Singhi & Co.
Chartered Accountants
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# 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, 2020, 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, 2020, 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.

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**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, 2020. 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 | **Deferred Tax Assets**<br>The company has carried deferred tax assets of Rs. 1251.80 Lakhs as at March 31, 2020. The accounting policies for deferred tax recognition are set out in Note 2 (D) and the breakup of deferred tax have been disclosed in Note 9 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. | **How our audit addressed the key audit matter:**<br>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. |



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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. We have nothing to report in this regard. 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016 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.



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**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.



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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, 2020 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) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

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(e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 remuneration to its executive director which is in accordance with the provisions of section 197 of the Companies Act, 2013.

(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 did not have any pending litigation having impact on its financial position – Refer Note 35 to the 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.

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

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN: 20088926AAAAFI9743

Place: Noida (Delhi-NCR)
Date: June 24, 2020

**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 physically verified its property, plant and equipment during the year except payment devices installed at the site of agents and distributers. No material discrepancies were noted wherever physical verification was done. In our opinion physical verification of payment devices installed at the site of agents and distributors should also be physically verified annually.

c. As per records of the Company, the Company did not hold any immovable property as at March 31, 2020. 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 during the year at reasonable interval and no material discrepancies were noticed on such physical verification.

(iii) The Company has granted unsecured loans to a company covered in the register maintained under Section 189 of the Companies Act, 2013. The terms and conditions of the grant of such loans are not, prima facie prejudicial to the interest of the Company. Repayment of principal was regular as stipulated, but Interest of Rs. 19.61 Lakhs were outstanding for more 90 days as on March 31, 2020 which has since received. The Company has not granted any loan to Firms, Limited Liability Partnership or any other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has complied with provisions of Section 186 of the Companies Act, 2013 in respect of loan granted during the year. 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, guarantee given or security provided under section 186 of the Companies Act, 2013 during the year.

(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.

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(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

(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 remuneration to its executive director 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.



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

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

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN: 20088926AAAAFI9743

Place: Noida (Delhi-NCR)
Date: June 24, 2020

**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, 2020 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.

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

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.



SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

**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, 2020, based on the internal control over the financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN: 20088926AAAAFI9743

Place: Noida (Delhi-NCR)
Date: June 24, 2020

Spice Money Limited( Formerly known as Spice Digital Limited)
Balance Sheet as at 31 March 2020
(Rs. in Lakhs unless otherwise stated)

| | Note | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 1341.66 | 915.96 |
| Capital work-in-progress | | 85.91 | 130.01 |
| Right of Use | 4 | 121.09 | - |
| Other intangible assets | 5 | 890.37 | 780.90 |
| Intangible assets under development | | 273.58 | 246.84 |
| **Financial assets** | | | |
| (i) Investments | 6 | 6276.00 | 6,276.00 |
| (ii) Loans | 7 | 41.88 | 29.43 |
| (iii) Other financial assets | 8 | - | - |
| Deferred tax assets (Net) | 9 | 1251.80 | 1,129.62 |
| Non current tax assets | 10 | 784.32 | 1,767.44 |
| Other non-current assets | 11 | 3.48 | 0.87 |
| **Total non-current assets** | | 11070.09 | 11,277.07 |
| **Current assets** | | | |
| Inventories | 12 | 62.45 | 31.34 |
| **Financial assets** | | | |
| (i) Investments | 6 | - | - |
| (ii) Trade receivables | 13 | 182.71 | 298.94 |
| (iii) Cash and cash equivalents | 14 | 2728.46 | 1,746.46 |
| (iv) Bank balances other than(iii) above | 15 | 1439.86 | 40.31 |
| (v) Loans | 7 | 12.19 | 39.14 |
| (vi) Other financial assets | 8 | 693.75 | 5,278.36 |
| Current Tax Assets (Net) | 10 | 633.28 | - |
| Other current assets | 11 | 842.96 | 591.46 |
| **Total current assets** | | 6595.66 | 8,026.01 |
| **Total assets** | | 17665.75 | 19,303.08 |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 16 | 4345.15 | 4,345.94 |
| Other equity | 17 | 2585.12 | 2393.35 |
| **Total equity** | | 6930.27 | 6,739.29 |
| **Liabilities** | | | |
| **Non-current liabilites** | | | |
| **Financial liabilities** | | | |
| i) Lease liability | | 64.92 | - |
| ii) Other financial liabilities | 18 | - | 3,851.63 |
| Provisions | 19 | 228.10 | 185.78 |
| **Total non-current liabilities** | | 293.02 | 4,037.41 |
| **Current liabilities** | | | |
| **Financial liabilities** | | | |
| (i) Borrowing | 21 | 999.62 | 2,000.00 |
| (ii) Trade payables | 22 | | |
| -Outstanding dues of micro enterprises & small enterprises | | - | - |
| - Outstanding dues of other than micro enterprises & small enterprises | | 393.25 | 636.66 |
| (iii) Lease liability | | 58.91 | - |
| (iv) Other financial liabilities | 18 | 2910.60 | 261.18 |
| Provisions | 19 | 44.73 | 29.75 |
| Other current liabilities | 20 | 6035.35 | 5,598.79 |
| **Total current liabilities** | | 10442.46 | 8,526.38 |
| **Total liabilities** | | 10735.48 | 12,563.79 |
| **Total equity and liabilities** | | 17665.75 | 19,303.08 |

Summary of significant accounting policies 2

The accompanying notes form an internal part of the financial statements

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

For and on behalf of the Board of Directors

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

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

**Rajneesh Arora**
(Director)
DIN: 02659510

**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: 24 June 2020

Spice Money Limited( Formerly known as Spice Digital Limited)
Statement of Profit and Loss for the year ended 31 March 2020
(Rs. in Lakhs unless otherwise stated)

| | Note | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| **Income** | | | |
| I. Revenue from operations | 23 | 25,023.68 | 13,921.79 |
| II. Other income | 24 | 177.70 | 14.28 |
| **III. Total income(I+II)** | | 25,201.38 | 13,936.07 |
| **IV. Expenses** | | | |
| Purchase of traded goods | 25 | 13,524.78 | 6,845.90 |
| Changes in inventories of traded goods | 26 | (31.11) | (25.81) |
| Service & Commission Charges | 27 | 7,108.75 | 3,843.52 |
| Employee benefit expense | 28 | 1,772.77 | 2,058.72 |
| Finance costs | 29 | 137.06 | 40.63 |
| Depreciation and amortisation expense | 20 | 820.67 | 440.73 |
| Other expenses | 31 | 1,776.84 | 1,450.38 |
| **Total expenses(IV)** | | 25,109.76 | 14,654.07 |
| **V. Profit/(Loss) before tax (III-IV)** | | 91.62 | (718.00) |
| **Profit/(loss) before tax** | | 91.62 | (718.00) |
| **VI. Tax expenses** | 32 | | |
| (1) Current tax | | | |
| - For current year | | - | - |
| - For earlier year | | 1.65 | 20.13 |
| (2) Deferred tax | | (104.21) | (87.76) |
| **Income tax expense (VI)** | | (102.56) | (67.63) |
| **VII. Profit/(Loss) for the year (V-VI)** | | 194.18 | (650.37) |
| **VIII. Other comprehensive income** | 32.1 | | |
| Re-measurement gains (losses) on defined benefit plans | | (64.63) | (2.58) |
| Income tax impact | | 17.98 | 0.72 |
| **Total other comprehensive income(VIII)** | | (46.65) | (1.86) |
| **IX. Total comprehensive income for the year (VII+VIII) (comprising profit/(loss) and other comprehensive income for the year)** | | 147.53 | (652.23) |
| **X. Earnings per equity share (nominal value of share is Rs 10)** | | | |
| Basic (In Rs.) | 33 | 0.45 | (1.50) |
| Diluted (In Rs.) | 33 | 0.45 | (1.50) |

**Summary of significant accounting policies** 2
The accompanying notes form an internal part of the 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

SINGHI & CO. NOIDA DELHI NCR Chartered Accountants

For and on behalf of the Board of Directors

Rajneesh Arora
(Director)
DIN: 02659510

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: 24 June 2020

Spice Money Limited( Formerly known as Spice Digital Limited)
For the year ended 31 March 2020
(Rs. in Lakhs unless otherwise stated)

## Statement of Changes in Equity

### A Equity share capital (Refer note no. 15)

| | No. of shares | Amount |
|---|---|---|
| **Equity shares of INR 10 each issued, subscribed and fully paid** | | |
| **At 1 April 2018** | 43,347,338 | 4,334.73 |
| Shares issued during the year | 112,000 | 11.20 |
| **At 31 March 2019** | 43,459,338 | 4,345.93 |
| Share cancelled during the year # | (7,863) | (0.79) |
| **At 31 March 2020** | 43,451,475 | 4,345.15 |

(ii) # Refer note no.15.

