38.64)**	**(39.34)**

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The Net cash flow incurred by discontinued business are, as follows;

(Amount in Rs Lakhs)

	31 March 2021	31 March 2020
Operating	72.11	(301.34)
Investing	0.00	0.90
Financing	-	300.00
Net cash (outflow)/inflow	72.11	(0.44)
Earning Per Share:		
Earnings per equity share from discontinued operations	(0.02)	(0.02)

48 A. Fair value

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments

(Amount in Rs. Lakhs)

	As at 31 March 2021		As at 31 March 2020	
Financial assets	**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
Non current assets				
- Equity and other investment	5.00	5.00	5.00	5.00
- Loans and advances	444.16	444.16	388.33	388.33
- Other financial assets	375.00	375.00	13.17	13.17
Total non current assets	**824.16**	**824.16**	**406.50**	**406.50**
Current assets				
- Trade receivables	4,039.29	4,039.29	4,633.99	4,633.99
- Cash and cash equivalents	9,215.98	9,215.98	4,942.54	4,942.54
- Bank balances other than above	12,249.28	12,249.28	3,239.50	3,239.50
- Loans and advances	89.95	89.95	21.18	21.18
- Other financial assets	3,736.57	3,736.57	3,782.46	3,782.46
Total current assets	**29,331.07**	**29,331.07**	**16,619.67**	**16,619.67**
Total financial assets	**30,155.22**	**30,155.22**	**17,026.17**	**17,026.17**
Financial liabilities				
Non current liabilities				
- Other financial liabilities	165.08	165.08	68.46	68.46
Total non current liabilities	**165.08**	**165.08**	**68.46**	**68.46**
Current liabilities				
- Borrowings	3,316.12	3,316.12	2,516.55	2,516.55
- Trade payables	5,792.22	5,792.22	6,829.33	6,829.33
- Other financial liabilities	1,071.69	1,071.69	772.22	772.22
Total current liabilities	**10,180.03**	**10,180.03**	**10,118.10**	**10,118.10**
Total financial liabilities	**10,345.11**	**10,345.11**	**10,186.56**	**10,186.56**

The Group has assessed that the fair value of trade receivables, cash and cash equivalents, other bank balances, other current financial assets, trade payables and other current financial liabilities approximate to their carrying amounts largely due to the short-term maturities 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. The following methods and assumptions were used to estimate the fair values:

- Borrowings are evaluated by the Group based on parameters such as interest rates and specific country risk factors.
- The fair value of other financial liabilities, obligations under finance leases, is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

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- The fair values of the FVTPL quoted financial investments are derived from quoted market prices in active markets.
- The fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

48 B. Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The Group has assessed that the fair value of trade receivables, cash and cash equivalents, other bank balances, other current financial assets, trade payables and other current financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments. Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined present value. Similarly, unquoted equity instruments in associate company has been considered at cost less impairment, if any, and has been excluded in the fair value measurement disclosed below.

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. The following methods and assumptions were used to estimate the fair values:

- Borrowings are evaluated by the Group based on parameters such as interest rates and specific country risk factors.
- The fair value of other financial liabilities, obligations under finance leases, is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The fair values of the FVTPL quoted financial investments are derived from quoted market prices in active markets.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2021:

Fair value measurement using **(Amount in Rs. Lakhs)**

	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
- Equity and Other investment				
(excluding investment in joint venture and associates)	5.00	-	-	5.00
Total	**5.00**	**-**	**-**	**5.00**
Assets for which fair values are disclosed :				
Investment properties (Note 4)	4,254.00	-	-	4,254.00
Total	**4,254.00**	**-**	**-**	**4,254.00**
Non current assets				
- Loans and advances	444.16	-	-	444.16
- Other financial assets	375.00	-	-	375.00
Total	**819.16**	**-**	**-**	**819.16**

There have been no transfers between Level 1 and Level 2 during the year.

