

## INDEPENDENT AUDITOR'S REPORT

To the Members of Spice Money Limited (formerly known as Spice Digital Limited)

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Spice Money 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 financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including 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 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 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 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 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 financial statements for the financial year March 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report.



S. N.	Key Audit Matter	Auditor's Response
1.	<p><b>Revenue Recognition</b></p> <p>For the financial year ended 31 March, 2021, the Company has recorded revenue of Rs. 57,802.80 Lakhs. The accounting policies for revenue recognition are set out in Note 2.4 (c) and the different revenue streams of the Company have been disclosed in Note 23 to the financial statements.</p> <p>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. 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.</p>	<p><b>How our audit addressed the key audit matter:</b></p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>- Selected samples of revenue recognized, terms and conditions of services rendered, 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, re-performance and inspection of evidence in respect of operation of these controls.</li> <li>- Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording revenue.</li> <li>- Selected samples of revenue recognized, terms and conditions of services rendered, and performed the following procedures: <ul style="list-style-type: none"> <li>- Read, analyzed and identified the distinct performance obligations in these services.</li> <li>- Compared these performance obligations with that identified and recorded by the Company.</li> <li>- Considered the terms of the commercials 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.</li> <li>- 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.</li> <li>- Sample of revenues disaggregated by type and service offerings were tested with the performance obligations specified in the underlying contracts.</li> <li>- Sample of revenues disaggregated by type and service offerings were tested with the performance obligations specified in the underlying contracts.</li> <li>- Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> </ul> </li> </ul> <p>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.</p>

<p>2.</p>	<p><b>Deferred Tax Assets</b> The company has carried deferred tax assets of Rs. 1,186.84 Lakhs as at March 31, 2021. The accounting policies for deferred tax recognition are set out in Note 2.4 (D) and the breakup of deferred tax have been disclosed in Note 10 to the financial statements. Also refer note no. 32 of financial statements. There is significant judgement involved in accounting for taxes as per 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 financial statements as a whole, combined with the judgement and estimation required to determine their values, the evaluation of deferred tax assets is considered to be a key audit matter.</p>	<p><b>How our audit addressed the key audit matter:</b> We assessed the adequate implementation of the policies and controls regarding deferred tax. We evaluated the design and implementation of controls in respect of recognition and recoverability of deferred tax assets. We examined the procedures in place for the 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 financial statement.</p>
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## 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 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 financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making

judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

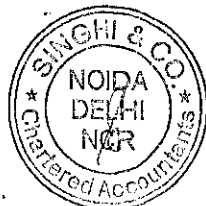
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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

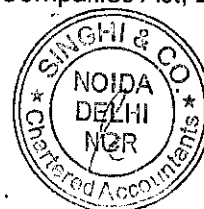
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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 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 these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - (g) In our opinion and to the best of our information and according to the explanations given to us, during the year the Company has paid/provided for remuneration to its directors which is in accordance with the provisions of section 197 of the Companies Act, 2013.



# Singhi & Co.


Chartered Accountants

- (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 36 to the standalone financial statements;
  - ii. The Company did not have material foreseeable losses in long-term contracts including derivative contracts;
  - iii. There were no amounts due which were required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Noida (Delhi-NCR)  
Date: June 08, 2021



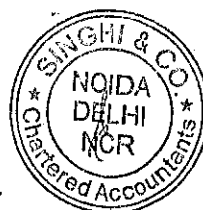
For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E

  
Bimal Kumar Sipani  
Partner

Membership No. 088926  
UDIN: 21088926AAAAHG3966

**Annexure A referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: Spice Money 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 annually. In our opinion, this periodicity of physical verification is reasonable having regard to size of the Company and nature of its assets. In accordance with this programme, the Company performed a physical verification of all of its Property, Plant and Equipment during the year and no material discrepancies were noted on such verification.
- c. As per records of the Company, the Company did not hold any immovable property as at March 31, 2021. Therefore, provisions of clause 3(i) (c) of the Order are not applicable to the Company.
- (ii) The management has conducted physical verification of inventories at the year end and confirmation obtained for inventories lying with third party. No material discrepancies were noticed on such physical verification and confirmations obtained from third party.
- (iii) The Company has not granted any loan to Company, Firm, Limited Liability Partnership or any other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, provisions of clause 3(iii) of the Order are not applicable to the Company.
- (iv) According to information and explanations given by the management and based on audit procedure performed by us, there is no loan granted or guarantee or security provided under section 185 of the Companies Act, 2013 and no investment made, loan granted, guarantee given or security provided under section 186 of the Companies Act, 2013 during the year. Therefore, provisions of clause 3(iv) of the Order are not applicable to the Company.
- (v) According to information and explanations given by the management and based on audit procedure performed by us, 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 on 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 are 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.
- (viii) The Company has not defaulted in repayment of dues to bank. The Company did not have any borrowing from Government, financial institution and dues to debenture holders.



# Singhi & Co.

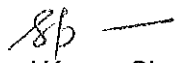
Chartered Accountants

- (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. Therefore, provisions of clause 3(ix) of the Order are not applicable to the Company.
- (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 which is in accordance with the provisions of section 197 of the Companies Act, 2013.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company. Therefore, provision of clause 3(xii) of the Order is 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 financial statements as required by the applicable Indian Accounting Standards.
- (xiv) The Company has made private placement of Class B equity shares during the year. We report that the requirement of section 42 of the Act have been complied with and the amount raised have been used for the purposes for which funds were raised. The Company has not made any preferential allotment of shares or fully or partly convertible debentures during the year.
- (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 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Noida (Delhi-NCR)  
Date: June 08, 2021



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

  
Bimal Kumar Sipani  
Partner

Membership No. 088926  
UDIN: 21088926AAAAHG3966



## 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 over financial reporting of Spice Money Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

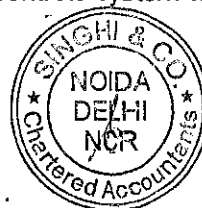
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over the financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 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 financial statements.



## Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to 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.

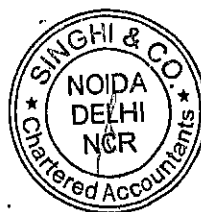
## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Place: Noida (Delhi-NCR)  
Date: June 08, 2021



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

Bimal Kumar Sipani  
Partner

Membership No. 088926  
UDIN: 21088926AAAAHG3966

Spice Money Limited (Formerly known as Spice Digital Limited)  
Standalone Balance Sheet as at 31 March 2021  
(Rs. in Lakhs unless otherwise stated)

	Note	As at 31 March 2021	As at 31 March 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	993.49	1,341.66
Capital work-in-progress	3	249.35	85.91
Right of Use	4	60.55	121.09
Other intangible assets	5	729.09	890.37
Intangible assets under development	5	81.48	273.58
<b>Financial assets</b>			
(i) Investments	6	6,276.00	6,276.00
(ii) Loans	7	83.53	41.88
(iii) Other financial assets	8	195.00	-
Deferred tax assets (Net)	10	1,186.84	1,251.81
Non current tax assets (Net)	9	323.53	784.32
Other non-current assets	11	90.72	116.24
<b>Total non-current assets</b>		<b>10,269.58</b>	<b>11,182.86</b>
<b>Current assets</b>			
Inventories	12	462.21	62.45
<b>Financial assets</b>			
(i) Investments	6	-	-
(ii) Trade receivables	13	628.14	182.71
(iii) Cash and cash equivalents	14	5,989.32	2,728.46
(iv) Bank balances other than (iii) above	15	9,437.24	1,439.86
(v) Loans	7	7.42	12.19
(vi) Other financial assets	8	2,079.31	693.75
Current Tax Assets (Net)	9	535.65	633.28
Other current assets	11	1,329.20	730.20
<b>Total current assets</b>		<b>20,468.49</b>	<b>6,482.90</b>
<b>Total assets</b>		<b>30,738.07</b>	<b>17,665.75</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	16	4,349.49	4345.15
Other equity	17	3,695.09	2585.12
<b>Total equity</b>		<b>8,044.58</b>	<b>6930.27</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
i) Lease liability		-	64.92
Provisions	19	355.73	228.10
Other non-current liabilities	20	134.81	-
<b>Total non-current liabilities</b>		<b>490.54</b>	<b>293.02</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowing	21	3,884.18	999.62
(ii) Trade payables	22		
- Outstanding dues of micro enterprises & small enterprises		49.49	-
- Outstanding dues of other than micro enterprises & small enterprises		769.52	393.25
(iii) Lease liability		64.92	58.91
(iv) Other financial liabilities	18	966.16	2910.60
Provisions	19	103.62	44.73
Other current liabilities	20	16,365.06	6035.35
<b>Total current liabilities</b>		<b>22,202.95</b>	<b>10442.46</b>
<b>Total liabilities</b>		<b>22,693.49</b>	<b>10735.48</b>
<b>Total equity and liabilities</b>		<b>30,738.07</b>	<b>17665.75</b>

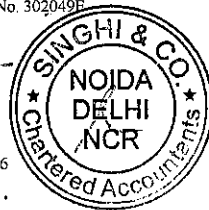
Summary of significant accounting policies 2

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

As per our report of even date attached  
For Singhi & Co  
Chartered Accountants  
ICAI Firm Registration No. 302049E

Bimal Kumar Sipani  
Partner  
Membership No.: 088926

Place: Noida  
Date: June 8, 2021



For and on behalf of the Board of Directors

Dilip Kumar Modi  
(Chairman)  
DIN: 00029062

Sunil Kumar Kapoor  
(Director & CFO)  
(Mem. No. F079430)

Suman Ghose Hazra  
(Independent Director)  
DIN: 00012223


Megha Bansal  
(Company Secretary)  
(Mem. No.: A25883)

Spice Money Limited (Formerly known as Spice Digital Limited)  
 Standalone Statement of Profit and Loss for the year ended 31 March 2021  
 (Rs. in Lakhs unless otherwise stated)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Income</b>			
I. Revenue from operations	23	57,802.80	25,023.68
II. Other income	24	640.08	177.70
<b>III. Total income(I+II)</b>		<b>58,442.88</b>	<b>25,201.38</b>
<b>IV. Expenses</b>			
Purchase of traded goods	25	37,590.51	13,524.78
Changes in inventories of traded goods	26	(317.86)	(31.11)
Service & Commission Charges	27	12,561.55	7,108.75
Employee benefit expense	28	3,131.03	1,772.77
Finance costs	29	238.88	137.06
Depreciation and amortisation expense	30	1,033.28	820.67
Other expenses	31	2,773.31	1,776.84
<b>Total expenses(IV)</b>		<b>57,010.70</b>	<b>25,109.76</b>
<b>V. Profit/(Loss) before tax (III-IV)</b>		<b>1,432.18</b>	<b>91.62</b>
<b>Profit/(loss) before tax</b>		<b>1,432.18</b>	<b>91.62</b>
<b>VI. Tax expenses</b>			
(1) Current tax	32		
- For current year		239.00	
- For earlier year		40.04	1.65
(2) Deferred tax		82.86	(104.21)
<b>Income tax expense (VI)</b>		<b>361.90</b>	<b>(102.56)</b>
<b>VII. Profit/(Loss) for the year (V-VI)</b>		<b>1,070.28</b>	<b>194.18</b>
<b>VIII. Other comprehensive income</b>			
Re-measurement gains (losses) on defined benefit plans	33	(64.28)	(64.63)
Income tax on above		17.88	17.98
<b>Total other comprehensive income(VIII)</b>		<b>(46.40)</b>	<b>(46.65)</b>
<b>IX. Total comprehensive income for the year (VII+VIII) (comprising profit/(loss) and other comprehensive income for the year)</b>		<b>1,023.88</b>	<b>147.53</b>
<b>X. Earnings per equity share (nominal value of share is Rs 10)</b>			
Basic (In Rs.)	34	2.46	0.45
Diluted (In Rs.)	34	2.46	0.45