### B Other equity (Refer note no. 16)

| Other non-current assets | Reserve and surplus | | | | | Items of other comprehensive income | |
|---|---|---|---|---|---|---|---|
| **Particulars** | **Securities premium** | **Share buy back reserve account*** | **Capital Reserve** | **Share Based Payment Reserve** | **Retained earnings** | **Re-measurement gains (losses) on defined benefit plans** | **Total** |
| **Balance as at 1 April 2018** | 3,074.13 | 311.87 | (429.48) | - | (326.68) | 2.85 | 2,632.69 |
| **Total comprehensive income for the year** | | | | | | | |
| Profit/(loss) for the year | - | - | - | - | (650.37) | - | (650.37) |
| Other comprehensive income | - | - | | - | - | (1.86) | (1.86) |
| **Total comprehensive income** | - | - | - | - | (650.37) | (1.86) | (652.23) |
| **Transactions with owners in their capacity as owners:** | | | | | | | |
| Premium on issue of equity shares | 79.05 | | | | | | 79.05 |
| **Addition during the year:** | | | | | | | |
| Share based payment to employees of the company | | | | 333.84 | | | 333.84 |
| **Balance as at 31 March 2019** | 3,153.18 | 311.87 | (429.48) | 333.84 | (977.05) | 0.99 | 2,393.35 |
| **Total comprehensive income for the year** | | - | | - | | | - |
| Profit/(loss) for the year | - | - | | - | 194.18 | - | 194.18 |
| Other comprehensive income | - | - | | - | (46.65) | | (46.65) |
| **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 |

(i) Security premium account represents amount of premium received on issue of shares to shareholders at a price more than its face value.
(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.
(iii) Capital reserve represent reserve created persuance to scheme of arrangement.refer note no. 38.
(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 excercise/cancellation of options (refer Note no.39).
(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 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

SINGHI & CO.
NOIDA DELHI NCR
Chartered Accountants

Place: Noida
Date: 24 June 2020

For and on behalf of the Board of Directors

**Rajneesh Arora**
(Director)
DIN: 02659510

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

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

**Megha Bansal**
(Company Secretary)
(Mem. No.:A2[illegible])

Spice Money Limited( Formerly Spice Digital Limited)
Standalone Statement of Cash Flows for the year ended 31st March 2020
(Rs. in Lakhs unless otherwise stated)

| | Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| A. | **Cash flows from operating activities** | | |
| | **Profit/(loss) before tax** | 91.62 | (717.99) |
| | Adjustments to reconcile profit before tax to net cash flows: | | |
| | Loss/(gain) on property,plant and equipment | 1.27 | - |
| | Depreciation and amortisation expense | 820.67 | 440.74 |
| | Loss Allowance for doubtful debts | 9.58 | - |
| | Bad debts/advances written off | 18.15 | - |
| | Share issue expense | - | 0.09 |
| | Interest income (including fair value change in financial instruments) | (27.39) | (16.21) |
| | Net gain on sale of current investments in mutual fund units | - | 1.93 |
| | Employee Stock Option scheme | 44.41 | 333.84 |
| | Finance cost | 136.99 | 40.63 |
| | **Operating profit before working capital changes** | **1,095.30** | **83.03** |
| | **Working capital adjustments:** | | |
| | Decrease/ (increase) in trade receivables | 116.23 | (217.74) |
| | Decrease/ (increase) in inventories | (31.11) | (25.81) |
| | Decrease/(Increase) in loans, other financial assets and other assets | 4,317.26 | (4,180.17) |
| | (Decrease)/Increase in trade payables, other liabilities & provisions | 56.78 | 3,450.93 |
| | **Cash flows from operations** | **5,554.46** | **(889.76)** |
| | Income taxes refund / (paid) # | 348.19 | 393.97 |
| | **Net cash flow from/ (used in) operating activities (A)** | **5,902.65** | **(495.79)** |
| B. | **Cash flows from investing activities** | | |
| | Purchase of property, plant and equipment (including capital work in progress, intangible assets and intangible assets under development) | (1,283.54) | (945.21) |
| | Sale of current investments | - | 230.89 |
| | Sale of investment in a subsidiary | - | 625.03 |
| | Movement in Fixed Deposits | (1,399.55) | 281.32 |
| | Interest received | 27.39 | 16.35 |
| | **Net cash (used in) investing activities (B)** | **(2,655.70)** | **208.38** |
| C. | **Cash flows from financing activities** | | |
| | Proceeds from issue of equity share capital(net of share issue expense) | (0.96) | 89.00 |
| | Payment of Lease Liability | (53.46) | - |
| | Movement in money from holding company on implementation of scheme of arrangement # | (1,073.17) | (1,408.38) |
| | Finance cost | (136.99) | (40.63) |
| | **Net cash flow from/(used in) financing activities (C)** | **(1,264.58)** | **(1,360.01)** |
| | **Net (decrease)/increase in cash & cash equivalents (A+B+C)** | 1,982.37 | (1,647.42) |
| | Cash & cash equivalents at the beginning of the year | (253.54) | 1,393.88 |
| | Cash & cash equivalents at the end of the year | **1,728.83** | **(253.54)** |
| | **Components of cash & cash equivalents: (Refer note no.13)** | | |
| | Cash on hand (Full figure Rs. 360) | 0.00 | - |
| | Cheques in hand | 18.37 | 0.10 |
| | **Balances with banks:** | | |
| | On current accounts | 2,710.09 | 1,746.36 |
| | On bank overdraft | (999.62) | (2,000.00) |
| | | 1,728.84 | (253.54) |

# Includes income tax refund of Rs. 836.48 Lakhs related to demerged DTS business which has been paid to holding company as per scheme (Refer note no.18).

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 changes, 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 internal part of the standalone financial statements

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

SINGHI & CO.
NOIDA
DELHI
NCR
Chartered Accountants

Bimal Kumar Sipani
Partner
Membership No.: 088926

Place: Noida
Date: 24 June 2020

For and on behalf of the Board of Directors

Rajneesh Arora
(Director)
DIN: 02659510

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)
Notes to the standalone financial statements as at and for the year ended 31 March 2020
(Rs. in Lakhs unless otherwise stated)

**1. Corporate information**

Spice Money Limited(Formerly known 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 etc. through its authorized agents.

The financial Statments are authorized for issue by Board of Directors of Company at the meeting held on June 24, 2020.

**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 on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments). 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 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.

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Spice Money Limited( Formerly known as Spice Digital Limited)
Notes to the standalone financial statements as at and for the year ended 31 March 2020
(Rs. in Lakhs unless otherwise stated)
C. Revenue recognition

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 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 profi t differs from 'profi t 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 specifi ed period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets.
The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

**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.

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

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- Data Processing Machines - Sites : 3 to 5 years
- Data Processing Machines - Office : 3 to 5 years
- Furniture and Fittings : 7 years
- Office Equipment (excluding mobile handsets) : 5 years
- Mobile Handsets : 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 assetfor its intended use.

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

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

| **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

**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.

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**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 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 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.__.

Remeasurement comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non- routine settlements, and

- Net interest expense or income

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**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)
iv Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Debt instruments at amortised cost**
A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

**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 vendtures 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
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:
a. The Company has transferred substantially all the risks and rewards of the asset, or
b. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Impairment of financial assets**
The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables and all other financial assets with no significant financing component is measured at an amount equal to 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured for specific assets. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss 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.

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**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 39.