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Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2021:

	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:				
Non current liabilities				
- Other financial liabilities	165.08	-	-	165.08
Total non current liabilities	**165.08**	**-**	**-**	**165.08**

There have been no transfers between Level 1 and Level 2 during the year.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2020:

Fair value measurement using **(Amount in Rs. Lakhs)**

	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
- Equity and Other investment				
(excluding investment in joint venture and associates)	5.00	-	-	5.00
Total	**5.00**	**-**	**-**	**5.00**
Assets for which fair values are disclosed :				
Investment properties (Note 4)	4,254.00	-	-	4,254.00
Total	**4,254.00**	**-**	**-**	**4,254.00**
Non current assets				
- Loans and advances	388.33	-	-	388.33
- Other financial assets	13.17	-	-	13.17
Total	**401.50**	**-**	**-**	**401.50**

There have been no transfers between Level 1 and Level 2 during the year.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2020:

	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:				
Non current liabilities				
- Other financial liabilities	68.46	-	-	68.46
Total non current liabilities	**68.46**	**-**	**-**	**68.46**

There have been no transfers between Level 1 and Level 2 during the year.

49. Financial risk management objectives and policies

The Group's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the Group's operations. The Group's principal financial assets include loans, trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations. The Group also holds FVTPL investments and investment in subsidiary companies, associates and a joint venture measured using the equity method.

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The Group is exposed to market risk, credit risk and liquidity risk. The senior management of the Group advises on financial risks and the appropriate financial risk governance framework. The senior management provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarised below.

1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments. The Group is not effected by commodity risk.

The sensitivity analysis in the following sections relate to the position as at 31 March 2021 and 31 March 2020.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt instruments are all constant .

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2021 and 31 March 2020.

The sensitivity of equity is calculated by considering the effect of any associated cash flow of a net investment in a foreign subsidiary at 31 March 2021 for the effects of the assumed changes of the underlying risk.

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the loan given, Security deposits received/paid and borrowing.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected, with all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, present rate is 8.75% equivalent to MCLR (P.Y. MCLR plus 1.10%), the impact of change in rate is as follows:

Interest rate sensitivity calculated on borrowing . The impact of change in interest rate is given below:-

	Increase/ decrease in basis points	Effect on profit before tax
31-Mar-21		
Rs. Lakhs	50	(16.58)
Rs. Lakhs	-50	16.58
31-Mar-20		
Rs. Lakhs	50	(12.58)
Rs. Lakhs	-50	12.58

Fair value sensitivity analysis for fixed-rate instruments:

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, the group shall not be affected a change in interest rates at the reporting date.

- **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to

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the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, AFN, SGD, NPR and BDT exchange rates, with all other variables held constant. The impact on the Group's Continuing profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to other foreign currency is not material.

(Amount in Rs. Lakhs)

	Currency	Change in rates	Effect on profit before tax	Effect on pre-tax equity
31-Mar-21	USD (US Dollar)	5%	49.64	49.64
		-5%	(49.64)	(49.64)
	SGD (Singapore Dollar)	5%	-	-
		-5%	-	-
	AFN (Afghanistan Afghani)	5%	7.35	7.35
		-5%	(7.35)	(7.35)
	BDT (Bangladeshi Taka)	5%	53.60	53.60
		-5%	(53.60)	(53.60)
31-Mar-20	USD (US Dollar)	5%	55.57	55.57
		-5%	(55.57)	(55.57)
	SGD (Singapore Dollar)	5%	0.18	0.18
		-5%	(0.18)	(0.18)
	AFN (Afghanistan Afghani)	5%	8.93	8.93
		-5%	(8.93)	(8.93)
	BDT (Bangladeshi Taka)	5%	52.73	52.73
		-5%	(52.73)	(52.73)

- **Equity price risk**

The Groups listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group don't engage in active trading of equity instruments. Reports on the equity portfolio are submitted to the Group senior management on a regular basis. The Board of Directors of Company reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed and unlisted equity securities at fair value is not material (excluding investment in subsidiaries).

- **Other risk**

The Group operates in a service sector on revenue sharing model. There is downward revision of revenue shares frequently, as a result, the revenue of Group may reduce depending upon percentage decrease in revenue share of Group with the telecom operators.

2) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The Group has used a practical expedient and analysed the recoverable amount of the receivables on an individual basis by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information's.