Summary of significant accounting policies 2  
 The accompanying notes form an internal part of the standalone financial statements


As per our report of even date attached  
 For Singhi & Co  
 Chartered Accountants  
 ICAI Firm Registration No. 302049E

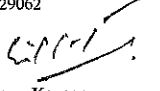
  
**Bimal Kumar Sipani**  
 Partner  
 Membership No.: 088926




For and on behalf of the Board of Directors

  
**Dilip Kumar Modi**  
 (Chairman)  
 DIN: 00029062

  
**Suman Ghose Hazra**  
 (Independent Director)  
 DIN: 00012223

  
**Sunil Kumar Kapoor**  
 (Director & CFO)  
 (Mem. No. F079430)

  
**Megha Bansal**  
 (Company Secretary)  
 (Mem. No.:A25883)

Place: Noida  
 Date: June 8, 2021

Spice Money Limited (Formerly Spice Digital Limited)  
Standalone Statement of Cash Flows for the year ended 31st March 2021  
(Rs. in Lakhs unless otherwise stated)

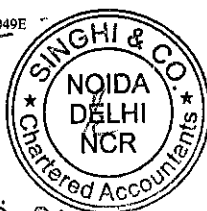
Particulars	For the year ended 31st March, 2021	For the year ended 31, 2020
<b>A. Cash flows from operating activities</b>		
Profit/(loss) before tax	1,432.18	91.62
Adjustments to reconcile profit before tax to net cash flows:		
Loss/(gain) on property, plant and equipment	-	1.27
Depreciation and amortisation expense	1,033.28	820.67
Loss Allowance for doubtful debts	63.34	9.58
Bad debts written off	8.95	18.15
Interest income	(433.60)	(129.24)
Employee Stock Option scheme	75.44	44.41
Interest expense	238.84	136.99
<b>Operating profit before working capital changes</b>	<b>2,418.43</b>	<b>993.45</b>
Working capital adjustments:		
Decrease/(increase) in trade receivables	(517.73)	116.23
Decrease/(increase) in inventories	(317.86)	(31.11)
Decrease/(Increase) in loans, other financial assets and other assets	(1,892.13)	4,317.27
(Decrease)/Increase in trade payables, other liabilities & provisions	11,752.75	56.78
<b>Cash flows from operations</b>	<b>11,443.46</b>	<b>5,452.62</b>
Income taxes refund / (paid) #	279.36	348.19
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>11,722.82</b>	<b>5,800.81</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment (including capital work in progress, intangible assets and intangible assets under development)	(516.53)	(1,283.54)
Movement in Fixed Deposits	(8,192.38)	(1,399.55)
Interest received	329.81	129.24
<b>Net cash (used in) investing activities (B)</b>	<b>(8,379.10)</b>	<b>(2,553.85)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issue of equity share capital(net of share issue expense)	15.00	(0.96)
Payment of Lease Liability	(58.91)	(53.46)
Movement in Money from holding company on implementation of scheme of arrangement#	(797.88)	(1,073.17)
Finance cost	(145.05)	(136.99)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(986.84)</b>	<b>(1,264.58)</b>
<b>Net (decrease)/increase in cash &amp; cash equivalents (A+B+C)</b>	<b>2,356.88</b>	<b>1,982.38</b>
Cash & cash equivalents at the beginning of the year	1,728.84	(253.54)
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>4,085.72</b>	<b>1,728.84</b>
Components of cash & cash equivalents: (Refer note no.14)		
Cash on hand	0.00	0.00
Cheques in hand	-	18.37
Balances with banks:		
On current accounts	5,989.32	2,710.09
On bank overdraft	(1,903.60)	(999.62)
	<b>4,085.72</b>	<b>1,728.84</b>

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash charges, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the 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 No. 302049E

Bimal Kumar Sipani  
Partner  
Membership No.: 088926



Place: Noida  
Date: June 8, 2021

For and on behalf of the Board of Directors

Dilip Kumar Modi  
(Chairman)  
DIN: 00029062

Sunil Kumar Kapoor  
(Director & CFO)  
(Mem. No. F079430)

Sumit Ghose Hazra  
(Independent Director)  
DIN: 00012223

Megha Bansal  
(Company Secretary)  
(Mem. No.: A25883)

Spice Money Limited (Formerly known as Spice Digital Limited)  
For the year ended 31 March 2021  
(Rs. in Lakhs unless otherwise stated)

Statement of Changes in Equity

A Equity share capital (Refer note no. 16)

Issued, subscribed and fully paid shares

Issue of share capital

Ordinary Shares: Equity shares of Rs. 10 each

At 1 April 2019

Equity shares cancelled during the year

At 31 March 2020

Equity shares issued during the year

At 31 March 2021

	No. of shares	Amount
At 1 April 2019	43,459,338	4,345.93
Equity shares cancelled during the year	7,863	0.79
At 31 March 2020	43,451,475	4,345.15
Equity shares issued during the year	-	-
At 31 March 2021	43,451,475	4,345.15

Issued, subscribed and partly called up shares

Class B Shares: Equity shares of Rs. 10 each and Called up Rs. 0.50 each

At 1 April 2019

Equity shares issued during the year

At 31 March 2020

Equity shares issued during the year

At 31 March 2021

	No. of shares	Amount
At 1 April 2019	-	-
Equity shares issued during the year	-	-
At 31 March 2020	-	-
Equity shares issued during the year	869,030	4.35
At 31 March 2021	869,030	4.35

B Other equity (Refer note no. 17)

Particulars	Reserve and surplus					Items of other comprehensive income	Total
	Securities premium	Share buy back reserve account*	Capital Reserve	Share Based Payment Reserve	Retained earnings	Re-measurement gains (losses) on defined benefit plans	
Balance as at 1 April 2019	3,153.18	311.87	(429.48)	333.84	(977.05)	0.99	2,393.35
Total comprehensive income for the year	-	-	-	-	194.18	-	194.18
Profit/(loss) for the year	-	-	-	-	(46.65)	-	(46.65)
Other comprehensive income	-	-	-	-	147.53	-	147.53
Total comprehensive income	-	-	-	-	147.53	-	147.53
Transactions with owners in their capacity as owners:							
Premium paid on cancellation of shares	-	-	(0.17)	-	-	-	(0.17)
Addition during the year:							
Transfer OCI to retained earnings	-	-	-	-	0.99	(0.99)	-
Share based payment to employees of the company	-	-	-	44.41	-	-	44.41
Balance as at 31 March 2020	3,153.18	311.87	(429.65)	378.25	(828.53)	-	2,585.12
Total comprehensive income for the year	-	-	-	-	-	-	-
Profit/(loss) for the year	-	-	-	-	1,070.28	-	1,070.28
Other comprehensive income	-	-	-	-	(46.40)	-	(46.40)
Total comprehensive income	-	-	-	-	1,023.88	-	1,023.88
Transactions with owners in their capacity as owners:							
Issue of equity share capital	10.65	-	-	-	-	-	10.65
Premium paid on cancellation of shares	-	-	-	-	-	-	-
Addition during the year:							
Share based payment to employees of the company	-	-	-	75.44	-	-	75.44
Balance as at 31 March 2021	3,163.83	311.87	(429.65)	453.69	195.35	-	3,695.09

(i) Security premium account represents amount of premium received on issue of shares to shareholders at a price more than its face value and can be utilized in accordance with the provisions of the Companies Act, 2013.

(ii) Share buy back reserve account represents amount transferred from general reserve account on cancellation of equity shares bought back pursuant to buy back scheme and can be utilized in accordance with the provisions of the Companies Act, 2013.

(iii) Capital reserve represent reserve created pursuant to scheme of arrangement and can be utilized in accordance with the provisions of the Companies Act, 2013. Refer note no. 39.

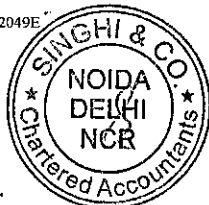
(iv) Share based payment reserve relates to stock options granted to employees under Employee Stock Option Plan 2015 and shall be transferred to securities premium account/retained earnings on exercise/cancellation of options (refer Note no.40).

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

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  
ICAI Firm Registration No. 302049E

Bimal Kumar Sipani  
Partner  
Membership No.: 088926



Place: Noida  
Date: June 8, 2021

For and on behalf of the Board of Directors of

Dilip Kumar Modi  
(Chairman)  
DIN: 00029062

Sunil Kumar Kapoor  
(Director & CFO)  
(Mem. No. P079430)

Suman Ghose Hazra  
(Independent Director)  
DIN: 00012223

Megha Bansal  
(Company Secretary)  
(Mem. No.: A25883)

#### 1. Corporate information

Spice Money Limited (Formerly known as Spice Digital Limited) ("the Company") is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India and having registered office at 622, 6th Floor, DLF Tower, Jasola District centre, New Delhi - 110025. Spice Money is one of India's largest tech-enabled Hyper Local Payments Network offering various services like Cash Deposit, Cash Withdrawal, Balance Inquiry, Bill Payments, Aadhaar Enabled Services, Air Time Recharge, POS Services, Railway Ticketing Services, Cash Management Services etc. through its authorized agents.

The financial Statements are approved for issue by Board of Directors of Company at the meeting held on 8 June, 2021.

#### 2. Significant accounting policies

##### 2.1 Status 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 versus 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:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle;
  - b. Held primarily for the purpose of trading;
  - c. Expected to be realised within twelve months after the reporting period; or
  - d. 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:

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

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. 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:

- i. In the principal market for the asset or liability, or
- ii. 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.

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.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities.

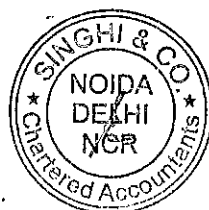
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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



**Sale of goods**

a. The Company recognises revenue from sale of goods when effective control of goods have been passed alongwith 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 and returns 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.

**Income from services**

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 is recognized on a time proportion basis taking into account the amount outstanding and the applicable effective interest rate. Interest income is included under the head "interest income" in the statement of profit and loss.

**Dividends**

Dividend income is recognised when the company's right to receive dividend is established.

Goods and service tax (GST) on above, whenever applicable, is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

**D. Taxes**

**Current Taxes**

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.

**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.

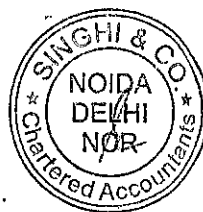
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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 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 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.





**Spice Money Limited (Formerly known as Spice Digital Limited)**

**Notes to the standalone financial statements as at and for the year ended 31 March 2021**

**(Rs. in Lakhs unless otherwise stated)**

**E. Property, plant and equipment.**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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

Capital work-in-progress comprises of assets in the course of installation for supply of services or administrative purposes. At the point when an asset is operating at management's intended use, the cost of assets is transferred to the appropriate category of property, plant and equipment.

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:

- Leasehold Improvements : 1-6 years (Lower of period of lease term and estimated useful life of assets)
- Data Processing Machines -
  - Servers 5 years
  - Computers 3 years
- Furniture and Fittings : 7 years
- Office Equipment (excluding mobile handsets) : 5 years
- Mobile Handsets : 3 years
- Payment Devices : 3 years
- Vehicles : 8 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 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.

**F. Intangible assets**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

Intangible assets 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 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 (Inhouse 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	Estimated useful life
Computer software (Office)	3 Years
Computer software (Site)	5 Years
In-house developed software	5 Years

The residual values, useful lives and method of depreciation of intangible assets are reviewed at each financial year and adjusted prospectively, if appropriate.

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 and loss when the asset is derecognised.



#### G. Investment in subsidiaries, associates and joint venture

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

Investment in subsidiaries, associates and joint venture are derecognised when they are sold or transferred. The difference between the net proceeds on sales and the carrying amount of the asset is recognised in statement of profit and loss in the year of derecognition.

#### H. 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. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### I. Leases

##### The determination of whether an arrangement contain a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### 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.

##### 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.

#### 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.

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.