**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.

**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**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020

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3. Property, plant and equipment

| Particulars | Leasehold improvement | Data processing machines | Payment Devices | Furniture & fixture | Office equipment | Vehicles | Total (A) |
|---|---|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | | | |
| **Balance as at 01 April 2018** | 10.29 | 338.46 | 325.43 | 24.31 | 48.39 | 70.81 | 817.69 |
| Additions | | 7.62 | 502.48 | 0.16 | 1.87 | - | 512.13 |
| Disposals | - | - | - | - | - | - | - |
| **Balance as at 31 March 2019** | 10.29 | 346.08 | 827.91 | 24.47 | 50.26 | 70.81 | 1,329.82 |
| Additions | - | 195.90 | 760.34 | - | 1.40 | | 957.64 |
| Disposals/Transfer | 10.29 | 2.01 | | 23.18 | 40.70 | 28.00 | 104.18 |
| **Balance as at 31 March 2020** | - | 539.97 | 1,588.25 | 1.29 | 10.96 | 42.81 | 2,183.28 |
| **Accumulated depreciation** | | | | | | | |
| **Balance as at 31 March 2018** | 8.58 | 82.47 | 26.93 | 8.60 | 28.78 | 19.64 | 175.00 |
| Depreciation (Refer Note 29) | 1.71 | 67.03 | 149.79 | 3.52 | 8.24 | 8.57 | 238.86 |
| Disposals | - | - | - | - | - | - | - |
| **Balance as at 31 March 2019** | 10.29 | 149.50 | 176.72 | 12.12 | 37.02 | 28.21 | 413.86 |
| Depreciation (Refer Note 29) | | 85.86 | 399.92 | 3.47 | 5.06 | 7.86 | 502.17 |
| Disposals/Transfer | 10.29 | 1.90 | | 14.83 | 35.28 | 12.11 | 74.41 |
| **Balance as at 31 March 2020** | - | 233.46 | 576.64 | 0.76 | 6.80 | 23.96 | 841.62 |
| **Net carrying amount** | | | | | | | |
| As at 31 Mar 2019 | - | 196.58 | 651.19 | 12.35 | 13.24 | 42.60 | 915.96 |
| As at 31 March 2020 | - | 306.51 | 1,011.61 | 0.53 | 4.16 | 18.85 | 1,341.66 |

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4. Right of Use Assets

| Particulars | Building |
|---|---|
| **Gross carrying amount** | |
| **Balance as at 01 April 2018** | - |
| Additions | - |
| Transfer | |
| **Balance as at 31 March 2019** | - |
| Additions | 181.64 |
| Discard/Transfer | - |
| **Balance as at 31 March 2020** | **181.64** |
| **Amortisation** | |
| **Balance as at 01 April 2018** | - |
| Depreciation | - |
| **Balance as at 31 March 2019** | - |
| Depreciation | 60.55 |
| Discard/Transfer | |
| **Balance as at 31 March 2020** | **60.55** |
| **Net carrying amount** | |
| **As at 31 March 2019** | - |
| **As at 31 March 2020** | **121.09** |

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5. Other intangible assets

| Particulars | Computer software | In-house developed Software | Total |
|---|---|---|---|
| **Gross carrying amount** | | | |
| Balance as at 01 April 2018 | 575.12 | 251.95 | 827.07 |
| Additions | 4.70 | 395.25 | 399.95 |
| Transfer | | | |
| Balance as at 31 March 2019 | 579.82 | 647.20 | 1,227.02 |
| Additions | 139.45 | 271.15 | 410.60 |
| Transfer | | 86.32 | 86.32 |
| Balance as at 31 March 2020 | 719.27 | 832.03 | 1,551.30 |
| **Amortisation** | | | |
| Balance as at 01 April 2018 | 234.98 | 9.26 | 244.24 |
| Amortisation expense (refer note 29) | 92.34 | 109.54 | 201.88 |
| Balance as at 31 March 2019 | 327.32 | 118.80 | 446.12 |
| Amortisation expense (refer note 29) | 98.17 | 159.78 | 257.95 |
| Transfer | | 43.14 | 43.14 |
| Balance as at 31 March 2020 | 425.49 | 235.44 | 660.93 |
| **Net carrying amount** | | | |
| As at 31 March 2019 | 252.50 | 528.40 | 780.90 |
| As at 31 March 2020 | 293.78 | 596.59 | 890.37 |

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

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| 6. Investments | No. of Shares as at 31 March 2020 | No. of Shares as at 31 March 2019 | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|---|---|
| | | | Non-current | Current | Non-current | Current |
| **i) Investment in equity instruments** | | | | | | |
| **Unquoted investments** | | | | | | |
| **Investment in subsidiaries carried at cost unless otherwise stated** | | | | | | |
| Kimaan Exports Private Limited# ( face value Rs. 10) | 20,000 | 20,000 | 6,276.00 | - | 6,276.00 | - |
| | | | 6,276.00 | - | 6,276.00 | - |
| **Aggregate value of unquoted investments** | | | **6,276.00** | - | **6,276.00** | - |
| Aggregate value of unquoted investments | | | 6,276.00 | - | 6,276.00 | - |
| Aggregate amount of impairment in value of investment | | | - | - | - | - |

7. Loans

| | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **Loans to employess** | | | | |
| Considered good-Secured | - | - | - | - |
| Considered good-Unsecured | 7.22 | 6.82 | 27.53 | 20.19 |
| Loans which have significant increase in credit risk | - | - | - | - |
| Loans-credit impaired | - | - | - | - |
| Less: Loss allowance | - | - | - | - |
| | 7.22 | 6.82 | 27.53 | 20.19 |
| **Security Deposits** | | | | |
| Considered good-Secured | - | - | - | - |
| Considered good-Unsecured | 34.66 | 5.37 | 1.90 | 18.95 |
| Security Deposit which have significant increase in credit risk | - | - | - | - |
| Security Deposit-credit impaired | - | - | - | - |
| Less: Loss allowance | | | | |
| | 34.66 | 5.37 | 1.90 | 18.95 |
| **Total** | 41.88 | 12.19 | 29.43 | 39.14 |

- Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company whereever 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 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **Receivable from related party -considered good** | | | | |
| Interest accrued on inter-corporate loans | - | 16.87 | - | - |
| Receivable against ticketing | - | 57.24 | - | 35.18 |
| **Receivable from related party -considered doubtful** | | | | |
| Interest accrued on inter-corporate loans | - | - | - | - |
| Receivable against ticketing | - | - | - | - |
| **Receivable from others -considered good** | | | | |
| Receivable against ticketing | - | 32.55 | - | 106.41 |
| Interest accrued on fixed deposits | | 17.86 | - | 0.04 |
| Unbilled Receivable | | 3.01 | - | 19.68 |
| Receivable against collection from agents | - | 566.22 | - | 5,117.05 |
| Deposits with remaining maturity of more than 12 months | - | - | 9.19 | - |
| **Receivable from others -considered doubtful** | | | | |
| Receivable against collection from agents | | 12.85 | - | 21.42 |
| | - | 706.60 | 9.19 | 5,299.79 |
| Less : Loss Allowance for doubtful | | (12.85) | | (21.42) |
| Total | - | 693.75 | 9.19 | 5,278.37 |

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## 9. 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-20 | 31 March 2019 | 31-Mar-20 | 31 March 2019 | 31-Mar-20 | 31 March 2019 |
| Property, plant and equipments, Right of Use Assets and intangible assets: Impact of difference between tax depreciation and depreciation/ amortisation recognised in books | - | - | (154.14) | (106.84) | (154.14) | (106.84) |
| ESOP provision | 105.23 | 92.87 | | | 105.23 | 92.87 |
| Provisions-employee benefits | 86.77 | 70.91 | - | - | 86.77 | 70.91 |
| Provisions for Loss Allowances | 6.24 | 8.01 | - | - | 6.24 | 8.01 |
| Lease Liability | 34.45 | - | - | - | 34.45 | - |
| Unabsorbed depreciation | 89.33 | - | - | - | 89.33 | - |
| Other items | 3.23 | 0.61 | (0.42) | (15.40) | 2.81 | (14.79) |
| **Deferred tax assets/ (liabilities)** | 325.25 | 172.40 | (154.56) | (122.24) | 170.69 | 50.16 |
| MAT credit receivables | 1,081.11 | 1,079.46 | - | - | 1,081.11 | 1,079.46 |
| **Net deferred tax assets/ (liabilities)** | 1,406.36 | 1,251.86 | (154.56) | (122.24) | 1,251.80 | 1,129.62 |

**Recognised deferred tax assets and liabilites(continued)**

B. Movement in temporary differences

| | Balance as at 31 March 2018 | Charged/(Created) in profit or loss during 2018-19 | Recognised in OCI 2018-19 | Balance as at 31 March 2019 | Charged/(Created) in profit or loss during 2019-20 | Recognised in OCI 2019-20 | Balance as at 31 March 2020 |
|---|---|---|---|---|---|---|---|
| Property, plant and equipments, Right of Use Assets and intangible assets Impact of difference between tax depreciation and depreciation/ amortisation recognised in books | (77.56) | 29.28 | | (106.84) | 47.30 | - | (154.14) |
| Investment at fair value through profit or loss | (9.13) | (9.13) | | - | - | - | - |
| ESOP provision | | (92.87) | | 92.87 | (12.36) | | 105.23 |
| Provisions-employee benefits | 57.21 | (12.97) | 0.72 | 70.90 | 2.11 | 17.98 | 86.77 |
| Provisions for Loss Allowances | 8.01 | | | 8.01 | 1.77 | - | 6.24 |
| Lease Liability | | | | | (34.45) | - | 34.45 |
| Unabsorbed depreciation | - | - | - | - | (89.33) | - | 89.33 |
| Other items | 3.27 | 18.06 | | (14.78) | (17.60) | - | 2.81 |
| MAT credit receivables | 1,059.33 | (20.13) | | 1,079.46 | (1.65) | | 1,081.11 |
| | 1,041.13 | (87.76) | 0.72 | 1,129.62 | (104.21) | 17.98 | 1,251.80 |