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The following table provides information about exposure to credit risk and expected credit loss for trade receivables for customers for the year ended 31 March 2021:

(Amount in Rs. Lakhs)

In Rs. Lakhs	Gross Carrying Amount	Weighted-Average Loss Rate	Loss Allowance
Not Due	428.10	0%	0.65
1- 90 days	1,929.98	1%	18.47
91-180 days	288.97	4%	10.86
181-270 days	915.66	28%	259.26
271-360 days	78.98	36%	28.57
More than 360 days	3,477.15	79%	2,761.75
	7,118.84		**3,079.55**

The following table provides information about exposure to credit risk and expected credit loss for trade receivables for customers for the year ended 31 March 2020:

(Amount in Rs. Lakhs)

In Rs. Lakhs	Gross Carrying Amount	Weighted-Average Loss Rate	Loss Allowance
Not Due	2,037.29	3%	54.91
1- 90 days	1,167.38	0%	0.65
91-180 days	823.79	0%	3.06
181-270 days	725.64	47%	341.91
271-360 days	284.74	10%	29.85
More than 360 days	2,711.09	99%	2,685.56
	7,749.93		**3,115.94**

Movement in the expected credit loss allowance of receivables

(Amount in Rs. Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at beginning of the year	3,115.94	1,711.16
Add: provided during the year	387.69	1,404.78
Less: reversals of provision	(415.18)	-
Less: FCTR	(8.90)	-
Balance at the end of the year	**3,079.55**	**3,115.94**

- **Trade receivables**

  Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment and also based upon agreements/terms with respective customers. Outstanding customer receivables are regularly monitored.

  An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 48A. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

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- **Financial instruments and cash deposits**

  Credit risk from balances with banks and financial institutions is managed in accordance with the Group policy. Investments of surplus funds are made only with approved counterparties and based on the Investment Policy of the Group. All investments are reviewed by the Group Board of Directors on a quarterly basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

- **Loans**

  Credit risk from the loan given to Hotspot Sales & Solutions Private Limited and Spice Online Private Limited amounting to Rs. 5,087.89 Lakhs and 99.82 Lakhs respectively has been reviewed by the Group's Board of Directors and entire amount has been impaired in the previous years based on their assessment of recoverability.

3) Liquidity risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bill discounting facility. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group financial liabilities based on contractual undiscounted payments.

(Amount in Rs. Lakhs)

	On Demand	Less than 3 Months	3-12 Months	1-5 Years	> 5 years	Total
As at 31 March 2021						
Borrowings	2,251.39	1,064.73	-	-	-	3,316.12
Other financial liabilities (non-current)	-	-	-	165.08	-	165.08
Other financial liabilities (current)	19.82	945.12	171.67	-	-	1,136.61
Trade and other payables	-	4,460.25	1,331.97	-	-	5,792.22
Total	**2,271.21**	**6,470.10**	**1,503.64**	**165.08**	**-**	**10,410.03**

* Based on the maximum amount that can be called for under the financial guarantee contract.

(Amount in Rs. Lakhs)

	On Demand	Less than 3 Months	3-12 Months	1-5 Years	> 5 years	Total
As at 31 March 2020						
Borrowings	1,620.00	855.02	41.54	-	-	2,516.56
Other financial liabilities (non-current)	-	-	-	68.46	-	68.46
Other financial liabilities (current)	40.43	573.41	158.38	-	-	772.22
Trade and other payables	519.66	3,169.78	2,583.90	556.00	-	6,829.34
Total	**2,180.09**	**4,598.21**	**2,783.82**	**624.46**	**-**	**10,186.58**

* Based on the maximum amount that can be called for under the financial guarantee contract.

- **Excessive risk concentration**

  Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group performance to developments affecting a particular industry.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

In order to avoid excessive concentrations of risk, the Group policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

- **Collateral**

The Group has pledged part of its fixed deposits with bank as margin money against issuance of bank/corporate guarantees in order to fulfil the collateral requirements for its various contracts. At 31 March 2021 and 31 March 2020, the fair values of fixed deposits pledged were Rs. 6,151.99 Lakhs (31 March 2020: 2,875.10 Lakhs) . The Group has an obligation to repay the deposit to the counterparties upon settlement of the contracts. There are no other significant terms and conditions associated with the use of collateral (refer note 11 and 12).