#### J. Inventories

Inventories are valued at the lower of cost and net realisable value.

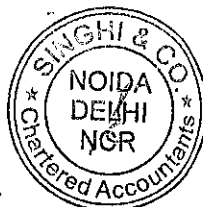
Costs incurred in bringing each product to its present location and condition are accounted for as follows:

**Traded goods:** cost includes cost of purchase and other costs, net of GST Input Credit, 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.

#### K. 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.



**L. 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.

**M. 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. 35.

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.



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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

The Company has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

**N. 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 following categories:

- i. Debt instruments at amortised cost
- ii. Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- iii. Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

**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 statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

**Debt instrument at fair value through profit or loss.**

Fair value through profit or loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as fair value through other comprehensive income is classified as at fair value through profit or loss.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. 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 fair value through profit or loss.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

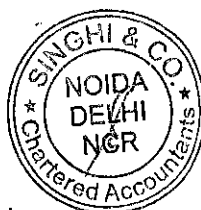
**Equity investments**

All equity investments in subsidiaries and joint ventures are measured at cost.

**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 Company's balance sheet) when:

- i. The rights to receive cash flows from the asset have expired, or



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- ii. 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:
- The Company has transferred substantially all the risks and rewards of the asset, or
  - 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 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, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables and borrowings including bank overdrafts.

**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. 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 fair value through profit or loss, fair value gains/ losses attributable to changes in own credit risk are recognized in other comprehensive income. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Company 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 and loss. The Company has not designated any financial liability as at fair value through profit or loss.

**Borrowings**

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and 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.

**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 and 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 consolidated 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.

**O. 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, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**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 40.

**Q. 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.

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.



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**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.

**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 are:

**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.

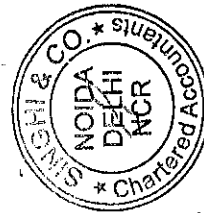
"The amendments are extensive and the Company will evaluate the same to give effect to them as required by law."



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(Rs. in Lakhs unless otherwise stated)

3. Property, plant and equipment

Particulars	Leasehold improvement	Data processing machines	Payment Devices	Furniture & fixture	Office equipment	Vehicles	Total (A)	Capital work in progress (B)	Total (A+B)
<b>Gross carrying amount</b>									
Balance as at 01 April 2019	10.29	346.08	827.91	24.47	50.26	70.81	1,329.82	130.01	1,459.82
Additions	-	195.90	760.34	-	1.40	-	957.64	716.25	1,673.89
Disposals/Transfer	10.29	2.01	-	23.18	40.70	28.00	104.18	760.34	864.52
Balance as at 31 March 2020	-	539.97	1,588.25	1.29	10.96	42.81	2,183.28	85.91	2,269.19
Additions	-	39.67	195.15	-	-	-	234.82	444.51	679.33
Transfer to Inventory	-	-	-	-	-	-	-	81.90	81.90
Disposals/Transfer	-	0.90	-	-	-	-	0.90	199.17	200.07
Balance as at 31 March 2021	-	578.74	1,783.40	1.29	10.96	42.81	2,417.21	249.35	2,666.55
<b>Accumulated depreciation</b>									
Balance as at 1 April 2019	10.29	149.50	176.72	12.12	37.02	28.21	413.86	-	413.86
Depreciation (Refer Note 30)	-	85.86	399.92	3.47	5.06	7.86	502.17	-	502.17
Disposals/Transfer	10.29	1.90	-	14.83	35.28	12.11	74.41	-	74.41
Balance as at 31 March 2020	-	233.46	576.64	0.76	6.80	23.96	841.62	-	841.62
Depreciation (Refer Note 30)	-	90.93	484.51	0.17	1.47	5.00	582.09	-	582.09
Disposals/Transfer	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	-	324.39	1,061.15	0.93	8.28	28.96	1,423.70	-	1,423.70
<b>Net carrying amount</b>									
As at 31 March 2020	-	306.51	1,011.61	0.53	4.16	18.85	1,341.66	85.91	1,427.58
As at 31 March 2021	-	254.35	722.25	0.36	2.68	13.84	993.49	249.35	1,242.85



**Spice Money Limited (Formerly known as Spice Digital Limited)**  
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**4. Right of Use Assets**

Particulars	Building
<b>Gross carrying amount</b>	
<b>Balance as at 01 April 2019</b>	-
Additions	181.64
Transfer	-
<b>Balance as at 31 March 2020</b>	<b>181.64</b>
Additions	-
Discard/Transfer	-
<b>Balance as at 31 March 2021</b>	<b>181.64</b>
<b>Amortisation</b>	
<b>Balance as at 01 April 2019</b>	-
Depreciation	60.55
Discard/Transfer	-
<b>Balance as at 31 March 2020</b>	<b>60.55</b>
Depreciation	60.54
Discard/Transfer	-
<b>Balance as at 31 March 2021</b>	<b>121.09</b>
<b>Net carrying amount</b>	
<b>As at 31 March 2020</b>	<b>121.09</b>
<b>As at 31 March 2021</b>	<b>60.55</b>





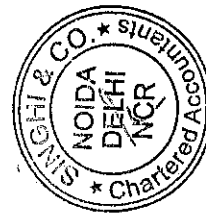
Spice Money Limited (Formerly known as Spice Digital Limited)  
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(Rs. in Lakhs unless otherwise stated)

5. Other intangible assets

Particulars	Computer software		In-house developed Software		Intangible assets under development		Total
<b>Gross carrying amount</b>							
Balance as at 01 April 2019 #	285.79	941.23	1,227.02	246.83	1,473.85		
Additions	139.45	271.15	410.60	399.71	810.31		
Transfer	-	86.32	86.32	372.96	459.28		
Balance as at 31 March 2020	425.24	1,126.06	1,551.30	273.58	1,824.88		
Additions	37.27	192.09	229.36	-	229.36		
Transfer	-	-	-	192.10	192.10		
Balance as at 31 March 2021	462.51	1,318.15	1,780.66	81.48	1,862.14		
<b>Amortisation</b>							
Balance as at 01 April 2019 #	190.35	255.77	446.12	-	446.12		
Amortisation expense (refer note 30) #	39.65	218.31	257.96	-	257.96		
Transfer	-	43.14	43.14	-	43.14		
Balance as at 31 March 2020	230.00	430.94	660.94	-	660.94		
Amortisation expense (refer note 30)	60.13	330.50	390.63	-	390.63		
Transfer	-	-	-	-	-		
Balance as at 31 March 2021	290.13	761.44	1,051.57	-	1,051.57		
<b>Net carrying amount</b>							
As at 31 March 2020	195.25	695.12	890.36	273.58	1,163.94		
As at 31 March 2021	172.38	556.71	729.09	81.48	810.57		

Note: Intangible assets under development includes manpower and other cost incurred for various internally developed software.

# Some opening assets as at 1 April 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.



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Financial assets

6. Investments	No. of Shares as at 31 March 2021	No. of Shares as at 31 March 2020	As at 31 March 2021		As at 31 March 2020	
			Non-current	Current	Non-current	Current
<b>i) Investment in equity instruments</b>						
<b>Unquoted investments</b>						
Investment in subsidiary carried at cost unless otherwise stated						
Kiimaan Exports Private Limited (face value Rs. 10)	20,000	20,000	6,276.00	-	6,276.00	-
			6,276.00	-	6,276.00	-
<b>Aggregate value of unquoted investment</b>			<b>6,276.00</b>	<b>-</b>	<b>6,276.00</b>	<b>-</b>
Aggregate value of unquoted investment			6,276.00	-	6,276.00	-
Aggregate amount of impairment in value of investment			-	-	-	-
<b>7. Loans</b>						
Loans to employees						
Considered good-Secured			-	-	-	-
Considered good-Unsecured			12.88	4.50	7.22	6.82
Loans which have significant increase in credit risk			-	-	-	-
Loans-credit impaired			-	-	-	-
Less: Loss allowance			12.88	4.50	7.22	6.82
Security Deposits						
Considered good-Secured			-	-	-	-
Considered good-Unsecured			70.65	2.92	34.66	5.37
Security Deposit which have significant increase in credit risk			-	-	-	-
Security Deposit-credit impaired			-	-	-	-
Less: Loss allowance			70.65	2.92	34.66	5.37
<b>Total</b>			<b>83.53</b>	<b>7.42</b>	<b>41.88</b>	<b>12.19</b>

- Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company wherever applicable and repayable in cash. The carrying value may be affected by changes in the credit risk of the counterparties.

**8. Other financial assets**

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Receivable from related party -considered good				
Interest accrued on inter-corporate loans	-	-	-	16.87
Receivable against ticketing	-	39.92	-	57.24
Receivable from related party -considered doubtful				
Interest accrued on inter-corporate loans	-	-	-	-
Receivable against ticketing	-	-	-	-
Receivable from others -considered good				
Receivable against ticketing	-	3.20	-	32.55
Interest accrued on fixed deposits	-	121.65	-	17.86
Interest receivable on Income tax refund	-	32.14	-	-
Unbilled Receivable	-	36.76	-	3.01
Receivable against collection from agents	-	1,845.64	-	566.22
Deposits with remaining maturity of more than 12 months	195.00	-	-	-
Receivable from others -considered doubtful				
Receivable against collection from agents	-	-	-	-
Receivable against ticketing	-	12.39	-	12.85
	<b>195.00</b>	<b>2,091.70</b>	<b>-</b>	<b>706.60</b>
Less : Loss Allowance for doubtful	-	(12.39)	-	(12.85)
<b>Total</b>	<b>195.00</b>	<b>2,079.31</b>	<b>-</b>	<b>693.75</b>

**9. Non current tax assets (net)**

Advance income-tax (net of provision for taxation)	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
	323.53	535.65	784.32	633.28
	323.53	535.65	784.32	633.28



#### 11. Other assets

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
<b>Receivable from related party -considered good</b>				
Advances to related parties	-	-	-	41.20
<b>Receivable from related party -considered doubtful</b>				
Advances to related parties	-	-	-	-
<b>Receivable from others -considered good</b>				
Capital Advances	89.96	-	112.76	-
Prepaid rent	0.07	1.56	1.63	1.56
Prepaid expenses	0.68	235.62	1.85	72.43
Input Tax Credit Receivables	-	406.56	-	220.75
GST paid under Protest	-	10.26	-	10.26
Advances to agents	-	-	-	-
Advances to service providers	-	659.16	-	383.99
Other Receivable	-	16.04	-	-
<b>Receivable from others - considered doubtful</b>				
Advances to service providers	-	49.96	-	-
	90.72	1,379.16	116.24	730.20
Less : Loss Allowance for doubtful	-	(49.96)	-	-
<b>Total</b>	<b>90.72</b>	<b>1,329.20</b>	<b>116.24</b>	<b>730.20</b>

#### 12. Inventories

	As at 31 March 2021	As at 31 March 2020
Traded goods (at lower of cost and net realisable value)	462.21	62.45
<b>Total</b>	<b>462.21</b>	<b>62.45</b>

The cost of inventories recognised as an expense includes Rs. 32 Lakhs (2020 - Rs. 15 Lakhs) in respect of write-downs of inventory to net realisable value.

#### 13. Trade receivables

	As at 31 March 2021	As at 31 March 2020
Receivables from related parties (refer note 37)	-	-
Receivables from others	628.14	182.71
	628.14	182.71
<b>Secured, considered good</b>		
Unsecured, considered good	628.14	182.71
Unsecured, significant risk increased	-	-
Unsecured, Credit Impaired*	2.20	-
	630.34	182.71
Loss Allowance	2.20	-
<b>Total</b>	<b>628.14</b>	<b>182.71</b>

- No trade are due from related parties either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

- Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days and payments are received in cash.