Net deferred tax assets

| Disclosed in the balance sheet as follows: | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| Deferred tax assets | 1,406.36 | 1,251.86 |
| Deferred tax liabilities | 154.56 | 122.24 |
| **Deferred tax assets (net)** | 1,251.80 | 1,129.62 |

| Disclosed in the statement of profit and loss as follov | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|
| Tax income(expense) during the year | (104.21) | (87.76) |
| Income tax impact of OCI | 17.98 | 0.72 |
| **Deferred tax assets (net)** | (86.23) | (87.04) |

In pursuance to section 115BAA of the Income Tax Act, 1961 notified by Government of India through Taxation Laws (Amendment) Act 2019, the company has an irrevocable option of shifting to lower tax rate foregoing other tax incentives. The Company is having unabsorbed depreciation and unutilised MAT Credit accumulation as on the reporting date. MAT credit shall be available for utilization during FY 2023-24 to 2028-29. As per the projections, the company expects to utilize the MAT Credit within precribed period. In view of unabsorbed depreciation and MAT credit entilement, the company has not exercised option under section 115 BAA of the Income Tax Act, 1961 and continue to recognise the taxes on income for the year as per the normal tax rate at which management expect to recover or settle the defer tax . Company will review the above position at each year end.

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

| | As at 31 March 2020 | As at 31 March 2020 | As at 31 March 2019 | As at 31 March 2019 |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Advance income-tax (net of provision for taxation) | 784.32 | 633.28 | 1,767.44 | |
| | 784.32 | 633.28 | 1,767.44 | - |

**11. Other assets**

| | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **Receivable from related party -considered good** | | | | |
| Advances to related parties | - | 41.20 | - | - |
| **Receivable from related party -considered doubtful** | | | | |
| Advances to related parties | - | - | - | - |
| **Receivable from others -considered good** | | | | |
| Capital Advances | - | 112.76 | - | - |
| Prepaid rent | 1.63 | 1.56 | 0.87 | 0.11 |
| Prepaid expenses | 1.85 | 72.43 | - | 88.68 |
| Input Tax Credit Receivables | - | 220.75 | - | 62.86 |
| GST paid under Protest | - | 10.26 | - | 5.13 |
| Advances to service providers | - | 384.00 | - | 434.68 |
| **Receivable from others - considered doubtful** | | | | |
| Advances to service providers | - | - | - | - |
| | 3.48 | 842.96 | 0.87 | 591.46 |
| Less : Loss Allowance for doubtful | - | - | | - |
| **Total** | 3.48 | 842.96 | 0.87 | 591.46 |

**12. Inventories**

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Traded goods (at lower of cost and net realisable value) | 62.45 | 31.34 |
| **Total** | 62.45 | 31.34 |

The cost of inventories recognised as an expense includes Rs. 15 Lakhs (2019 - nil) in respect of write-downs of inventory to net realisable value.

**13. Trade receivables**

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Receivables from related parties (refer note 38) | - | - |
| Receivables from others | 182.71 | 298.94 |
| | 182.71 | 298.94 |
| Secured, considered good | - | - |
| Unsecured, considered good | 182.71 | 298.94 |
| Unsecured, significant risk increased | - | - |
| Unsecured, Credit Impaired* | - | - |
| | 182.71 | 298.94 |
| Loss Allowance | - | - |
| **Total** | 182.71 | 298.94 |

- 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 2020 | As at 31 March 2019 |
|---|---|---|
| **Balance with banks:** | | |
| On current accounts # | 2,710.09 | 1,769.90 |
| Deposit with original maturity of less than three months | - | 21.00 |
| Cheques/drafts on hand | 18.37 | 0.08 |
| Cash on hand | 0.00 | 2.37 |
| **Total** | 2,728.46 | 1,793.35 |

- Includes Rs. 177.80 Lakhs (Previous Year Nil) for which balance confirmation from banks could not be obtained due to working limitation imposed on account of covid 19 pandemic.
- 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 off of Rs. 14.04 Lakhs (31 March 2019: Rs. 141.44) relating to Digispice Technologies Limited (Formerly known as Spice Mobility Limited "Holding Company")

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**15. Other bank balances***

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Deposits with remaining maturity of less than 12 months# | - | - |
| Deposit held as security agaisnt borrowings/bank guarantee (remaining maturity of less than 12 months) ## | 1,439.86 | 40.31 |
| **Total** | **1,439.86** | **40.31** |

*Includes Deposits of Rs. 43.18 Lakhs (31 March 2019: Nil) pledged against issue of bank guarantees and deposits of Rs. 100.00 Lakhs (31 March 2019 INR 40.31 Lakhs) pledged for pre paid instrument business and Deposits of Rs. 1271.68 Lakhs (31 March 2019 Nil) pledged against borrowings and Deposits of Rs. 25 Lakhs (31 March 2019: Nil) pledged against issue of corporate credit card.
# After net off of Rs. 3.41 Lakhs (31 March 2019: Rs.3.22) relating to Digispice Technologies Limited (Formerly known as Spice Mobility Limited "Holding Company").
## After net off of Rs. 903.94 Lakhs (31 March 2019: Rs.1190.77) relating to Digispice Technologies Limited (Formerly known as Spice Mobility Limited "Holding Company").

**16. Equity Share capital**

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Authorised share capital** | | |
| 100,000,000 (100,000,000) Equity shares of Rs. 10 each | 10,000.00 | 10,000.00 |
| **Total** | **10,000.00** | **10,000.00** |
| | | |
| **Issued, subscribed and fully paid up** | | |
| 43,451,475 (as at March 31, 2019: 43,459,338) Equity shares of Rs. 10 each | 4,345.15 | 4345.94 |
| **Total** | **4,345.15** | **4,345.94** |

| | As at 31 March 2020 No. of Share | As at 31 March 2020 INR in lakhs | As at 31 March 2019 No. of Share | As at 31 March 2019 INR in lakhs |
|---|---|---|---|---|
| Equity shares outstanding at the beginning of the year | 43,459,338 | 4,345.93 | 43,347,338 | 4,334.73 |
| Equity shares issued during the year | | | 112,000 | 11.20 |
| Equity shares cancelled during the year# | 7,863 | 0.79 | - | - |
| Equity shares outstanding at the end of the year | **43,451,475** | **4,345.15** | **43,459,338** | **4,345.93** |

**B. Rights, preferences and restrictions attached to equity shares**
- The Company has single class of equity shares having a par value of Rs. 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to amount paid on equity share. Voting rights cannot be excercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

**C. 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 2020 | As at 31 March 2019 |
|---|---|---|
| **Digispice Technologies Limited (Formerly known as Spice Mobility Limited)** | | |
| 4,34,51,475 (31 March 2019: 4,34,51,475) equity shares | 4,345.15 | 4,335.07 |
| **Total** | **4,345.15** | **4,335.07** |

**D. Details of shareholders holding more than 5% shares in the Company**

| **Name of the shareholder** | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| DiGispice Technologies Limited (Holding Company) | 43,451,475 | 100.00 | 43,451,475 | 99.98 |
| (Formerly known as Spice Mobility Limited) | 43,451,475 | 100.00 | 43,451,475 | 99.98 |

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

# During the year the Company has 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. 38).

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**17. Other equity**

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Securities premium | 3,153.18 | 3,153.18 |
| Share buy back reserve account | 311.87 | 311.87 |
| Capital Reserve | (429.65) | (429.48) |
| Share based payment Reserve | 378.25 | 333.84 |
| Retained earnings | (828.53) | (976.06) |
| **Total** | **2,585.12** | **2,393.35** |