49(a) Foreign currency risk exposure:

The groups exposure to foreign currency risk at the end of the reporting period, are as follows:

(Amount in Rs. Lakhs)

Date	Currency	Trade Receivables	Unbilled Revenue	Balances with banks	Advances	Net exposure to foreign currency risk (assets) (A)	Trade payable	Net exposure to foreign currency risk (liabilities) (B)	Net exposure to foreign currency risk (A-B)	Sensitivity at 50 basis points
As at 31 March 2021	Dirahm	-	1.00	-	-	**1.00**	-	-	1.00	0.05
	NPR	-	0.59	-	-	**0.59**	-	-	0.59	0.03
	AFN	113.11	33.89	-	-	**146.99**	-	-	146.99	7.35
	IDR	16.19	-	-	-	**16.19**	-	-	16.19	0.81
	MYR	-	-	-	-	-	-	-	-	-
	BDT	1,045.28	26.67	-	-	**1,071.95**	-	-	1,071.95	53.60
	LKR	-	2.18	-	-	**2.18**	-	-	2.18	0.11
	MMK	-	0.06	-	-	**0.06**	-	-	0.06	0.00
	GBP	5.54	-	-	-	**5.54**	-	-	5.54	0.28
	SGD	-	-	-	-	-	-	-	-	-
	USD	1,084.59	69.31	770.72	-	**1,924.62**	931.84	**931.84**	992.78	49.64
As at 31 March 2020	MMK	-	0.06	-	-	**0.06**	-	-	0.06	0.00
	LKR	-	0.82	-	-	**0.82**	-	-	0.82	0.04
	AFN	80.86	97.67	-	-	**178.53**	-	-	178.53	8.93
	IDR	2.53	-	-	-	**2.53**	-	-	2.53	0.13
	MYR	0.15	-	-	-	**0.15**	-	-	0.15	0.01
	BDT	1,054.51	-	-	-	**1,054.51**	-	-	1,054.51	52.73
	GBP	2.44	-	-	-	**2.44**	-	-	2.44	0.12
	SGD	3.54	-	-	-	**3.54**	-	-	3.54	0.18
	USD	1,389.24	41.92	210.07	4.69	**1,645.92**	534.62	**534.62**	1,111.30	55.57

50. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group's policy is to keep the gearing ratio less than 50%. The Group includes within net debt, interest bearing loans and borrowings, trade payable, other current liabilities, other financial liabilities and provisions, less cash and cash equivalents (excluding discontinued operations).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

	As at 31 March 2021	As at 31 March 2020
	Rs. Lakhs	**Rs. Lakhs**
Borrowings	3,316.12	2,516.55
Less: cash and cash equivalents	9,215.98	4,942.54
Net debt	**(5,899.84)**	**(2,425.98)**
Equity	6,069.85	6,055.02
Other equity attributable	17,707.58	16,311.92
Total equity attributable to owner of the Company	**23,777.43**	**22,366.94**
Capital and net debt	**17,877.57**	**19,940.96**
Gearing ratio	**Nil**	**Nil**

In order to achieve this overall objective, the Group'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 the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

51. As on 31st March, 2021, Independent Non-Promoter (Spice Employee Benefit) Trust ('EBT') holds 10,155,067 (March 31, 2020: 10,155,067) equity shares of the Company, for the benefit of the employees of the Company, its associates and subsidiaries and Independent Non-Promoter Trust ('NPT') holds 15,912,776 (March 31, 2020: 15,912,776) equity shares of the Company for the benefit of the Company. These equity shares were transferred to the Trusts pursuant to the Scheme of amalgamation of Spice Televentures Private Limited ('STPL'), the erstwhile holding company, with the Company, duly approved by High Court, Allahabad, at a value at which these equity shares were held in the books of STPL.

During the year the Company has received Nil (31 March 2020 Rs. Nil Lakhs), as a beneficiary, from the Independent Non-Promoter Trust including surplus arising from sale of its shares. The above receipts are shown as part of the Trust Reserve.

Taking a conservative interpretation of "Ind AS 32" face value of shares held by these trusts has been deducted from equity and amount over and above face value has been shown as deduction under the head "Trust shares" separately in other equity.

52. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
-Principal amount due to micro and small enterprises	54.39	18.47
-Interest due on above	0.01	0.01
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	NIL
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 MSMED Act 2006.	0.58	0.10
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.70	0.11
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 MSMED Act 2006	0.70	0.11

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for the year ended 31 March 2021

53. Exceptional Items

a) The Exceptional items for the year ended on March 31, 2020 amounting to Rs 182.34 lakhs comprises of settlement of old liabilities pertaining to central excise and service tax matter under the scheme Sabka Vishwas Legacy Dispute Resolution Scheme, 2019.

b) The Company and its subsidiaries reviewed the entire portfolio of its receivables and its investments and, on a conservative basis, have made a provision of Rs 4,447.61 Lakhs, including Rs 3607.79 lakhs of receivable due from a customer under a long term contract the payment of which was linked to certain milestones and fund raise of the customer , impairment of Rs. 1333.23 Lakhs of investment (net of FCTR income of Rs 24.66 lakhs) and derecongnition of loan liability of Rs.1343.88 Lakhs (net of FCTR loss of Rs 24.85 lakhs) during the year. 2021. Since this provision has mainly arisen due to inordinate delays, business uncertainties and stress over cash-flows of our customers accelerated by the spread of Covid 19 pandemic all over the word, this has been shown as Exceptional item".