#### 14. Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
<b>Balance with banks:</b>		
On current accounts #	5,989.32	2,710.09
Deposit with original maturity of less than three months	-	-
Cheques/drafts on hand	-	18.37
Cash on hand ##	0.00	0.00
<b>Total</b>	<b>5,989.32</b>	<b>2,728.46</b>

- Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

# After net of Rs. Nil (31 March 2020: Rs. 14.04 Lakhs ) relating to Digispice Technologies Limited (Formerly known as Spice Mobility Limited "Holding Company").

## full figure is Rs. 360 (Previous year-Rs. 360)

#### 15. Other bank balances

	As at 31 March 2021	As at 31 March 2020
Deposits with remaining maturity of less than 12 months#	4,364.99	-
Deposit held as security against borrowings/bank guarantee (remaining maturity of less than 12 months) ##	5,072.25	1,439.86
<b>Total</b>	<b>9,437.24</b>	<b>1,439.86</b>

# After net off of Rs. Nil (31 March 2020: Rs. 3.41 lakhs) relating to Digispice Technologies Limited (Formerly known as Spice Mobility Limited "Holding Company").

## After net off of Rs. Nil (31 March 2020: Rs. 903.94 lakhs) relating to Digispice Technologies Limited (Formerly known as Spice Mobility Limited "Holding Company").

Includes Deposits of Rs. 36.92 lakhs (31 March 2020: Rs. 43.18 lakhs) pledged against issue of bank guarantees, deposits of Rs. 102.88 (31 March 2020: Rs. 100.00 lakhs) lien marked against pre paid instrument business, deposits of Rs. 4,907.44 lakhs (31 March 2020: Rs. 1271.68 lakhs) lien marked against overdraft facilities taken from banks against fixed deposits and deposits of Rs. 25 lakhs (31 March 2020: Rs. 25 lakhs) lien marked against issue of corporate credit card.



16. Equity Share capital

	As at 31 March 2021	As at 31 March 2020
<b>Authorised share capital</b>		
100,000,000 (100,000,000) Equity shares of Rs. 10 each	10,000.00	10,000.00
<b>Total</b>	<b>10,000.00</b>	<b>10,000.00</b>
<b>Issued share capital</b>		
Ordinary Shares: 43,451,475 (as at March 31, 2020: 43,451,475) Equity shares of Rs. 10 each fully called up	4,345.15	4,345.15
Class B Shares: 8,69,030 (as at March 31, 2020: Nil) Equity shares of Rs. 10 each partly called up	86.90	-
<b>Total</b>	<b>4,432.05</b>	<b>4,345.15</b>
<b>Subscribed and fully paid share capital</b>		
Ordinary Shares: 43,451,475 (as at March 31, 2020: 43,451,475) Equity shares of Rs. 10 each	4,345.15	4,345.15
<b>Total</b>	<b>4,345.15</b>	<b>4,345.15</b>
<b>Subscribed but not fully paid share capital</b>		
Class B Shares: 8,69,030 (as at March 31, 2020: Nil) Equity shares of Rs. 10 each, Rs 0.50 called up each	4.35	-
<b>Total</b>	<b>4.35</b>	<b>-</b>

A. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

**Ordinary Shares- Issued, subscribed and fully paid up**

	As at 31 March 2021 No. of Share	As at 31 March 2021 Rs. in lakhs	As at 31 March 2020 No. of Share	As at 31 March 2020 Rs. in lakhs
Equity shares outstanding at the beginning of the year	43,451,475	4,345.15	43,459,338	4,345.93
Equity shares issued during the year	-	-	-	-
Equity shares cancelled during the year#	-	-	7,863	0.79
Equity shares outstanding at the end of the year	<b>43,451,475</b>	<b>4,345.15</b>	<b>43,451,475</b>	<b>4,345.15</b>

**Class B Shares- Issued shares**

	As at 31 March 2021 No. of Share	As at 31 March 2021 Rs. in lakhs	As at 31 March 2020 No. of Share	As at 31 March 2020 Rs. in lakhs
Equity shares outstanding at the beginning of the year	-	-	-	-
Equity shares issued during the year	869,030	86.90	-	-
Equity shares outstanding at the end of the year	<b>869,030</b>	<b>86.90</b>	<b>-</b>	<b>-</b>

**Class B Shares- Subscribed but not fully paid shares (partly called up)**

	As at 31 March 2021 No. of Share	As at 31 March 2021 Rs. in lakhs	As at 31 March 2020 No. of Share	As at 31 March 2020 Rs. in lakhs
Equity shares outstanding at the beginning of the year	-	-	-	-
Equity shares issued during the year	869,030	4.35	-	-
Equity shares outstanding at the end of the year	<b>869,030</b>	<b>4.35</b>	<b>-</b>	<b>-</b>

B. Rights, preferences and restrictions attached to equity shares

- The Company has two classes of equity shares as below:

**Ordinary shares:** These shares have a par value of Rs. 10 per share. 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 amount paid on equity share. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid.

**Class B shares:** Each Class B Share shall have a par value of Rs. 10 and is issued at a premium of Rs. 24.52. These equity shares of the Company shall carry differential voting rights vis a vis Ordinary Shares. accordingly, every 5 Class B Shares will have one vote in proportion to amount paid on class B equity share. Any fraction to be disregarded for the purpose of such computation of voting power. With the exception of voting rights which are different between Class B shares and ordinary shares, for all other matters the Class B shares shall rank pari passu to the ordinary shares. Failure to pay any amount called up on shares may lead to its forfeiture. Followings are the future call date in respect of balance installments and the amount payable on each Call is within 30 days of Call Date.

Call	Call Date	%age of Subscription Price	Amount (Rs.)	Nominal Value	Share premium
On Application	-	5%	1.726	0.50	1.226
First Call	13-Dec-21	5%	1.726	0.50	1.226
Second Call	13-Dec-22	10%	3.452	1.00	2.452
Third and final Call	13-Dec-23	80%	27.616	8.00	19.616
			<b>34.52</b>	<b>10.00</b>	<b>24.520</b>

C. Equity shares held by holding Company

Out of equity shares issued by the Company, equity shares held by its holding Company are as below:

Particulars	As at 31 March 2021	As at 31 March 2020
4,34,51,475 (31 March 2020: 4,34,51,475) equity shares	4,345.15	4,345.15
<b>Total</b>	<b>4,345.15</b>	<b>4,345.15</b>



**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	
	No. of Shares	% of Holding	No. of Shares	% of Holding
DiGispice Technologies Limited (Holding Company) (Formerly known as Spice Mobility Limited)	43,451,475	98.04	43,451,475	100.00
	43,451,475	98.04	43,451,475	100.00

E. No shares have been allotted without payment of cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date.

# During the previous year the Company had cancelled Shares held by other than Spice Mobility Limited (now known as DiGispice Technologies Limited) as provided in the Scheme of Arrangement on scheme became effective on June 1, 2019 (refer note no. 39).

**17. Other equity**

	As at 31 March 2021	As at 31 March 2020
Securities premium	3,163.83	3,153.18
Share buy back reserve account	311.87	311.87
Capital Reserve	(429.65)	(429.65)
Share based payment Reserve	453.69	378.25
Retained earnings	195.35	(828.53)
<b>Total</b>	<b>3,695.09</b>	<b>2,585.12</b>

	As at 31 March 2021	As at 31 March 2020
<b>Securities premium</b>		
Opening balance	3,153.18	3,153.18
Add : Premium on Class B equity shares issued	10.65	-
Closing balance	3,163.83	3,153.18
<b>Share buy back reserve account</b>		
Opening balance	311.87	311.87
Additions during the year	-	-
Closing balance	311.87	311.87
<b>Capital Reserve</b>		
Opening balance	(429.65)	(429.48)
Less: Premium paid on cancellation of shares (refer note no. 16)	-	0.17
Closing balance	(429.65)	(429.65)
<b>Share based payment Reserve</b>		
Opening balance	378.25	333.84
Additions during the year	75.44	44.41
Closing balance	453.69	378.25
<b>Retained earnings</b>		
Opening balance	(828.53)	(976.06)
Profit/ (loss) for the year (including other comprehensive income)	1,023.88	147.53
Closing balance	195.35	(828.53)



## 18. Other financial liabilities

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Payable to related parties (refer note no. 37) *	-	206.47	-	2,778.46
Payable to others	-	-	-	-
Loan Liability- Lease	-	-	-	-
Interest Accrued but not due	-	95.46	-	1.67
Employee related payable (includes salary payable and variable compensation)	-	460.56	-	130.47
Capital creditors	-	6.40	-	-
Payable on settlement of service transactions	-	203.27	-	-
<b>Total</b>	-	<b>966.16</b>	-	<b>2,910.60</b>

\* 31 March 2021: Represents Rs. 17.47 Lakhs payable related to current account balance and Rs 183 lakhs interest on income tax refund related to AY 2018-19 of Digispice Technologies Limited (Formerly known as Spice Mobility Limited "Holding Company").

31 March 2020: Represents money payable to Digispice Technologies Limited (Formerly Spice Mobility Limited) (Holding Company) on implementation of Scheme of Arrangement (refer note no.39). The same has been disclosed as loan from Holding Company. Refer note no. 21.

## 19. Provisions

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
<b>Provision for employees benefits</b>				
Gratuity (Refer Note 35)	217.31	79.78	150.16	20.89
Compensated absences	138.42	13.58	77.94	13.58
Provision for GST under dispute	-	10.26	-	10.26
<b>Total</b>	<b>355.73</b>	<b>103.62</b>	<b>228.10</b>	<b>44.73</b>

## 20. Other liabilities

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Deposits from customers	134.81	353.97	-	-
Deferred revenue	-	-	-	1.79
Advances from customers	-	32.90	-	31.89
Prepaid balance of agents (against future remittances)	-	15,528.87	-	5,781.43
Statutory dues payable	-	449.32	-	165.58
Others	-	-	-	54.66
<b>Total</b>	<b>134.81</b>	<b>16,365.06</b>	-	<b>6,035.35</b>

## 21. Borrowings

	Maturity	As at 31 March 2021		As at 31 March 2020	
		Non-current	Current	Non-current	Current
<b>Secured</b>					
Overdraft facilities against FD from banks #	On demand	-	1,903.60	-	999.62
<b>Unsecured</b>					
Loan from Holding Company *		-	1,980.58	-	-
		-	<b>3,884.18</b>	-	<b>999.62</b>

# 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%).

\* The Company has Bharat Bill Payment authorization from Reserve Bank of India (RBI) and in respect of the same, the Company needs to maintain a net worth of Rs 10,000 lakhs as per RBI norms. Accordingly, on 30 March 2021, the Board of directors of the Company considered and approved issue of 3,30,00,000 Cumulative Compulsory Convertible Preference shares (CCCPS) at par having face value of Rs 10 per share aggregating to Rs 3,300 lakhs on right issue basis to existing shareholders in the proportion of their existing shareholding. The terms & conditions of these shares are as follows:

- Convertible into equity shares within 3 years or at the time of fund raise exercise (from external parties) whichever is earlier.
- Conversion will be at the valuation at the event of conversion.
- These shares will be non-participating in nature.
- The Cumulative Compulsory Convertible Preference shares have 5% dividend.

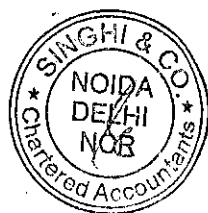
The Board of Directors of Digispice Technologies Limited (Holding Company) on 31 March 2021 considered and approved the infusion of funds for an amount not exceeding Rs 3,300 lakhs by way of investment in 5% CCCPS of Rs 10 each offered by the Company.

The above loan repayment will be adjusted against the money receivable from the Holding Company in the next financial year in respect of the issue of CCCPS.

## 22. Trade payables

	As at 31 March 2021	As at 31 March 2020
Trade payables to related parties (refer note 37)	40.50	-
Trade payables (refer note 45 for details of due to micro and small enterprises)		
- Outstanding dues of Micro Enterprises & Small Enterprises	49.49	-
- Outstanding dues of Other than Micro Enterprises & Small Enterprises	729.02	395.25
<b>Net Balance</b>	<b>819.01</b>	<b>395.25</b>

- Due to micro, small and medium enterprises have been determined to the extent such parties have been identified by the Company on the basis of information collected.