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Securities premium** | | |
| Opening balance | 3,153.18 | 3,074.13 |
| Add : Premium on equity shares issued | - | 79.05 |
| Less: Premium paid on cancellation of shares | - | - |
| Closing balance | **3,153.18** | **3,153.18** |
| | | |
| **Share buy back reserve account** | | |
| Opening balance | 311.87 | 311.87 |
| Additions during the year | | |
| Closing balance | **311.87** | **311.87** |
| | | |
| **Capital Reserve** | | |
| Opening balance | (429.48) | (429.48) |
| Less: Premium paid on cancellation of shares (refer note no. 16) | 0.17 | |
| Less: Holding company issue its own shares on cancellation of shares (refer note no. 16) | | |
| Additions during the year | - | - |
| Closing balance | **(429.65)** | **(429.48)** |
| | | |
| **Share based payment Reserve** | | |
| Opening balance | 333.84 | - |
| Additions during the year | 44.41 | 333.84 |
| Closing balance | **378.25** | **333.84** |
| | | |
| **Retained earnings** | | |
| Opening balance | (976.06) | (323.84) |
| Profit/ (loss) for the year (including other comprehensive income) | 147.53 | (652.22) |
| Closing balance | **(828.53)** | **(976.06)** |

**18. Other financial liabilities**

| | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Payable to related parties (refer note no. 38) | - | 2,778.46 | 3,851.63 | - |
| **Payable to others** | | | | |
| Interest Accrued but not due | - | 1.67 | - | - |
| Employee related payable (includes salary payable and variable compensation) | - | 130.47 | - | 261.18 |
| Others | - | | | |
| **Total** | - | **2,910.60** | **3,851.63** | **261.18** |

* Represents money payable to Digispice Technologies Limited (Formerly Spice Mobility Limited) (Holding Company) on implementation of Scheme of Arrangement (refer note no.38)". Out of total amount Rs. 3,851.63 Lakhs oustanding as on 31 March, 2019, Rs. 1446.79 Lakhs relates to income tax refund receivabable from Income Tax Department of demerged DTS business, out of which Rs.836.48 Lakhs refund received and paid during the year to holding company. Balance income tax refund receivable of Rs. 610.31 Lakhs shall be paid to the holding company on receipt from Income Tax Department. The Company intends to settle balance amount in next year.

**19. Provisions**

| | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **Provision for employees benefits** | | | | |
| Gratuity (Refer Note 36) | 150.16 | 20.89 | 110.16 | 14.83 |
| Compensated absences | 77.94 | 13.58 | 75.62 | 14.92 |
| Provision for GST under dispute | - | 10.26 | - | - |
| **Total** | **228.10** | **44.73** | **185.78** | **29.75** |

**20. Other liabilities**

| | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Deferred revenue | - | 1.79 | - | 0.88 |
| Advances from customers | - | 5,813.32 | - | 5,350.14 |
| Statutory dues payable | - | 165.58 | - | 247.77 |
| Others | - | 54.66 | - | - |
| | - | 6,035.35 | - | 5,598.79 |

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**Spice Money Limited( Formerly known as Spice Digital Limited)**
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**21. Borrowings**

| | Maturity | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| Secured | | | |
| Overdraft facilities from banks | On demand | 999.62 | 2,000.00 |
| | | 999.62 | 2,000.00 |

-Secured by pledge of fixed deposit with banks. In previous year, overdraft facilities from bank was secured by exclusive charge by way of hypothecation on entire receivable from NPCI routed through RBI.The facility carries interest at 8.75% (31 March 2019 : base rate Plus 1.30%).

**22.Trade payables**

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Trade payables to related parties (refer note 38) | - | - |
| Trade payables (refer note 45 for details of due to micro and small enterprises) | | |
| -Outstanding dues of Micro Enterprises & Small Enterprises | - | - |
| - Outstanding dues of Other than Micro Enterprises & Small Enterprises | 393.25 | 636.66 |
| Net Balance | 393.25 | 636.66 |

- 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. This has been relied upon by the auditors.

| **23. Revenue from operations** | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Sale of Airtime and Traded Goods | | |
| Airtime | 13,667.64 | 6,530.68 |
| Payment devices and others | (4.27) | 549.29 |
| | 13,663.37 | 7,079.97 |
| Sales/rendering of services | 11,360.31 | 6,841.82 |
| | 11,360.31 | 6,841.82 |
| Total | 25,023.68 | 13,921.79 |

| | | |
|---|---|---|
| **24. Other income** | | |
| Interest received on financial and non financial assets -Carried at amortised cost | | |
| Bank deposits | 101.85 | 13.06 |
| Inter corporate loans | 27.39 | - |
| Others | 4.73 | 3.14 |
| **Dividend income on** | | |
| Rental Income | 40.73 | |
| Net gain on sale of current investments in mutual fund units | - | (1.93) |
| Other non-operating income | 3.00 | - |
| | 177.70 | 14.27 |

| | | |
|---|---|---|
| **25. Purchase of traded goods** | | |
| Purchase of Airtimes and Traded Goods | 13,524.78 | 6,845.90 |
| **Total** | 13,524.78 | 6,845.90 |

| | | |
|---|---|---|
| **26. Change in inventories of traded goods** | | |
| Inventory at the beginning of the year | 31.34 | 5.53 |
| Less: inventory at the end of the year | 62.45 | 31.34 |
| **Total change in inventories of traded goods** | (31.11) | (25.81) |

| | | |
|---|---|---|
| **27. Service & Commission Charges** | | |
| Domestice Money Transfer Charges | 767.20 | 514.57 |
| Commission and other charges | 6,339.75 | 3,318.35 |
| GSP Services Charges | 1.80 | 10.60 |
| | 7,108.75 | 3,843.52 |

| | | |
|---|---|---|
| **28. Employee benefits expenses** | | |
| Salaries, wages and bonus* | 1,787.71 | 1,614.07 |
| Contribution to provident fund | 121.34 | 122.42 |
| Gratuity expense (Refer Note 34) | 36.07 | 32.90 |
| Share based payment expense (Refer Note 39) | 44.41 | 333.84 |
| Staff welfare expenses | 62.54 | 68.09 |
| | 2,052.07 | 2,171.31 |
| Less: Transfer to Intangibale Assets under Development/ Intangible Assets | 279.30 | 112.60 |
| | 1,772.77 | 2,058.71 |

| | | |
|---|---|---|
| **29. Finance costs** | | |
| Interest on: | | |
| Borrowings | 122.05 | 40.63 |
| Lease Liability | 14.94 | - |
| Satutory dues | 0.07 | - |
| | 137.06 | 40.63 |

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**30. Depreciation and amortization expense**

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Depreciation on property, plant and equipment (Note 3) | 502.17 | 238.86 |
| Depreciation on Right of Use Assets (Note 4) | 60.55 | - |
| Amortisation on intangible assets (Note 5) | 257.95 | 201.88 |
| | 820.67 | 440.74 |

**31. Other expenses**

| | | |
|---|---|---|
| Rent | 150.17 | 145.00 |
| Rates and taxes** | 12.52 | 0.66 |
| Insurance | 10.09 | 5.85 |
| Repair | | |
| - Computers and others | 93.14 | 90.57 |
| - Buildings | - | 0.36 |
| Electricity and water | 35.98 | 34.50 |
| Advertising and sales promotion | 105.79 | 57.74 |
| Brokerage and discounts | - | 1.89 |
| Travelling and conveyance | 279.58 | 264.80 |
| Communication costs | 139.38 | 101.14 |
| Legal and professional fees# | 640.83 | 457.96 |
| Director's sitting fees | 6.75 | 2.07 |
| Payment to auditors (Refer details below) | 19.19 | 14.80 |
| Vehicle running and maintenance | 196.14 | 213.91 |
| Allowance for doubtful debts | 9.58 | |
| Loss on sale of fixed assets (net) | 1.27 | - |
| Donation | 0.94 | - |
| Bad debts/advances written off | 18.15 | |
| Miscellaneous expenses | 75.95 | 86.10 |
| | 1,795.45 | 1,477.36 |
| Less: Transfer to Intangibale Assets under Development/ Intangible Assets | 18.61 | 27.00 |
| | 1,776.84 | 1,450.36 |

** includes stamp duty Rs. nil (31 March 2019: Rs. 0.09 lakhs) for right issue of shares.

| | | |
|---|---|---|
| **A. Payment to auditors (excluding taxes)#** | | |
| As auditor | | |
| Statutory Audit fee | 7.00 | 2.36 |
| Tax audit fee | 2.00 | 0.59 |
| Limited review | 6.00 | 2.95 |
| **In other capacity:-** | | |
| certification fees | 3.10 | 8.74 |
| Reimbursement of expenses | 1.09 | 0.16 |
| | 19.19 | 14.80 |