Except as disclosed above, the management believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the Company, in the long-term. The Company estimates to recover the carrying amount of all its assets including receivables and loans in the ordinary course of business based on information available on current economic conditions. These estimates may change and be affected by the severity and duration of pandemic. The Company is continuously monitoring any material change in future economic conditions.

54. A step down subsidiary company had invested amount of IDR 270,000 Lakhs equivalent to Rs. 1,389.46 Lakhs by way of investment in convertible bonds in M/s PT Solusi Pasti, Indonesia. The same is substantially funded by way of loan taken by the step down subsidiary company from S Global Innovation Centre Pte. Ltd. amounting to Rs. 1,316.71 Lakhs. The loan was scheduled for bullet repayment on 10 April 2019 in earlier year, but the same has been extended during the previous year and therefore, considered as Non-current. The loan carries Effective interest rate 2% p.a.. However, due to inordinate delays, business uncertainties and stress over cash-flows accelerated by the spread of Covid 19 pandemic all over the world, the Group as an abundant caution has provided impairment of Rs. 1333.23 Lakhs of investment (net of FCTR income of Rs 24.66 lakhs) and derecongnition of loan liability of Rs.1343.88 Lakhs (net of FCTR loss of Rs 24.85 lakhs).

55. Goodwill on consolidation appearing in the financial statements denotes the goodwill in respect of subsidiaries acquired by the Group in the earlier years and during the year

The Group has recognized and is carrying forward goodwill of Rs 452.87 Lakhs (31 March 2020: Rs 439.09 Lakhs), Rs 119.76 Lakhs (31 March 2020 : Rs 116.12 Lakhs), Rs 1.94 Lakhs (31 March 2020: Rs 1.88 Lakhs), Rs 4,710.75 Lakhs (31 March 2020 : Rs 4,710.75 Lakhs), and Rs 0.34 Lakhs (31 March 2020: Rs 0.33 Lakhs) in respect of subsidiaries, Spice VAS Kenya Limited, Spice VAS Tanzania Limited, S Mobility Pte. Ltd., Kimaan Exports Private Limited and Fast Track IT Solutions Ltd respectively.

In respect of these entities, such goodwill has been tested for impairment using the cash flow projections, which are based on most recent financial budgets/ forecasts approved by the management as on 31 March 2021. The group has already provided the provision for impairment amounting to Rs 119.76 Lakhs (31 March 2020: Rs. 116.12 Lakhs) on investment in Spice VAS Tanzania Limited.

56. The Group is engaged in process of establishing a comprehensive system of maintenance of information and documents on a global basis across all global subsidiary companies by way of a composite document instead of company wise compliance with respective transfer pricing regulations. As a result, certain cross charge of expenses and income may change which shall get eliminated on consolidation and not impact the consolidated financial statements. However, the same may have an impact on the related income taxes and provision for taxation. The management of the Company believes its international transactions are at arm's length so that the aforesaid changes will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

57. The Hon'ble National Company Law Tribunal, New Delhi, Principal Bench ("NCLT"), has approved the Scheme of Arrangement between Spice Mobility Limited and Spice Digital Limited and Spice IOT Solutions Private Limited and Mobisoc Technology Private Limited and Spice Labs Private Limited and their respective shareholders and creditors ("Scheme") under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013. Necessary procedural formalities in this respect is under process. Pursuant to the said Scheme, the assets and liabilities of Digital Technology Services (DTS) Business of Spice Digital Limited and the amalgamating companies (Spice IOT Solutions Private Limited and Mobisoc Technology Private Limited and Spice Labs Private Limited) were transferred to and vested with the Company with effect from the appointed date viz. April 01, 2017. DTS business undertaking of Spice Digital Limited and other amalgamating companies are engaged in the business of providing Technology services and Value Added Services. The amalgamation being a common control transaction has been accounted for under the 'pooling of interest' method as prescribed by the Ind AS 103 (Business Combinations). Accordingly, the Scheme of Arrangement has been given effect from appointed date April 01, 2017 in previous year. The Scheme has become effective on June 01, 2019.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