	For the period ended 31 March 2021	For the year ended 31 March 2020
<b>23. Revenue from operations</b>		
Sale of Airtime and Traded Goods		
Airtime	36,155.38	13,667.64
Payment devices and others	1,685.37	(4.27)
	<u>37,840.75</u>	<u>13,663.37</u>
Sales/rendering of services	19,894.62	11,305.52
Written back of balances	67.43	54.80
	<u>19,962.05</u>	<u>11,360.31</u>
<b>Total</b>	<b>57,802.80</b>	<b>25,023.68</b>

As per the terms of the contract with its customers, all performance obligations are to be completed at point of time as the Company has a right to receive consideration from its customers for all 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. Also, there is no difference between the contract price and the revenue from contract with customers.

<b>24. Other income</b>		
Interest received on financial and non financial assets -Carried at amortised cost		
Bank deposits	433.60	101.85
Inter corporate loans	-	27.39
Income tax refund	59.86	-
Others	2.68	4.73
Rental Income	46.83	40.73
Net gain on sale of current investments in mutual fund units	-	-
Liabilities no longer required, written back	97.11	3.00
	<u>640.08</u>	<u>177.70</u>

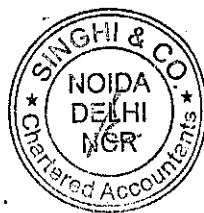
<b>25. Purchase of traded goods</b>		
Purchase of Airtimes and Traded Goods	37,590.51	13,524.78
<b>Total</b>	<b>37,590.51</b>	<b>13,524.78</b>

<b>26. Change in inventories of traded goods</b>		
Inventory at the beginning of the year	62.45	31.34
Add Inventory transferred from Capital work in progress	81.90	-
Less: inventory at the end of the year	462.21	62.45
<b>Total change in inventories of traded goods</b>	<b>(317.86)</b>	<b>(31.10)</b>

<b>27. Service &amp; Commission Charges</b>		
Domestic Money Transfer Charges	1,170.55	767.20
Commission and other charges	11,390.82	6,339.75
GSP Services Charges	0.18	1.80
	<u>12,561.55</u>	<u>7,108.75</u>

<b>28. Employee benefits expenses</b>		
Salaries, wages and bonus	2,805.88	1,787.71
Contribution to provident and other funds	161.06	121.34
Gratuity expense (Refer Note 35)	54.34	36.07
Share based payment expense (Refer Note 40)	75.44	44.41
Staff welfare expenses	34.31	62.54
	<u>3,131.03</u>	<u>2,052.08</u>
Less: Capitalized as intangible assets	-	279.30
	<u>3,131.03</u>	<u>1,772.78</u>

<b>29. Finance costs</b>		
Interest on:		
Borrowings	229.35	122.05
Lease Liability	9.49	14.94
Satutory dues	0.04	0.07
<b>Total</b>	<b>238.88</b>	<b>137.06</b>



30. Depreciation and amortization expense

Depreciation on property, plant and equipment (Note 3)  
 Depreciation on Right of Use Assets (Note 4)  
 Amortisation on intangible assets (Note 5)

	For the period ended 31 March 2021	For the year ended 31 March 2020
	582.09	502.17
	60.55	60.55
	390.64	257.95
	<u>1,033.28</u>	<u>820.67</u>

31. Other expenses

Rent  
 Rates and taxes  
 Insurance  
 Repair  
 - Computers and others  
 - Buildings  
 Electricity and water  
 Advertising and sales promotion  
 Brokerage and discounts  
 Travelling and conveyance  
 Communication costs  
 Legal and professional fees  
 Directors' sitting fees  
 Payment to auditor (Refer details below)  
 Vehicle running and maintenance  
 Allowance for doubtful debts  
 Loss on sale of fixed assets (net)  
 Donation  
 Bad debts/advances written off  
 Corporate social responsibility expenditure  
 Miscellaneous expenses

	147.57	150.17
	1.35	12.52
	9.31	10.09
	153.06	93.14
	14.21	35.98
	333.25	105.79
	-	-
	179.87	279.58
	229.55	139.38
	1,153.25	640.83
	11.25	6.75
	18.63	19.19
	214.18	196.14
	63.34	9.58
	-	1.27
	-	0.94
	8.95	18.15
	48.00	-
	187.54	75.95
	<u>2,773.31</u>	<u>1,795.45</u>
	-	18.61
	<u>2,773.31</u>	<u>1,776.84</u>

Less: Expense capitalized as intangible assets

A. Payment to auditor (excluding taxes)

As auditor: #

Statutory Audit fee  
 Tax audit fee  
 Limited review

8.00  
 2.00  
 7.50

7.00  
 2.00  
 6.00

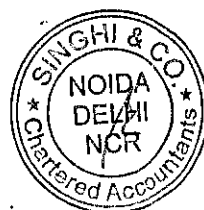
In other capacity:-

Other services (certification fees and special audit fees)  
 Reimbursement of expenses

1.10  
 0.03

3.10  
 1.09

18.63  
19.19





**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:****Current Income Tax:**

	For the period ended 31 March 2021	For the year ended 31 March 2020
Current tax	239.00	-
Adjustment in respect of income tax of previous year	40.04	1.65
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	82.86	(104.21)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>361.90</b>	<b>(102.55)</b>

Deferred tax impact on component of other comprehensive income (OCI)

Re-measurement of defined benefit obligations

Total income tax benefit recognised in other comprehensive income

	(17.88)	(17.98)
	(17.88)	(17.98)

**B. Reconciliation of effective tax rate**

	For the period ended 31 March 2021	For the year ended 31 March 2020
Profit(loss) for the year	1,432.18	91.62
Income tax using the domestic tax rate (CY: 29.12%, PY: 27.82%)	417.05	25.49
Rate change impact on deferred tax	(15.38)	-
Non deductible expenses	7.00	0.28
Adjustment in respect of current income tax of earlier years	40.04	1.65
MAT Credit taken during the year related to earlier year	(40.04)	(1.65)
Unrecognised Tax losses in earlier year now recognised	-	(89.33)
Effect of unrecognised Tax losses in earlier year set off with current year income	-	(27.35)
Unrecognised Tax losses	-	-
Income tax effect on acquisition adjustment on intra group transfer of employees	(18.00)	-
Others	(28.78)	(11.66)
	<b>361.90</b>	<b>(102.57)</b>

**33. Components of other comprehensive income (OCI)**

Re-measurement gains (losses) on defined benefit plans'

Income tax impact

	(64.28)	(64.63)
	17.88	17.98
	<b>(46.40)</b>	<b>(46.65)</b>

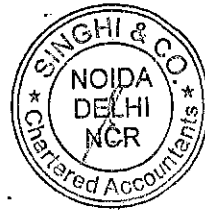
**34. Earning per share (EPS)**

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 income and share data used in the basic and diluted EPS computations:

Profit/(Loss) attributable to equity holders of the Company:	1,070.28	194.18
Profit attributable to equity holders for basic earnings	1,070.28	194.18
Weighted average number of equity shares outstanding at the beginning of the year	43,451,475	43,451,475
Class B - 8,69,930 shares issued on 13 Dec 2020, Called Rs 1.726 of share value Rs 34.52 (including premium Rs 24.52)	5,833	-
Weighted average number of equity shares outstanding at the end of the year for basic EPS	43,457,308	43,451,475
Potential ESOPs vested as at 31 March 2021 issued for no consideration	32,695	-
Weighted average number of equity shares outstanding at the end of the year for dilutive EPS	43,490,004	43,451,475
Basic earnings per share of Rs. 10 each (in Rs.)	2.46	0.45
Diluted earnings per share of Rs. 10 each (in Rs.)	2.46	0.45



Spice Money Limited (Formerly Spice Digital Limited)  
Notes to the standalone financial statements for the year ended 31 March 2021  
Rs. in lakhs unless otherwise stated

10. Deferred tax assets

Recognised deferred tax assets and liabilities

A. Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets		Deferred tax (liabilities)		Net deferred tax asset/(liabilities)	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Property, plant and equipments, Right of Use Assets and intangible assets: Impact of difference between tax depreciation and depreciation/ amortisation recognised in books	-	-	(69.62)	(154.14)	(69.62)	(154.14)
ESOP provision	132.12	105.23	-	-	132.12	105.23
Provision-employee benefits	134.85	86.77	-	-	134.85	86.77
Provisions for Loss Allowances	18.44	6.24	-	-	18.44	6.24
Lease Liability	18.90	34.45	-	-	18.90	34.45
Unabsorbed depreciation	-	89.33	-	-	-	89.33
Other items	3.31	3.23	(0.44)	(0.42)	2.86	2.81
<b>Deferred tax assets/ (liabilities)</b>	<b>307.61</b>	<b>325.25</b>	<b>(70.08)</b>	<b>(154.56)</b>	<b>237.55</b>	<b>170.69</b>
MAT credit receivables	949.29	1,081.11	-	-	949.29	1,081.11
<b>Net deferred tax assets/ (liabilities)</b>	<b>1,256.90</b>	<b>1,406.36</b>	<b>(70.08)</b>	<b>(154.56)</b>	<b>1,186.84</b>	<b>1,251.80</b>

Recognised deferred tax assets and liabilities(continued)

B. Movement in temporary differences

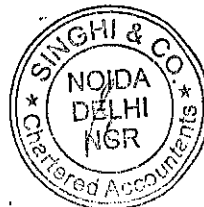
	Balance as at	Charged/(Credited)	Recognised in	Balance as at	Charged/(Credited)	Recognised in	Balance as at
	31 March 2019	In profit or loss during 2019-20	OCI 2019-20	31 March 2020	In profit or loss during 2020-21	OCI 2020-21	31 March 2021
Property, plant and equipments, Right of Use Assets and intangible assets: Impact of difference between tax depreciation and depreciation/ amortisation recognised in books	(106.84)	47.30	-	(154.14)	(84.52)	-	(69.62)
Investment at fair value through profit or loss	-	-	-	-	-	-	-
ESOP provision	92.87	(12.36)	-	105.23	(26.89)	-	132.12
Provision-employee benefits	70.90	2.11	17.98	86.77	(30.10)	(17.98)	134.85
Provisions for Loss Allowances	8.01	1.77	-	6.24	(12.20)	-	18.44
Lease Liability	-	(34.45)	-	34.45	15.55	-	18.90
Unabsorbed depreciation	-	(89.33)	-	89.33	89.33	-	-
Other items	(14.78)	(17.60)	-	2.81	(0.05)	-	2.86
MAT credit receivables	1,079.46	(1.65)	-	1,081.11	131.82	-	949.29
	<b>1,129.62</b>	<b>(104.21)</b>	<b>17.98</b>	<b>1,251.80</b>	<b>82.94</b>	<b>(17.98)</b>	<b>1,186.84</b>

Net deferred tax assets

Disclosed in the balance sheet as follows:	As at 31st March 2021	As at 31st March 2020
	Deferred tax assets	1,256.90
Deferred tax liabilities	70.08	154.56
<b>Deferred tax assets (net)</b>	<b>1,186.82</b>	<b>1,251.80</b>

Disclosed in the statement of profit and loss as follow	As at 31st March 2021	As at 31st March 2020
	Tax income/(expense) during the year	82.94
Income tax impact of OCI	(17.98)	17.98
<b>Deferred tax assets (net)</b>	<b>64.96</b>	<b>(86.23)</b>

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 and continue to accumulate MAT credit till FY 2023-24 to 2028-29. As per the projections the company expects to recover or adjust the MAT Credit (MAT is eligible for adjustment in 15 years). 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 company has not exercised this option during the year 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. Company will review the above position at each reporting date.