**32. Income tax**

The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

| A. Amount recognised in profit and loss: | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Current Income Tax:** | | |
| Adjustment in respect of current tax of previous year | 1.65 | 20.13 |
| **Deferred tax:** | | |
| Relating to origination and reversal of temporary differences | (104.21) | (87.76) |
| **Income tax expense reported in the statement of profit or loss** | (102.56) | (67.63) |
| Deferred tax impact on component of other comprensive income (OCI) | | |
| **Re-measurement of defined benefit obligations** | (17.98) | 0.72 |
| **Total income tax benefit recognised in other comprehensive income** | (17.98) | 0.72 |

| B. Reconciliation of effective tax rate | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Profit(loss) for the year | 91.62 | (717.99) |
| Income tax using the domestic tax rate (CY -27.82% PY 27.82%) | 25.49 | (199.74) |
| Non deductibe expenses | 0.28 | 0.22 |
| Adjustment in respect of current income tax of earlier years | 1.65 | 20.13 |
| changes in estimates related to prior years | (1.65) | (20.13) |
| Deferred tax recognised on Tax losses of earlier years | (89.33) | - |
| Set off of tax losses of earlier year with current year's taxable income | (27.35) | - |
| Unrecongised Tax losses | - | 124.28 |
| Others | (11.66) | 7.61 |
| | (102.57) | (67.63) |

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### 32.1. Components of other comprehensive income (OCI)

| | | |
|---|---|---|
| Re-measurement gains (losses) on defined benefit plans | (64.63) | (2.58) |
| Deferred tax impact | 17.98 | 0.72 |
| | (46.65) | (1.86) |

### 33. 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: | 194.18 | (650.37) |
| Profit attributable to equity holders for basic and diuted earnings | **194.18** | **(650.37)** |
| | | |
| Weighted average number of equity shares outstanding | 43,451,475 | 43,451,053 |
| | | |
| **Basic and diluted earnings per share of Rs. 10 each ( in Rs.)** | 0.45 | (1.50) |

*There have been no transactions involving Equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements, hence the weighted average number of shares remain same as at 31 March 2020 and 31 March 2019.

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**34. 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, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Employer's contribution to provident | 121.34 | 122.42 |
| | 121.34 | 122.42 |

**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, 2020 | As at March 31, 2019 |
|---|---|---|
| Present value of obligation of Gratuity plan | 171.04 | 125.00 |
| Fair value of Plan assets | - | - |
| **Net liability recognised in balance sheet** | 171.04 | 125.00 |

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

| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Current service cost | 26.50 | 23.94 |
| Interest cost on benefit obligation | 9.57 | 7.81 |
| Contribution paid from the Fund | - | 1.24 |
| Expected return on plan assets | - | (0.19) |
| **Net benefit expense** | 36.07 | 32.90 |

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

| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| **Opening defined benefit obligation** | 125.00 | 97.83 |
| Acquisition adjustment for the previous year* | - | 4.81 |
| Interest cost | 9.57 | 7.81 |
| Current service cost | 26.50 | 23.94 |
| Benefits paid | (54.66) | (9.14) |
| Re-measurements (gain)/loss | 64.63 | (0.25) |
| **Closing defined benefit obligation** | 171.04 | 125.00 |

* Includes INR 2.38 Lakhs as per Acturial certificate. Includes INR 1.19 Lakhs on account of merger, the same adjustment is appearing in digispice March 31, 2019.

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

| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| **Opening fair value of plan asset** | - | 1.24 |
| Expected return | - | 0.10 |
| Benefits paid | - | (1.24) |
| Actuarial gains/(loss) on plan assets | - | (0.10) |
| **Closing fair value of plan asset** | - | - |

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

| | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Discount rate | 6.80% | 7.66% |
| Future salary increases | 8.00% | 8.00% |
| Retirement Age (Years) | 58 Years | 58 Years |
| Mortality rates inclusive of provision for disability | 100% of IALM | |
| Ages | **Withdrawal Rate %** | |
| 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 2020 is as shown below:**

| | As at March 31, 2020 Discount Rate | | As at March 31, 2020 Future Salary Increase | |
|---|---|---|---|---|
| Sensitivity level | 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) |

**(vii). A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:**

| | As at March 31, 2019 Discount Rate | | As at March 31, 2019 Future Salary Increase | |
|---|---|---|---|---|
| Sensitivity level | 0.5% Increase | 0.5% Decrease | 0.5% Increase | 0.5% Decrease |
| Impact on defined benefit obligation | (3.37) | 3.55 | 3.06 | (2.9[illegible]) |

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 2020 | As at 31 March 2019 |
| Within the next 12 months (next annual reporting period) | 20.89 | 14.8[illegible] |
| Between 2-5 Years | 69.29 | 49.1[illegible] |
| Between 5-10 years | 12.12 | 8.7[illegible] |
| Beyond 10 years | 68.74 | 52.3[illegible] |
| **Total expected payments** | **171.04** | **125.00** |

The average remaining working life of the defined benefit plan obligation at the end of the reporting period is 23.84 years (31 March 2019: 23.88 years).

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35. Commitments and contingencies

(a) Commitments

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

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Estimated value of contracts (net of advances) remaining to be executed on capital account and not provided for. | 205.02 | 111.09 |

(b) Contingent liabilities

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| | Nil | Nil |

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36 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 exits and with whom transactions have taken place during reported periods are:

**Entity with significant influence:**

| | |
|---|---|
| **Ultimate holding Company** | Smart Global Corporate Holding Private Limited |
| **Holding Company** | Digispice Technologies Limited (Formerly known as Spice Mobility Limited)<br>Spice Connect Private Limited (Formerly known as Smart Ventures Private Limited) |
| **Subsidiaries** | Kimaan Exports Private Limited |
| **Other related parties with whom transactions have taken place during the year** | Momagic Tecnologies Private Limited<br>S Global Innovation Centre Pte Ltd |
| **Fellow subsidiaries** | Wall Street Finance Limited<br>Goldman Securities Private Limited<br>New Spice Sales & Solutions Limited (Formerly known as Spice Retail Limited)<br>Singlestop Evaluation Private Limited<br>Hindustan Retail Private Limited<br>Bougainvillea Multiplex & Entertainment Center Private Limited<br>Sterea Infratech Limited<br>Smart Bharat Pvt. Ltd. (Formerly Known As Smart Entertainment Pvt. Ltd.)<br>Smartvalue Ventures Private Limited (Formerly known as Spice Investments & Finance Advisors Private Limited)<br>S Global Services Pte. Limited (Formerly known as S GIC Pte. Limited)<br>Beoworld SDN. BHD<br>PT Spice Digital Indonesia<br>Omnia Pte. Limited<br>S Mobility Pte. Limited<br>Spice VAS (Africa) Pte. Limited<br>Digispice Nigeria Ltd( Earlier known as Spice Digital Nigeria Limited)<br>Spice VAS Kenya Limited<br>Digispice Uganda Ltd(Earlier known as Spice VAS Uganda Limited)<br>Digispice Ghana Ltd(Earlier known as Spice VAS Ghana Limited )<br>Digispice Zambia Ltd(Earlier known as Spice VAS Zambia Limited)<br>Digispice Tanzania Ltd(Earlier known as Spice VAS Tanzania Limited)<br>Spice Digital FZCO<br>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)<br><br>Spice VAS RDC Limited<br>SVA (Mauritius) Pvt Limited<br>Spice Smart Solutions Limited<br>Spice Bulls Investment Ltd |
| **Key management personnel (KMP)** | Mr. Dilip Kumar Modi (Non-executive Chairman)<br>Mr. S.K. Jain (Resigned w.e.f June 14,2019)<br>Mr. Subramanian Murali (Resigned w.e.f June 14,2019)<br>Mr. Umang Das(Resigned w.e.f August 7,2019)<br>Mr. Suman Ghose Hazra (Independent Director)<br>Mr. Sunil Kumar Kapoor (CFO upto May 1, 2019 and Appointed as Director and CFO w.e.f May 2,2019)<br>Mr.Ramesh Venkataraman (Appointed as Director w.e.f November 7,2019)<br>Mr. Rajneesh Arora ,Director ( Appointed as Director w.e.f May 2,2019)<br>Ms.Megha Bansal (Company Secretary) (Appointed w.e.f. Feb. 3, 2020)<br>Ms. Kokila (Compnay Secretary) (Resigned w.e.f August 23, 2019)<br>Mr. Saket Agarwal (Chief Executive Officer) (Resigned w.e.f May1 ,2019) |