58. Disclosure required under Schedule V read with Regulation 34 (3) and 53 (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and disclosure required under section 186 (4) of the Companies Act, 2013

Name of Loanee	Purpose	Rate of Interest	Outstanding balance as at 31 March 2021	Maximum balance in FY 2020-21	Outstanding balance as at 31 March 2020	Maximum balance in FY 2019-20
Bharat BPO Services Limited	General Corporate purposes	10.00%	142.65	142.65	121.36	121.36
Bharat BPO Services Limited	Advances against supply	0.00%	400.00	400.00	400.00	400.00

The Group has provided Rs. 400.00 Lakhs (Previous year - Rs. 400.00 Lakhs) against above loans as doubtful.

Loan to body corporate, the particulars of which are disclosed below as required by Section 186(4) of Companies Act, 2013:

Name of Loanee	Purpose	Rate of interest	Due Date	Outstanding balance as at 31 March 2021 Rs. in Lakhs	Outstanding balance as at 31 March 2020 Rs. in Lakhs
Hotspot Sales and Solutions Private Limited	General Corporate purposes	11%	On demand	4,923.07	4,923.07
Spice Online Retail Private Limited			On demand	22.07	22.07

The Company has provided Rs. 4,945.14 Lakhs (Previous year - Rs. 4,945.14 Lakhs) against above loans as doubtful.

59. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Lease liability and Right of Use assets

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 4.

Taxes

The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group respective companies in the group which has reognised MAT credit will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward.

The tax assets of Rs 1,007.78 Lakhs (31 March 2020: Rs 1,139.60 Lakhs) recognised by the Group as 'MAT Credit Entitlement' under' Deferred Tax assets' in respect of MAT payment for earlier years, represents that portion of MAT liability which can be recovered and set off in subsequent years based on the provisions of Section 115JAA of the Income Tax Act, 1961. The management based on the present trend of profitability and also the future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Group to utilize MAT credit assets.

The Group has recognised Deferred tax assets on unabsorbed depreciation and carry forward business losses. The Group has concluded that the deferred tax assets on unabsorbed depreciation and carry forward business losses will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The Group is expected to generate taxable income in near future. The unabsorbed depreciation and carry forward losses can be carried forward as per local tax regulation and the Group expects to recover the same in due course. 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.

The Group has short term and long term capital losses under the Income Tax Act, 1961 and certain provision for loss allowances against doubtful debts and impairment of investment which allowability under Income Tax Act is ambiguous. These losses may not be used to offset taxable income within prescribed time. The Group neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on these tax losses carried forward.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Defined benefit plans (gratuity benefits)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future, salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 39.

Intangible asset under development

The group capitalises intangible asset under development for project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Allowance for bad and doubtful debts and advances

Trade receivables do not carry any interest and are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

Useful lives of depreciable assets

The management estimates the useful life and residual value of depreciable assets based on technical evaluation. These assumptions are reviewed at each reporting date.

Share based payments

The Group measures the cost of equity-settled transactions with employees using Black Scholes model to determine the fair value of options. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions relating to vesting of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 46.

60. The Group has considered and made an estimate of the possible effects that may result from COVID-19 in the preparation of these consolidated financial statements including the recoverability of carrying amounts of financial and non -financial assets. The Group has an adequate liquidity to discharge its obligations. However, the actual impact of COVID-19 on the Group's financial results may differ from that estimated and the Group will continue to closely monitor any material changes to future economic conditions.

61. The figures for the previous periods have been regrouped/ rearranged, wherever considered necessary, to conform current period classifications.