**35. Employee benefits**

**A. Defined Contribution Plan**

During the year, the company has recognised the following amounts in statement of Profit & Loss:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Employer's contribution to provident and other fund	161.06	121.34
	<b>161.06</b>	<b>121.34</b>

**b. Defined Benefit Plans**

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:**

	As at March 31, 2021	As at March 31, 2020
Present value of obligation of Gratuity plan	297.09	171.04
Fair value of Plan assets	-	-
<b>Net liability recognised in balance sheet</b>	<b>297.09</b>	<b>171.04</b>

**(ii) Components of defined benefit cost recognised in the statement of profit and loss under Employee benefit Expense:**

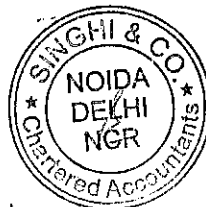
	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	42.71	26.50
Interest cost on benefit obligation	11.63	9.57
Contribution paid from the Fund	-	-
Expected return on plan assets	-	-
<b>Net benefit expense</b>	<b>54.34</b>	<b>36.07</b>

**(iii). Changes in the present value of the defined benefit obligation are as follows:**

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Opening defined benefit obligation</b>	171.04	125.00
Acquisition adjustment on intra-group transfer of employees	38.54	-
Interest cost	11.63	9.57
Current service cost	42.71	26.50
Benefits paid	(31.12)	(54.66)
Re-measurements (gain)/loss	64.28	64.63
<b>Closing defined benefit obligation</b>	<b>297.09</b>	<b>171.04</b>

**(iv). Changes in the fair value of plan assets are as follows :**

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Opening fair value of plan asset</b>	-	-
Expected return	-	-
Benefits paid	-	-
Actuarial gains/(loss) on plan assets	-	-
<b>Closing fair value of plan asset</b>	<b>-</b>	<b>-</b>



(v). The principal assumptions used in determining gratuity for the Company's plans are shown below:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount rate	6.80%	6.80%
Future salary increases	8.00%	8.00%
Retirement Age (Years)	58 Years	58 Years
Mortality rates inclusive of provision for disability	100% of IALM	
<b>Ages</b>	<b>Withdrawal Rate %</b>	
Upto 30 years	15%	15%
From 31 to 44 years	15%	15%
Above 44 years	15%	15%
Mortality rate	100% of IALM	

(vi) A quantitative sensitivity analysis for significant assumption as at 31 March 2021 is as shown below:

Sensitivity level	For the year ended March 31, 2021 Discount Rate		For the year ended March 31, 2021 Future Salary Increase	
	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Impact on defined benefit obligation	(6.84)	7.20	7.08	(6.79)

(vii) A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:

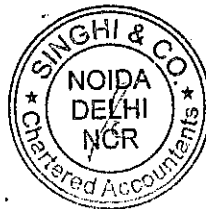
Sensitivity level	As at March 31, 2020 Discount Rate		As at March 31, 2020 Future Salary Increase	
	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Impact on defined benefit obligation	(4.62)	4.86	3.73	(3.68)

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.

(viii) The following payments are expected contributions to the defined benefit plan in future years:

	Gratuity	
	As at 31 March 2021	As at 31 March 2020
Within the next 12 months (next annual reporting period)	79.78	20.89
Between 2-5 Years	100.27	69.29
Between 5-10 years	17.13	12.12
Beyond 10 years	99.92	68.74
<b>Total expected payments</b>	<b>297.09</b>	<b>171.04</b>

The average remaining working life of the defined benefit plan obligation at the end of the reporting period is 23.47 years (31 March 2020: 23.84 years).



**Spice Money Limited (Formerly known as Spice Digital Limited)**  
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**36. Commitments and contingencies**

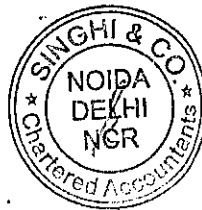
**(a) Commitments**

**Estimated amount of contracts remaining to be executed on capital account and not provided for:**

	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Estimated value of contracts (net of advances) remaining to be executed on capital account and not provided for.	500.67	205.02

**(b) Contingent liabilities**

<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Income Tax</b> 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	Nil



37 Related party transaction details

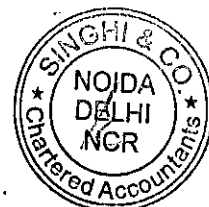
In accordance with the requirements of Ind AS - 24 'Related Party Disclosures', names of the related parties, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods are:

Entity with significant influence:

Ultimate holding Company	Smart Global Corporate Holding Private Limited
Intermediate Holding Companies	Spice Connect Private Limited (Formerly known as Smart Ventures Private Limited)
Holding Company	Digispice Technologies Limited (Formerly known as Spice Mobility Limited)
Subsidiaries	Kimaan Exports Private Limited
Other related parties with whom transactions have taken place during the year	E-Arth Travel Solutions Private Limited
Fellow subsidiaries	New Spice Sales & Solutions Limited (Formerly known as Spice Retail Limited) S Global Services Pte. Limited (Formerly known as S GIC Pte. Limited) Beoworld SDN. BHD PT Spice Digital Indonesia Omnia Pte. Limited Hindustan Retail Private Limited S Mobility Pte. Limited Spice VAS (Africa) Pte. Limited Digispice Nigeria Ltd (Earlier known as Spice Digital Nigeria Limited) Spice VAS Kenya Limited Digispice Uganda Ltd (Earlier known as Spice VAS Uganda Limited) Digispice Ghana Ltd (Earlier known as Spice VAS Ghana Limited ) Digispice Zambia Ltd (Earlier known as Spice VAS Zambia Limited) Digispice Tanzania Ltd (Earlier known as Spice VAS Tanzania Limited) Spice Digital FZCO Ziiki Media SA (Pty.) Ltd (Earlier known as Spice VAS South Africa Pty Limited) (ceased to be a subsidiary w.e.f. 07th february, 2019 and become associate after that) Spice VAS RDC Limited Fast Track IT Solutions Private Limited Digispice Nepal Private Limited S Mobility (HK) Limited Cellucom Retail India Private Limited Wall Street Finance Limited Singlestop Evaluation Private Limited Omnia Education Private Limited S Global Innovation Centre Pte Ltd, Singapore Smart Bharat Private Limited (Formerly known as Smart Entertainment Private Limited) Spice Solar Technology Private Limited Preference Holdings Private Limited Spice Global Ventures PTE. Limited Smart Living Lifestyle Private Limited Smart Studios Private Limited Ace Airways Private Limited Brilliant Infocom Private Limited First Choice Enterprises Private Limited Hollywood Travels Private Limited Integrated Global Solutions Private Limited Jolly Trading & Merchandise Private Limited MBM Limited Modikem Private Limited Mudaliar & Sons Hotels Private Limited Oasis Cineplex Private Limited Paradise Markcon Private Limited Spice Impex Private Limited Susmita Promoters Private Limited Toplight Corporate Management Private Limited Wellwisher Holdings Private Limited Zinnia Tubes & Tyres Private Limited Bougainvillea Multiplex & Entertainment Centre Private Limited Global Mobile Infrastructure Private Limited IO System Limited Modipur Devices Private Limited Spicebulls Investments Limited Sterea Infratech Limited Modipur Solar Lamps Private Limited Smart Dreams Private Limited Modiciti Cinemas Private Limited Smart Yoga Private Limited Smart Innovation Global PTE. Limited (formerly known as Armorcoat Technologies PTE. Limited) Sotheby's India Private Limited Modipur Realty Private Limited Millennium Manpower Services Private Limited Spice Digital Bangladesh Limited Wellwisher Holdings Private Limited

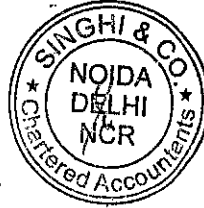
Key management personnel (KMP)

Mr. Dilip Kumar Modi (Non-executive Chairman)



Spice Money Limited (Formerly known as Spice Digital Limited)  
Notes to the standalone financial statements as at and for the year ended 31 March 2021  
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Mr. Subramanian Murali (appointed as additional director w.e.f November 4, 2020)  
Mr. Suman Ghose Hazra (Independent Director)  
Mr. Ramesh Venkataraman (appointed as Director w.e.f November 7, 2019)  
Dr. Rashmi Aggarwal (Independent Director) (appointed w.e.f March 19, 2021)  
Mr. Rajneesh Arora, Whole-time Director and Chief Innovation & Strategy Officer  
(appointed as Director w.e.f May 2, 2019 and Whole-time Director and CISO w.e.f  
September 1, 2020)  
Mr. Sunil Kumar Kapoor, Director and Chief Financial Officer (Appointed as Director w.e.f  
May 2, 2019)  
Ms. Megha Bansal (Company Secretary) (appointed w.e.f Feb 3, 2020)  
Ms. Kokila (Company Secretary) (Resigned w.e.f August 23, 2019)  
Mr. Saket Agarwal (Chief Executive Officer) (Resigned w.e.f May 1, 2019)  
Mr. S.K. Jain (Resigned w.e.f June 14, 2019)  
Mr. Umang Das (Resigned w.e.f August 7, 2019)



Spice Money Limited (Formerly known as Spice Digital Limited)  
Notes to the standalone financial statements as at and for the year ended 31 March 2021  
(Rs. in Lakhs unless otherwise stated)

Particulars	Relationship	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Travel commission earned</b>			
Digispice Technologies Limited (Formerly known as Spice Mobility Limited)	Holding Company	-	16.31
Spice Connect Private Limited	Holding Company	-	3.45
Wall Street Finance Limited	Fellow Subsidiary	-	0.76
Mr. Dilip Modi	KMP	-	39.75
<b>Rent paid</b>			
Digispice Technologies Limited (Formerly known as Spice Mobility Limited)	Holding Company	59.63	120.78
Kimaan Exports Private Limited	Subsidiary	57.50	-
<b>Interest income</b>			
Spice Bulls Investment Ltd	Fellow Subsidiary	-	27.39
<b>Services received</b>			
Digispice Technologies Limited (Formerly known as Spice Mobility Limited)	Holding Company	75.94	16.30
<b>Interest expense</b>			
Digispice Technologies Limited (Formerly known as Spice Mobility Limited)	Holding Company	210.98	-
<b>Rental income</b>			
Digispice Technologies Limited (Formerly known as Spice Mobility Limited)	Holding Company	46.83	40.73
<b>Remuneration paid (Short-term employee benefits)</b>			
Mr. Saket Agarwal	KMP-CEO	-	8.33
Mr. Sunil Kumar Kapoor	KMP- Director & CFO	64.74	53.51
Mr. Rajneesh Arora	KMP- Director & CISO	80.38	-
Ms. Kokila	KMP-CS	-	9.97
Ms. Megha Bansal	KMP-CS	9.70	0.75
<b>Bad Debts Written off during the year</b>			
Sterea Infratech Limited	Fellow Subsidiary	-	0.52
Smart Bharat Pvt. Ltd. (Formerly Known As Smart Entertainment Pvt. Ltd.)	Fellow Subsidiary	-	2.62
Smartvalue Ventures Private Limited	Fellow Subsidiary	-	4.74
New Spice Sales & Solutions Limited (Formerly known as Spice Retail Limited)	Fellow Subsidiary	-	0.26
Spice Smart Solutions Limited	Fellow Subsidiary	-	3.22
<b>Director sitting fees</b>			
Mr. Umang Das	KMP-Independent Director	-	2.25
Mr. Suman Ghose Hazra	KMP-Independent Director	5.50	4.50
Dr. Rashmi Aggarwal	KMP-Independent Director	0.50	-
Mr. Ramesh Venkatraman	KMP-Independent Director	5.25	-
<b>Reimbursement of expenses paid to related companies</b>			
Digispice Technologies Limited (Formerly known as Spice Mobility Limited)	Holding Company	149.14	61.04
Kimaan Exports Private Limited	Subsidiary	3.80	-
<b>Payment on behalf of related companies</b>			
E-Arth Travel Solutions Private Limited	Fellow Subsidiary	7.38	-
<b>Reimbursement of expenses received from related companies</b>			
Digispice Technologies Limited (Formerly known as Spice Mobility Limited)	Holding Company	35.54	70.87
<b>Loan/Advance Given during the year</b>			
Spice Bulls Investment Ltd	Fellow Subsidiary	-	700.00
<b>Loan received back during the year</b>			
Spice Bulls Investment Ltd	Fellow Subsidiary	-	700.00
<b>Movement in money payable on implementation of Scheme #</b>			
Digispice Technologies Limited (Formerly known as Spice Mobility Limited)	Holding Company	797.88	1,073.17