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| Particulars | Relationship | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|
| **Revenue from commission** | | | |
| Digispice Technologies Limited (Formerly known as Spice Mobility Limited) | Holding Company | - | 0.78 |
| **Purchase of airtime** | | | |
| Digispice Technologies Limited (Formerly known as Spice Mobility Limited) | Holding Company | | 84.00 |
| **Travel Services** | | | |
| Digispice Technologies Limited (Formerly known as Spice Mobility Limited) | Holding Company | 16.31 | 2.53 |
| Spice Connect Private Limited | Holding Company | 3.45 | 20.24 |
| Wall Street Finance Limited | Fellow Subsidiary | 0.76 | 1.59 |
| Dilip Modi | KMP | 39.75 | - |
| Smart Bharat Pvt. Ltd. (Formerly Known As Smart Entertainment Pvt. Ltd.) | Fellow Subsidiary | - | 0.04 |
| **Rent paid** | | | |
| Digispice Technologies Limited (Formerly known as Spice Mobility Limited) | Holding Company | 120.78 | 121.31 |
| **Interest income** | | | |
| Spice Bulls Investment Ltd | Fellow Subsidiary | 27.39 | - |
| **Remuneration paid (Short-term employee benefits)** | | | |
| Saket Agarwal | KMP-CEO | 8.33 | 240.00 |
| Sunil Kumar Kapoor | KMP- Director & CFO | 53.51 | 50.00 |
| Kokila | KMP-CS | 9.97 | 14.47 |
| Megha Bansal | KMP-CS | 0.75 | |
| **Bad Debts Written off during the year** | | | |
| 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 | - |
| **Director sitting fees** | | | |
| Umang Das | KMP-Independent Director | 2.25 | 1.18 |
| Suman Ghose Hazra | KMP-Independent Director | 4.50 | 0.89 |
| **Reimbursement of expenses paid to related companies** | | | |
| Digispice Technologies Limited (Formerly known as Spice Mobility Limited) | Holding Company | 77.44 | 23.82 |
| **Reimbursement of expenses received from related companies** | | | |
| Digispice Technologies Limited (Formerly known as Spice Mobility Limited) | Holding Company | 111.60 | - |
| **Loan/Advance Given during the year** | | | |
| Spice Bulls Investment Ltd | Fellow Subsidiary | 700.00 | - |
| **Loan received back during the year** | | | |
| Spice Bulls Investment Ltd | Fellow Subsidiary | 700.00 | - |
| **Sale of Investments** | | | |
| Luharia Technologies Pvt ltd | Subsidiary | - | 625.03 |
| **Advance recoverable** | | | |
| Digispice Technologies Limited (Formerly known as Spice Mobility Limited) | Holding Company | - | 1.31 |
| **Shares issued during the year at premium** | | | |
| Digispice Technologies Limited (Formerly known as Spice Mobility Limited) | Holding Company | - | 90.25 |
| **Movement in money payable on implementation of Scheme#** | | | |
| Digispice Technologies Limited (Formerly known as Spice Mobility Limited) | Holding Company | 1,073.17 | (1,408.38) |
| **(change during approval process of scheme of arrangement)** | | | |

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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

| Particulars | Relationship | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| **Billing on behalf of Digispice Technologies Ltd(Formerly known as Spice Mobility Limited)** | Holding Company | 3,693.58 | - |
| **Payables** | | | |
| Digispice Technologies Limited (Formerly known as Spice Mobility Limited) | Holding Company | - | 13.21 |
| **Payables to KMP** | | | |
| Saket Aggrawal | KMP-CEO | - | 14.65 |
| Sunil Kumar Kapoor | KMP-Director & CFO | 8.50 | 10.91 |
| Kokila | KMP-CS | - | 1.13 |
| Megha Bansal | KMP-CS | 0.68 | - |
| **Interest receivable** | | | |
| Spice Bulls Investment Ltd | Fellow Subsidiary | 16.87 | - |
| **Receivable against ticketing** | | | |
| Digispice Technologies Limited (Formerly known as Spice Mobility Limited) | Holding Company | 46.46 | 13.24 |
| Spice Connect Private Limited | Fellow Subsidiary | 10.48 | 12.46 |
| 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 |
| Spice Vas (Africa) Pte. Limited | Subsidiary | - | 0.97 |
| Wall Street Finance Limited | Fellow Subsidiary | 0.25 | - |
| New Spice Sales & Solutions Limited (Formerly known as Spice Retail Limited) | Subsidiary | - | 0.26 |
| Dilip Modi | KMP | 5.35 | - |
| Spice Smart Solutions Limited | Fellow Subsidiary | | 3.22 |
| **Provision Against Receivable against ticketing** | | | |
| 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 |
| **Director Fees Payable** | | | |
| Suman Ghosh Hazra | KMP-Independent Director | 0.25 | |
| **Loans/Money payable** | | | |
| Digispice Technologies Limited (Formerly known as Spice Mobility Limited) # | Holding Company | 2,778.46 | 3,851.63 |
| **Corporate Guarantee Given** | | | |
| Digispice Technologies Limited (Formerly known as Spice Mobility Limited) | Holding Company | 572.60 | - |

**Note:**

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

| Particulars | | FY 2019-20 | FY 2018-19 |
|---|---|---|---|
| Short term Benefits | | 79.32 | 306.53 |
| 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 implentation of scheme, refer note no. 38.

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Spice Money Limited( Formerly known as Spice Digital Limited)
Notes to the standalone financial statements for the year ended 31 March 2020
(Rs. in lakhs unless otherwise stated)

37 Segment information

The Company is engaged in the imforation 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.

38 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 previous year

39 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 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 |
|---|---|
| 1st Vesting | 40 |
| 2nd Vesting | 30 |
| 3rd Vesting | 30 |

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, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | No. of Options | Weighted Average exercise price (₹) | No. of Options | Weighted Average exercise price (₹) |
| Options outstanding at the beginning of the year | 5426519 | - | - | - |
| Options granted under ESOP 2015 | - | 34.10 | 5692919 | 34.10 |
| Options exercised during the year | - | - | - | - |
| Options cancelled during the year | 903240 | - | 266400 | - |
| Options expired during the year | - | 34.10 | - | 34.10 |
| Options outstanding at the end of the year | 4523279 | 34.10 | 5426519 | 34.10 |
| Options exercisable at the end of the year | - | - | - | - |
| Remaining contractual life of outstanding options (years) | 3yrs for 1st Vesting | | 4yrs for 1st Vesting | |
| | 4yrs for 2nd Vesting | | 5yrs for 2nd Vesting | |
| | 5yrs for 3rd 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 |
|---|---|
| Dividend Yield (%) | Nil |
| Expected Life | 2.5 yrs for 1st vesting |
| | 3.5yrs for 2nd vesting |
| | 4.5 yrs for 3rd vesting |
| Risk free Interest Rate(%) | 6.82% for 1st Vesting |
| | 7.04% for 2nd vesting |
| | 7.21% for 3rd Vesting |
| Volatility(%) | 24.90% |
| Market price on date of grant/re-pricing (₹) | 34.10 |
| Fair Value Per Option(Rs.) | 9.81 |

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(Rs. in Lakhs unless otherwise stated)

40. 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 2020 Fair Value | | |
|---|---|---|---|---|
| **Financial assets** | | FVTPL | FVOCI | Amortised Cost |
| -Loans | 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 |
| **Total financial assets** | **5,098.85** | - | - | **5,098.85** |
| | | | | |
| **Financial liabilities** | | | | |
| -Lease 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 |
| **Total financial liabilities** | **4,362.38** | - | - | **4,362.38** |

| Particulars | Carrying amount | As at 31 March 2019 Fair Value | | |
|---|---|---|---|---|
| **Financial assets** | | FVTPL | FVOCI | Amortised Cost |
| Loans | 29.43 | - | - | 29.43 |
| -Trade receivables | 298.94 | - | - | 298.94 |
| -Cash and cash equivalent | 1,746.46 | - | - | 1,746.46 |
| -Bank balances other than above | 40.31 | - | - | 40.31 |
| -Loans (Current) | 39.14 | - | - | 39.14 |
| -Other financial assets (Current) | 5,278.36 | - | - | 5,278.36 |
| **Total financial assets** | **7,432.64** | - | - | **7,432.64** |
| | | | | |
| **Financial liabilities** | | | | |
| -Other financial liabilities (Non-current) | 3,851.63 | - | - | 3,851.63 |
| -Borrowing (Current) | 2,000.00 | - | - | 2,000.00 |
| -Trade payables | 636.66 | - | - | 636.66 |
| -Other financial liabilities (Current) | 261.18 | - | - | 261.18 |
| **Total financial liabilities** | **6,749.47** | - | - | **6,749.47** |

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Spice Money Limited( Formerly known as Spice Digital Limited)
Notes to the standalone financial statements as at and for the year ended 31 March 2020
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41.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 signiifcant effect on the recorded fair value that are not based on observable market data.