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm registration number: 302049E

Bimal Kumar Sipani
Partner
Membership no.: 088926

Place : Noida
Date : 09 June 2021

For and on behalf of the board of directors

Rohit Ahuja
Executive Director
DIN : 00065417

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN : 00012223

Vinit Kishore
Chief Financial Officer

M R Bothra
Vice President - Corporate
Affairs and Company Secretary

FORM AOC-I

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES

(PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)

Part "A" : Subsidiaries

(Amount in Rs. Lakhs)

Sl. No.	Name of Subsidiary Company	Reporting period for the subsidiary*	Date when subsidiary was acquired	Reporting Currency	Exchange Rate on the last date of the FY (to be given only in case of foreign subsidiaries)	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding investment made in subsidiaries)	Turnover / Total Income	Profit/ (Loss) Before Tax	Provision For Tax	Profit/ (Loss) After Tax	Proposed Dividend	% of shareholding #
1	Spice Money Limited (FKA Spice Digital Limited)	1st April'2020 to 31st March'2021	04 November 2010	INR	1.00	4,349.49	3,695.09	30,738.07	30,738.07	-	58,442.88	1,432.18	361.90	1,070.28	-	98.04%
2	Hindustan Retail Private Limited	1st April'2020 to 31st March'2021	04 November 2010	INR	1.00	42,238.00	(42,822.74)	1.42	1.42	-	3.74	(1.97)	-	(1.97)	-	100.00%
3	Kimaan Export Private Limited	1st April'2020 to 31st March'2021	24 December 2010	INR	1.00	2.00	1,430.44	1,509.44	1,509.44	-	305.46	81.00	57.39	23.61	-	100.00%
4	S Mobility (HK) Limited	1st April'2020 to 31st March'2021	12 May 2011	USD	73.24	0.64	21.60	105.53	105.53	-	-	(5.41)	-	(5.41)	-	100.00%
5	New Spice Sales & Solutions Limited	1st April'2020 to 31st March'2021	04 November 2010	INR	1.00	9,971.74	(23,026.05)	430.24	430.24	-	-	(712.71)	-	(712.71)	-	100.00%
6	Cellucom Retail India Private Limited	1st April'2020 to 31st March'2021	04 November 2010	INR	1.00	5,000.00	(5,046.28)	16.76	16.76	-	-	(11.37)	-	(11.37)	-	100.00%
7	Spice Digital Bangladesh Limited	1st April'2020 to 31st March'2021	11 August 2012	BDT	0.85	81.26	(252.53)	703.80	703.80	-	46.73	(351.83)	-	(351.83)	-	100.00%
8	S Global Services Pte. Ltd (formerly known as S GIC Pte. Ltd.)	1st April'2020 to 31st March'2021	28 February 2008	SGD	54.33	8,549.42	(6,329.86)	2,327.72	2,327.72	-	175.01	(3,826.33)	-	(3,826.33)	-	100.00%
9	Beoworld SDN. BHD	1st April'2020 to 31st March'2021	02 December 2010	MYR	17.66	79.01	(81.39)	4.15	4.15	-	1.70	(2.41)	-	(2.41)	-	100.00%
10	Spice VAS (Africa) Pte. Limited	1st April'2020 to 31st March'2021	04 November 2010	SGD	54.33	3,503.85	(577.75)	3,273.57	3,273.57	-	(772.02)	(3,005.35)	20.69	(3,026.04)	-	80.00%
11	S Mobility Pte. Limited	1st April'2020 to 31st March'2021	20 October 2011	SGD	54.33	163.00	(175.12)	0.74	0.74	-	-	(4.13)	-	(4.13)	-	100.00%
12	PT Spice Digital Indonesia	1st April'2020 to 31st March'2021	07 April 2016	IDR	0.01	143.97	(119.00)	309.94	309.94	-	478.95	528.80	134.80	394.00	-	100.00%
13	Omnia Pte. Ltd.	1st April'2020 to 31st March'2021	17 February 2017	SGD	54.33	13.85	(1,736.60)	9.20	9.20	-	(142.96)	(409.83)	(101.35)	(308.48)	-	100.00%
14	Spice Digital FZCO	1st April'2020 to 31st March'2021	26 March 2017	AED	19.94	-	(597.45)	90.01	90.01	-	46.36	(83.32)	-	(83.32)	-	100.00%
15	DigiSpice Nigeria Ltd. (FKA Spice Digital Nigeria Ltd.)	1st April'2020 to 31st March'2021	04 November 2010	NAIRA	0.19	47.99	(927.55)	681.02	681.02	-	172.32	(274.60)	7.19	(281.79)	-	100.00%
16	Spice VAS Kenya Limited	1st April'2020 to 31st March'2021	31 March 2011	KSH	0.67	0.83	(31.63)	437.42	437.42	-	893.52	181.66	5.71	175.95	-	100.00%