**Spice Money Limited (Formerly known as Spice Digital Limited)**  
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**(Rs. in Lakhs unless otherwise stated)**

The following table provides a total amount of transactions that have been entered into with related parties for the relevant financial year in continuation with the previous page

<b>Billing on behalf of Digispice Technologies Limited (Formerly known as Spice Mobility Limited)</b>	Holding Company	232.75	3,693.58
<b>Payables</b>			
Digispice Technologies Limited (Formerly known as Spice Mobility Limited)	Holding Company	217.62	-
Kimaan Exports Private Limited	Subsidiary	23.35	-
<b>Payables to KMP</b>			
Mr. Saket Aggrawal	KMP-CEO	-	-
Mr. Sunil Kumar Kapoor	KMP-Director & CFO	2.55	8.50
Mr. Rajneesh Arora	KMP- Director & CISO	17.41	-
Ms. Megha Bansal	KMP-CS	0.66	0.68
<b>Interest receivable</b>			
Spice Bulls Investment Ltd	Fellow Subsidiary	-	16.87
<b>Interest accrued but not due</b>			
Digispice Technologies Limited (Formerly known as Spice Mobility Limited)	Holding Company	95.46	-
<b>Receivable against ticketing</b>			
Digispice Technologies Limited (Formerly known as Spice Mobility Limited)	Holding Company	37.96	46.46
Spice Connect Private Limited	Fellow Subsidiary	-	10.48
Wall Street Finance Limited	Fellow Subsidiary	-	0.25
Mr. Subramanian Murali	KMP	1.65	5.35
Mr. Dilip Modi	KMP	-	5.35
Mr. Rajneesh Arora	KMP- Director & CISO	0.32	-
<b>Director Fees Payable</b>			
Mr. Suman Ghosh Hazra	KMP-Independent Director	-	0.25
<b>Loans/Money payable</b>			
Digispice Technologies Limited (Formerly known as Spice Mobility Limited) #	Holding Company	1,980.58	2,778.46
<b>Corporate Guarantee Given for</b>			
Digispice Technologies Limited (Formerly known as Spice Mobility Limited) #	Holding Company	572.60	572.60

**Note:**

**(i) Summarized details of remuneration to Key Managerial Personnel are as under:**

Particulars	FY 2020-21	FY 2019-20
Short term Benefits	166.06	79.32
Share Based payments	-	-

The above remuneration to the key managerial personnel does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole and charge taken towards share based payments expense.

**Terms and conditions of transactions with related parties:**

Outstanding balances at the year-end are unsecured, interest Free and settlement occurs in cash. Terms and conditions for money payable to holding company on implementation of scheme, refer note no. 39.

# Digispice Technologies Limited (Formerly Spice Mobility Limited) (Holding Company) has obtained a bill discounting facility from IndusInd Bank Limited ("the bank") which is secured by the commercial property held by the Holding Company in Dehradun. Though the bill discounting facility and the Dehradun property both have been moved to the Holding Company on implementation of Scheme of Arrangement (refer note no.39), the title deed of this property still remains in the name of Spice Money Limited ("the Company"). Hence, on the request of bank, a corporate guarantee has been given by the Company to the bank.

**38 Segment information**

The Company is engaged in the information technology business rendering financial technology and ticket booking services. 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 in terms of Ind AS-108 on segment reporting.

Accordingly, the disclosure requirements of Ind AS 108 are not applicable.

**39 Scheme of Arrangement**

Pursuant to a Scheme of Arrangement between Spice Mobility Limited ("SML") and Spice Digital Limited ("the Company") and Spice IOT Solutions 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 which was approved by the Hon'ble National Company Law Tribunal, New Delhi, Principal Bench ("NCLT") vide order dated May 20, 2019. DTS business is engaged in providing value added service to telecom operators and hardware & software solutions. Accordingly, the Scheme of Arrangement has been given effect from appointed date April 01, 2017 in earlier year.



**Spice Money Limited (Formerly known as Spice Digital Limited)**  
**Notes to the standalone financial statements for the year ended 31 March 2021**  
**(Rs. in lakhs unless otherwise stated)**

**40 Share-Based Payments**

The Company has an employee stock option plan namely, 'SDL Employee Stock Option Plan 2015'.

The Company has been party to a Comprehensive Scheme of Arrangement between the Company, Spice Mobility Limited ("SML") and Spice IOT Solutions 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. The Scheme is approved by the Hon'ble National Company Law Tribunal, New Delhi, Principal Bench ("NCLT") vide order dated May 20, 2019 and is effective from June 1, 2019 and operative from April 1, 2017.

In May 2018, in order to motivate the employees of the Fintech Business Undertaking ('designed employees'), the Nomination and Remuneration Committee granted Options ("originally issued options") to the designated employees pursuant to the 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
1 <sup>st</sup> Vesting	40
2 <sup>nd</sup> Vesting	30
3 <sup>rd</sup> Vesting	30

The 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 Company. The options granted under ESOP 2015 carry no rights to dividends and no voting rights till the date of exercise.

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-fulfillment 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 March 31, 2021		As at March 31, 2020	
	No. of Options	Weighted Average exercise price (₹)	No. of Options	Weighted Average exercise price (₹)
Options outstanding at the beginning of the year	45,23,279	34.10	54,26,519	34.10
Options granted under ESOP 2015 (newly issued options)	27,53,560	33.80	-	-
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- originally issued options	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) (originally issued options)	3yrs for 1st Vesting	-	3yrs for 1st Vesting	-
	4yrs for 2nd Vesting	-	4yrs for 2nd Vesting	-
	5yrs for 3rd vesting	-	5yrs for 3rd vesting	-
Remaining contractual life of outstanding options (years) (newly issued options)	4yrs for 1st Vesting	-	-	-
	5yrs for 2nd Vesting	-	-	-
	6yrs for 3rd vesting	-	-	-

The fair value of each option is estimated on the date of grant based on the following assumptions:

Particulars	ESOP 2015	
	Originally Issued Options	Newly Issued Options
Dividend Yield (%)	Nil	Nil
Expected Life	2.5 yrs for 1st vesting	2.5 yrs for 1st vesting
	3.5yrs for 2nd vesting	3.5yrs for 2nd vesting
	4.5 yrs for 3rd vesting	4.5 yrs for 3rd vesting
Risk free Interest Rate(%)	6.82% for 1st Vesting	5.28% for 1st Vesting
	7.04% for 2nd vesting	5.66% for 2nd vesting
	7.21% for 3rd Vesting	5.94% for 3rd Vesting
Volatility(%)	24.90%	31.35%
Market price on date of grant/re-pricing (₹)	34.10	33.80
Fair Value Per Option (Rs.)	9.81	10.26



**Spice Money Limited (Formerly known as Spice Digital Limited)**  
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**41. Fair values**

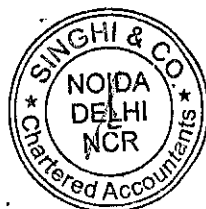
Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

Particulars	Carrying amount	As at 31 March 2021		
		FVTPL	FVOCI	Amortised Cost
<b>Financial assets</b>				
-Loans (Non-current)	83.53	-	-	83.53
-Other financial assets (Non-Current)	195.00	-	-	195.00
-Trade receivables	628.14	-	-	628.14
-Cash and cash equivalent	5,989.32	-	-	5,989.32
-Bank balances other than above	9,437.24	-	-	9,437.24
-Loans (Current)	7.42	-	-	7.42
-Other financial assets (Current)	2,079.31	-	-	2,079.31
<b>Total financial assets</b>	<b>18,419.96</b>	-	-	<b>18,419.96</b>

<b>Financial liabilities</b>				
-Lease liabilities (Non-current)	-	-	-	-
-Borrowing (Current)	3,884.18	-	-	3,884.18
-Trade payables	819.01	-	-	819.01
-Lease liabilities (Current)	64.92	-	-	64.92
-Other financial liabilities (Current)	966.16	-	-	966.16
<b>Total financial liabilities</b>	<b>5,734.27</b>	-	-	<b>5,734.27</b>

Particulars	Carrying amount	As at 31 March 2020		
		FVTPL	FVOCI	Amortised Cost
<b>Financial assets</b>				
-Loans (Non-current)	41.88	-	-	41.88
-Trade receivables	182.71	-	-	182.71
-Cash and cash equivalent	2,728.46	-	-	2,728.46
-Bank balances other than above	1,439.86	-	-	1,439.86
-Loans (Current)	12.19	-	-	12.19
-Other financial assets (Current)	693.75	-	-	693.75
<b>Total financial assets</b>	<b>5,098.85</b>	-	-	<b>5,098.85</b>

<b>Financial liabilities</b>				
-Other financial liabilities (Non-current)	64.92	-	-	64.92
-Borrowing (Current)	999.62	-	-	999.62
-Trade payables	393.25	-	-	393.25
-Lease liabilities (Current)	58.91	-	-	58.91
-Other financial liabilities (Current)	2,910.60	-	-	2,910.60
<b>Total financial liabilities</b>	<b>4,427.30</b>	-	-	<b>4,427.30</b>



**Spice Money Limited (Formerly known as Spice Digital Limited)**  
**Notes to the standalone financial statements as at and for the year ended 31 March 2021**  
**(Rs. in Lakhs unless otherwise stated)**

**42. 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 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 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 March 31, 2021 was assessed.

**Financial Instruments by Category**

	31 March 2021			31 March 2020		
	FVTPL	Amortised Cost	Fair Value	FVTPL	Amortised Cost	Fair Value
<b>Financial assets</b>						
-Loans (Non-Current)	-	83.53	83.53	-	41.88	41.88
-Other financial assets (Non-Current)	-	195.00	195.00	-	-	-
-Trade receivables	-	628.14	628.14	-	182.71	182.71
-Cash and cash equivalent	-	5,989.32	5,989.32	-	2,728.46	2,728.46
-Bank balances other than above	-	9,437.24	9,437.24	-	1,439.86	1,439.86
-Loans (Current)	-	7.42	7.42	-	12.19	12.19
-Other financial assets (Current)	-	2,079.31	2,079.31	-	693.75	693.75
<b>Total financial assets</b>	-	<b>18,419.96</b>	<b>18,419.96</b>	-	<b>5,098.85</b>	<b>5,098.85</b>
<b>Financial liabilities</b>						
-Lease liabilities (Non-current)	-	-	-	-	64.92	-
-Borrowing (Current)	-	3,884.18	3,884.18	-	999.62	999.62
-Trade payables	-	819.01	819.01	-	393.25	393.25
-Lease liabilities (Current)	-	64.92	64.92	-	58.91	-
-Other financial liabilities (Current)	-	966.16	966.16	-	2,910.60	2,910.60
<b>Total financial liabilities</b>	-	<b>5,734.27</b>	<b>5,734.27</b>	-	<b>4,427.30</b>	<b>4,303.47</b>

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:**

	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		Rs.	Rs.	Rs.
-Loans (Non-Current)	83.53	-	-	83.53
-Loans (Current)	7.42	-	-	7.42
<b>Total</b>	<b>285.95</b>	<b>-</b>	<b>-</b>	<b>285.95</b>

**Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2021:**

	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		Rs.	Rs.	Rs.
-Lease Liability	64.92	-	-	64.92
<b>Total</b>	<b>64.92</b>	<b>-</b>	<b>-</b>	<b>64.92</b>

There have been no transfers between Level 1 and Level 2 during the year.