The Company has assessed that the fair value of trade receivables, cash and cash equivalents, other bank balances, other current financial assets, trade payables and other current financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments. Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined present value. Similarly, unquoted equity instruments in subsidiary company and associate company has been considered at cost less impairement, if any, and has been excluded in the fair value measurement disclosed below.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Borrowings are evaluated by the Company based on parameters such as interest rates and specific country risk factors.
- The fair value of other financial liabilities, obligations under finance leases, is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

- The fair values of the FVTPL quoted financial investments are derived from quoted market prices in active markets.
- The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. No own non- performance risk as at March 31, 2020 was assessed.

Financial Instruments by Category

| | 31 March 2020 | | | 31 March 2019 | | |
|---|---|---|---|---|---|---|
| **Financial assets** | **FVTPL** | **Amortised Cost** | **Fair Value** | **FVTPL** | **Amortised Cost** | **Fair Value** |
| -Loans (Non-Current) | - | 41.88 | 41.88 | - | 29.43 | 29.43 |
| -Investments (Current) | - | - | - | | - | - |
| -Trade receivables | - | 182.71 | 182.71 | - | 298.94 | 298.94 |
| -Cash and cash equivalent | - | 2,728.46 | 2,728.46 | - | 1,746.46 | 1,746.46 |
| -Bank balances other than above | - | 1,439.86 | 1,439.86 | - | 40.31 | 40.31 |
| -Loans (Current) | - | 12.19 | 12.19 | - | 39.14 | 39.14 |
| -Other financial assets (Current) | - | 693.75 | 693.75 | - | 5,278.36 | 5,278.36 |
| **Total financial assets** | - | **5,098.85** | **5,098.85** | - | 7,432.64 | 7,432.64 |
| | | | | | | |
| **Financial liabilities** | | | | | | |
| -Lease liabilities (Non-current) | - | 64.92 | 64.92 | - | - | - |
| -Other financial liabilities (Non-current) | - | - | - | - | 3,851.63 | 3,851.63 |
| -Borrowing (Current) | - | 999.62 | 999.62 | - | 2,000.00 | 2,000.00 |
| -Trade payables | - | 393.25 | 393.25 | - | 636.66 | 636.66 |
| -Lease liabilities (Current) | - | 58.91 | 58.91 | - | - | |
| -Other financial liabilities (Current) | - | 2,910.60 | 2,910.60 | - | 261.18 | 261.18 |
| **Total financial liabilities** | - | 4,362.38 | 4,362.38 | - | 6,749.47 | 6,749.47 |

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 2020:**

| | | Fair value measurement using | | |
|---|---|---|---|---|
| | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| | INR | INR | INR | INR |
| -Loans (Non-Current) | 41.88 | - | - | 41.88 |
| -Loans (Current) | 12.19 | - | - | 12.19 |
| Total | 54.07 | - | - | 54.07 |

**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) |
| | INR | INR | INR | INR |
| Lease Liability | 123.83 | - | - | 124 |
| -Other financial liabilities (Non-current) | - | - | - | - |
| Total | - | - | - | |

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

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Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2019:

| | | Fair value measurement using | | |
|---|---|---|---|---|
| | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| | INR | INR | INR | INR |
| -Loans (Non-Current) | 29.43 | - | - | 29.43 |
| -Loans (Current) | 39.14 | - | - | 39.14 |
| | 68.57 | - | - | 68.57 |

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2019:

| | | Fair value measurement using | | |
|---|---|---|---|---|
| | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| | INR | INR | INR | INR |
| -Other financial liabilities (Non-current) | 3,851.63 | - | - | 3,851.63 |
| | 3,851.63 | - | - | 3,851.63 |

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

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

**42. 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 2020 and 31 March 2019.

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 2020 and 31 March 2019.

**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 2019: MCLR 1.30%), 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/decrease in basis points | Increase/(Decrease) in profit before tax |
|---|---|---|
| 31 March 2020 | 50 | (5.00) |
| | | 5.00 |
| 31 March 2019 | 50 | (10.00) |
| | | 10.00 |

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-Equity price risk

The Company's investment in unlisted equity securities are mainly in subsidiary companies which is susceptible to impairement test as applicable. The Company does not engage in active trading of equity instruments. The Board of Directors of Company reviews and approves all equity investment decisions.

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 2020:

| In INR Lakhs | Gross Carrying Amount | Weighted-Average Loss Rate | Loss Allowance | Credit-Impaired |
|---|---|---|---|---|
| Not Due | 0 | 0% | - | No |
| 1- 90 days | 170.44 | 0% | - | No |
| 91-180 days | 2.07 | 0% | - | No |
| 181-270 days | 2.04 | 0% | - | No |
| 271-360 days | 2.04 | 0% | - | No |
| More than 360 days | 6.12 | 0% | - | No |
| | 182.71 | | - | |

Movement in the expected credit loss allowance of receivables

| | For the year ended March 31, 2020 |
|---|---|
| Balance at beginning of the year | - |
| Add: Provided during the year | - |
| Less: Reversals of provision | - |
| Less: Amounts written off | - |
| Balance at the end of the year | - |

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.

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**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.

| | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | Total |
|---|---|---|---|---|---|
| **As at 31 March 2020** | | | | | |
| Borrowing(Non-current) | | | | | - |
| Borrowing | 999.62 | - | - | - | 999.62 |
| Trade payables | - | 393.25 | | - | 393.25 |
| Other financial liabilities | - | 2,910.60 | - | - | 2,910.60 |
| | 999.62 | 3,303.85 | - | - | 4,303.47 |
| **As at 31 March 2019** | | | | | |
| Borrowing(Non-current) | - | - | - | - | - |
| Borrowing | 2,000.00 | - | - | - | 2,000.00 |
| Trade payables | - | 634.33 | 2.33 | - | 636.66 |
| Other financial liabilities | - | 261.18 | - | 3,851.63 | 4,112.81 |
| | 2,000.00 | 895.51 | 2.33 | 3,851.63 | 6,749.47 |

**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 2020 and 31 March 2019, the fair values of the short-term deposits pledged were INR 43.18 Lakhs and INR 40.31 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.

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**43. 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 2020 INR | As at 31 March 2019 INR |
|---|---|---|
| Borrowing | 999.62 | 2,000.00 |
| Less: cash and cash equivalents | (2,728.46) | (1,746.46) |
| **Net Debt (A)** | (1,728.84) | 253.54 |
| | | |
| Equity share capital | 4,345.15 | 4,345.94 |
| Other equity | 2,585.12 | 2,393.35 |
| **Total equity (B)** | 6,930.27 | 6,739.29 |
| | | |
| **Net Debt to Equity Ratio** | Nil | 3.76% |

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.

**44. 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, 2020 | As at March 31, 2019 | |
| Kimaan Exports Private Limited | India | 100.00% | 100.00% | Cost |

**45. 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 |

**Details of loan given ( At cost )**

| Particulars | Opening Balance | Loan Given during the year | Loan Received back during the year | Closing Balance | Purpose | Interest Rate |
|---|---|---|---|---|---|---|
| Spicebulls Investments Limited | 0.00 | 700.00 | 700.00 | - | Business Requirements | 10.50% |

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

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| - The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year | 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 |

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**47. Transition to Ind AS 116**

The Company has adopted Ind AS 116 "Lease", effective annual reporting period beginning April 1, 2019 and using modified retrospective approach, accordingly, the Company has 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 has been qualified for recognition of ROU assets as on 01 April, 2019.

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

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

(D) The Company incurred Rs. 150.17 Lakhs for the year ended March 31, 2020 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 has not reassessed whether a contract, is or contains a lease at the date of initial applicaton
(ii) the Company has 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 it's assessment of whether leases are onerous.

**I. Company as a lessor**

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Company accounted for its leases in accordance with Ind AS 116 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 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Rent received during the year | 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 2020**
**(Rs. in Lakhs unless otherwise stated)**

**48.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 reognised MAT credit will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward.

The tax assets of Rs 1081.11 Lakhs (31 March 2019: Rs 1079.46 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

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**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 39.

**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.

49. The Company has carried out its initial assessment of the likely impact on economy environment and financial risk becasue of Covid-19 Pandemic. The Company is in the business of Fintech business which shall have positive impact on operation of the Company due to migration of workers. 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.

50. 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

SINGHI & CO
NOIDA DELHI NCR
Chartered Accountants

For and on behalf of the Board of Directors

**Rajneesh Arora**
(Director)
DIN: 02659510

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

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

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

Place: Noida
Date: 24 June 2020