Sl. No.	Name of Subsidiary Company	Reporting period for the subsidiary*	Date when subsidiary was acquired	Reporting Currency	Exchange Rate on the last date of the FY (to be given only in case of foreign subsidiaries)	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding investment made in subsidiaries)	Turnover / Total Income	Profit/ (Loss) Before Tax	Provision For Tax	Profit/ (Loss) After Tax	Proposed Dividend	% of shareholding #
17	DigiSpice Uganda Ltd. (FKA Spice VAS Uganda Ltd.)	1st April'2020 to 31st March'2021	11 November 2010	UGX	0.02	0.30	5.15	10.31	10.31	-	(5.02)	(16.18)	-	(16.18)	-	75.00%
18	DigiSpice Ghana Ltd. (FKA Spice VAS Ghana Ltd.)	1st April'2020 to 31st March'2021	15 April 2011	GHS	12.70	35.97	121.49	895.69	895.69	-	1,148.50	75.05	17.67	57.37	-	100.00%
19	DigiSpice Zambia Ltd. (FKA Spice VAS Zambia Ltd.)	1st April'2020 to 31st March'2021	01 September 2011	ZMW	3.32	0.70	49.01	157.45	157.45	-	160.90	30.15	14.37	15.78	-	100.00%
20	DigiSpice Tanzania Ltd. (FKA Spice VAS Tanzania Ltd.)	1st April'2020 to 31st March'2021	29 November 2011	TZS	0.03	81.84	(549.12)	26.16	26.16	-	147.65	135.27	-	135.27	-	100.00%
21	Spice VAS RDC	1st April'2020 to 31st March'2021	08 April 2016	CDF	0.04	0.38	(14.74)	-	-	-	-	(1.24)	-	(1.24)	-	100.00%
22	Fast Track IT Solutions Ltd	1st April'2020 to 31st March'2021	27 November 2018	BDT	0.85	3.05	(1.73)	2.34	2.34	-	-	(0.11)	-	(0.11)	-	70.00%
23	DigiSpice Nepal Pvt. Ltd.	1st April'2020 to 31st March'2021	21 January 2019	NPR	0.62	-	(15.21)	730.88	730.88	-	124.73	(17.85)	3.06	(20.91)	-	100.00%

* Subsidiaries whose reporting period is different from that of the Parent Company, financial statement used for the purpose of consolidation are drawn up to the same reporting date as that of the Parent Company i.e year ended March 31, 2021
# Refer Note no 38 of Consolidated financial statement.

FORM AOC-I

Part “B”: Associates companies **(Amount in Rs. Lakhs)**

	Name of Associates / Joint Ventures	**SunStone Learning Private Limited****	**Creative Functionapps Lab Private Limited**	**Ziiki Media SA (Pty) Ltd (formely Spice Digital South Africa (Pty) Ltd.)*****
1	Latest audited Balance Sheet Date	Unaudited	Unaudited	Unaudited
2	Date on which the Associate or Joint Venture was associated or acquired	12-Feb-15	1-Jul-15	7-Feb-19
3	Shares of Associate company held by the company on the year end			
	No.	95508	3514	-
	Amount of Investment in Associates	814.88	100.00	-
	Extent of Holding%	41.6%	26.00%	0.00%
4	Description of how there is significant influence	Associate	Associate	Associate
5	Reason why the associate company is not consolidated	NA	NA	NA
6	Networth attributable to Shareholding as per latest audited Balance Sheet	-	(98.35)	-
7	Profit / (Loss) for the year			
(i)	Considered in Consolidation	-	(14.54)	(49.95)
(ii)	Not Considered in Consolidation	-	(41.38)	(51.99)

**The investment has been fully impaired in the financials as the networth is fully eroded
***ceased to be a associate w.e.f. 01.07.2020

For and on behalf of the board of directors

Rohit Ahuja
Executive Director
DIN : 00065417

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN : 00012223

Vinit Kishore
Chief Financial Officer

M R Bothra
Vice President - Corporate Affairs and Company Secretary

Place : Noida
Date : June 09, 2021

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2021

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Building Campaign
Spice Money
toh Life Bani -2021

Best Lead Generation
Initiative Spice Money
Zero Investment
Campaign-2021

Best Use of Celebrity in
Digital Marketing for
our Zero Investment
Campaign-2021

DiGiSPICE Technologies Limited

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