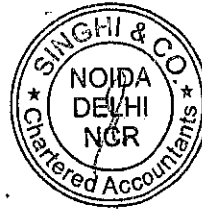
Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2020:

	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Rs.	Rs.	Rs.	Rs.
-Loans (Non-Current)	41.88	-	-	41.88
-Loans (Current)	12.19	-	-	12.19
	<b>54.07</b>	-	-	<b>54.07</b>

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2020:

	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Rs.	Rs.	Rs.	Rs.
-Lease Liability	123.83	-	-	123.83
	<b>123.83</b>	-	-	<b>123.83</b>

There have been no transfers between Level 1 and Level 2 during the year.



**Spice Money Limited (Formerly known as Spice Digital Limited)**

**Notes to the standalone financial statements as at and for the year ended 31 March 2021**

**(Rs. in Lakhs unless otherwise stated)**

**43. 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 operations of the Company. The Company's principal financial assets include trade receivables, cash and cash equivalents, bank balances, loans and other financial assets that derive directly from its operations. The Company also holds FVTPL investments and investment in subsidiary companies measured at cost.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management 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.

**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: currency risk, interest rate 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. Company is not affected by commodity risk and currency risk.

The sensitivity analyses in the following sections relate to the position as at 31 March 2021 and 31 March 2020.

The sensitivity analyses have been prepared on the basis that the amount of net debt are all constant.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post- retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analysis:

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 Company's short-term debt obligations with floating interest rates and loan advanced by Company to fellow subsidiaries and a body corporate.

The Senior Management of the Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings.

**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 FDR interest rate plus 1% (31 March 2020: FDR interest rate plus 1%), the impact of change in rate is as follows:

In the current year, interest rate sensitivity is calculated on borrowing and interest bearing deposits from customers while in the previous year it was calculated on borrowing. The impact of change in interest rate is given below:-

	Increase/de crease in basis points	Increase/(De crease) in profit before tax
31 March 2021	50	(9.52) 9.52
31 March 2020	50	(5.00) 5.00



**Spice Money Limited (Formerly known as Spice Digital Limited)**

Notes to the standalone financial statements as at and for the year ended 31 March 2021

(Rs. in Lakhs unless otherwise stated)

**Equity price risk**

The Company's investment in unlisted equity securities are mainly in subsidiary companies which is susceptible to impairment 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.

**Other risk/inherent risk**

The Company operates in financial services sector and manages very high volume of transactions, which have the inherent risk of funds management in comparison to other services sector.

**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:

Rs. In Lakhs	Gross Carrying Amount	Weighted-Average Loss Rate	Loss Allowance	Credit-Impaired
Not Due	-	0%	-	No
1- 90 days	567.09	0%	0.05	No
91-180 days	47.69	4%	2.08	No
181-270 days	-	0%	-	No
271-360 days	0.03	0%	0.03	No
More than 360 days	0.04	100%	0.04	No
	<b>614.85</b>		<b>2.20</b>	

**Movement in the expected credit loss allowance of receivables**

	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at beginning of the year	-	-
Add: Provided during the year	2.20	-
Less: Reversals of provision	-	-
Less: Amounts written off	-	-
Balance at the end of the year	<b>2.20</b>	-

**Trade receivables**

Customer credit risk is managed by the Company's established credit 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 agreement/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 Company does not hold collateral as security. The Company 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.

**Financial instruments and cash deposits**

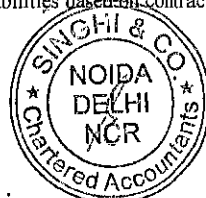
Credit risk from balances with banks is managed in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. All investments are reviewed by the Company's board of directors on a quarterly basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**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 bill discounting facility. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company 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 Company's financial liabilities based on contractual undiscounted payments.



**Spice Money Limited (Formerly known as Spice Digital Limited)**

Notes to the standalone financial statements as at and for the year ended 31 March 2021

(Rs. in Lakhs unless otherwise stated)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
<b>As at 31 March 2021</b>					
Borrowing (Non-current)					-
Borrowing	3,884.18	-	-	-	3,884.18
Trade payables	-	819.01	-	-	819.01
Lease liability (current and non-current)	-	15.64	49.28	-	64.92
Other financial liabilities	-	966.16	-	-	966.16
	<b>3,884.18</b>	<b>1,800.81</b>	<b>49.28</b>	<b>-</b>	<b>5,734.27</b>
<b>As at 31 March 2020</b>					
Borrowing(Non-current)	-	-	-	-	-
Borrowing	999.62	-	-	-	999.62
Trade payables	-	393.25	-	-	393.25
Lease liability (current and non-current)	-	14.19	44.72	64.92	123.83
Other financial liabilities	-	2,910.60	-	-	2,910.60
	<b>999.62</b>	<b>3,318.04</b>	<b>44.72</b>	<b>64.92</b>	<b>4,427.30</b>

**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's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's 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 short-term deposits with banks as margin money against issuance of bank guarantees in order to fulfil the collateral requirements for its various contracts and for pre paid instrument business. At 31 March 2021 and 31 March 2020, the fair values of the short-term deposits pledged were INR 36.92 Lakhs and INR 43.18 Lakhs respectively. The counterparties have an obligation to return the deposits to the Company upon settlement of the obligations under the contracts. There are no other significant terms and conditions associated with the use of collateral.





**Spice Money Limited (Formerly known as Spice Digital Limited)**  
**Notes to the standalone financial statements as at and for the year ended 31 March 2021**  
**(Rs. in Lakhs unless otherwise stated)**

**44. 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 parent. 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 plus net debt. The Company's policy is to keep the gearing ratio less than 75%. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

	As at 31 March 2021 Rs.	As at 31 March 2020 Rs.
Borrowing	3,884.18	999.62
Less: cash and cash equivalents	(5,989.32)	(2,728.46)
<b>Net Debt (A)</b>	<b>(2,105.14)</b>	<b>(1,728.84)</b>
Equity share capital	4,349.49	4,345.15
Other equity	3,695.09	2,585.12
<b>Total equity (B)</b>	<b>8,044.58</b>	<b>6,930.27</b>
<b>Net Debt to Equity Ratio</b>	<b>Nil</b>	<b>Nil</b>

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 period.

**45. Group information**

**Information about subsidiaries, associates and joint venture**

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

Name of subsidiary Company	Principal place of business	Proportion of ownership		Method of accounting of investment
		As at March 31, 2021	As at March 31, 2020	
Kimaan Exports Private Limited	India	100.00%	100.00%	Cost

**46. Disclosures required under Section 186(4) of the Companies Act 2013**

**Details of Investments made ( At cost )**

Particulars	Opening investments	Investments made during the year	Investment sold during the year	Closing investments
Kimaan Exports Private Limited	6,276.00	-	-	6,276.00



**Spice Money Limited (Formerly known as Spice Digital Limited)**  
**Notes to the standalone financial statements as at and for the year ended 31 March 2021**  
**(Rs. in Lakhs unless otherwise stated)**

**47 Details of dues to micro enterprises or small enterprises as defined under the MSMED Act, 2006 as identified by the management of company**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
- The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	49.49	Nil
- Interest	Nil	Nil
- The amount of interest paid by the buyer under 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 (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	Nil	Nil
- The amount of interest accrued and remaining unpaid at the end of accounting year; and	Nil	Nil
- The amount of further interest due and payable even in the succeeding year, 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	Nil	Nil



**Spice Money Limited (Formerly known as Spice Digital Limited)**  
**Notes to the standalone financial statements as at and for the year ended 31 March 2021**  
**(Rs. in Lakhs unless otherwise stated)**

**48. Transition to Ind AS 116**

The Company had adopted Ind AS 116 "Lease", effective annual reporting period beginning April 1, 2019 and using modified retrospective approach, accordingly, the Company had not restated comparative information and there is no cumulative effect of initially applying this standard on opening balance of retained earnings as on April 1, 2019.

(A) No lease contract was qualified for recognition of ROU assets as on 01 April, 2019

(B) No impact on retained earnings as on 01 April, 2019.

(C) The operating cash flows for the year ended 31 March, 2021 have increased by Rs. 68.40 lakhs (31 March 2020: Rs 68.40 lakhs) and the financing cash flows have decreased by Rs. 68.40 lakhs (31 March 2020: Rs 68.40 lakhs) as repayment of lease liabilities and related interest has been classified as cash flows from financing activities.

(D) The Company incurred Rs 147.57 Lakhs for the year ended March 31, 2021 (31 March 2020: Rs. 150.17 Lakhs) towards expenses relating to short-term leases and leases of low-value assets.

**(E) Practical expedients applied on initial application date i.e. 01 April, 2019**

- (i) The Company had not reassessed whether a contract, is or contains a lease at the date of initial application.
- (ii) The Company had utilised exemption provided for short term leases and leases for which the underlying asset is of low value on a lease-by-lease basis.
- (iii) The Company used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.
- (iv) The Company has relied on its assessment of whether leases are onerous.

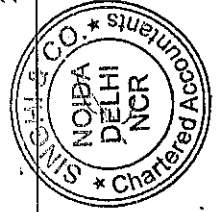
**I. Company as a lessor**

The Company was 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 from the date of initial application. The Company does not have any significant impact on account of sub-lease on the application of this standard.

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	46.83	40.73

The annual lease rental to be received by the Company during non-cancellable period is Nil.



**Spice Money Limited (Formerly known as Spice Digital Limited)**  
**Notes to the standalone financial statements as at and for the year ended 31 March 2021**  
**(Rs. in Lakhs unless otherwise stated)**

**49. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's separate 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.

**A) Taxes**

The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company respective companies in the Company which has recognised 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 949.29 Lakhs (31 March 2020: Rs 1081.11 Lakhs) recognised by the Company 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.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**B) 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.

**C) 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 judgment is required in establishing fair values. Judgments 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.

**D) Intangible asset under development**

The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgment 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.

**E) Useful lives of depreciable assets**

The management estimates useful lives and estimated residual value of depreciable assets based on technical evaluation. These assumptions are reviewed at each reporting date.

**F) 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.

**G) Investment in equity instruments of subsidiary companies**

During the year, the Company assessed the investment in equity instrument of subsidiary companies carried at cost for impairment testing. Detailed analysis has been carried out on the future projections and the Company is confident that investments do not require any impairment.

**H) 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.

**I) 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 40.

**J) 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 Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

50. The Company has carried out its initial assessment of the likely impact on economy environment and financial risk because of Covid-19 Pandemic. The management believes that there may not be significant adverse impact of Covid-19 pandemic on the financial position and performance of the Company in the long-term. The Company has reviewed the entire portfolio of its receivables and investment on a conservative basis and do not expect any material impairment in value of receivables and investment. The Company estimates to recover the carrying amount of all its assets including receivables in the ordinary course of business and expect no liquidity constraints in discharging its obligations, based on information available on current economic conditions. These estimates are subject to uncertainty and may be affected by the severity and duration of pandemic. The Company is continuously monitoring any material change in future economic conditions.

51. The Company has a wholly owned subsidiary but company has not prepared consolidated financial statements. The Holding Company prepares the consolidated financial statements which are filed with Registrar of Companies. The Company has obtained no objection from its share holders except the Group Company share holders in this regard.


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 No. 302049E

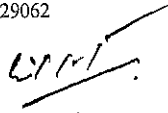
  
**Bimal Kumar Sipani**  
Partner  
Membership No.: 088926

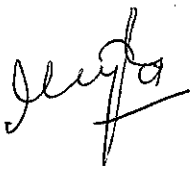


For and on behalf of the Board of Directors

  
**Dilip Kumar Modi**  
(Chairman)  
DIN: 00029062

  
**Suman Ghose Hazra**  
(Independent Director)  
DIN: 00012223

  
**Sunil Kumar Kapoor**  
(Director & CFO)  
(Mem. No. F079430)

  
**Megha Bansal**  
(Company Secretary)  
(Mem. No.: A25883)

Place: Noida

Date: June 8, 2021