

Independent Auditor's Report

To the Members of

NPCI Bharat BillPay Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **NPCI Bharat BillPay Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit & Loss, including the statement of Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash flow for the year ended on that date, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Ind AS financial statements").

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

Basis for Opinion

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

Key Audit Matters

Key Audit Matters are those matters that in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. 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.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information and notes to accounts. The other information comprises of all information included in the Annual report but does not include the Ind AS financial statements and our auditor's report thereon.

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

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

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

Responsibility of Management and those charged with governance for the Ind AS financial statements

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

In preparing the Ind AS financial statements, management

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

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

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

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 the users taken on the basis of these Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS 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.
- 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in -

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

Report on Other Legal and Regulatory Requirements

1. As required under section 143(5) of the Act, based on our audit as aforesaid, we enclose herewith as per "Annexure A", a report on the directions including additional directions issued by the Comptroller and Auditor General of India (C & A G) action taken thereon and its impact on the accounts and financial statements of the Company.
2. The Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub- Section (11) of section 143 of the Act, we give in the '**Annexure A**' a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
3. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit & Loss including the Statement of Other Comprehensive Income, Statement of Changes 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 Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the director is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure B**' to this report;
- g) In our opinion, Managerial Remuneration has not been paid to its Directors however, only Sitting Fees has been paid to Directors for the year ended 31st March 2023, which is within the limits prescribed under section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company did not have any pending litigations and claims;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. In view of there being no amounts required to be transferred to the Investor Education and Protection Fund for the year under audit, the reporting under this clause is not applicable.
- iv. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- v. The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- vi. Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- vii. Whether the dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013. However, The Company has not declared or paid dividend during the year under audit.
4. As per the requirements of section 143 (5), in our opinion and to the best of our information and according to the explanations given to us, books of accounts and other records produced before us for verification and on the basis of management representation; the said accounts, read together with the Company's accounting policies and the Notes thereto are given below:

Based on the verification of records and of the Company and based on information and explanations given to us, we give below a report on the directions/additional directions issued by the Comptroller and Auditor General of India in terms of section 143(5) of the Act.

Sr. No.	General Directions issued by the Comptroller and auditor General of India	Comments
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has system in place to process all the accounting transactions through IT systems (Tally ERP 9). The GST Returns have been filed using a GST software tools and details related to GST are maintained within that software. Also, the clearing and settlement for the business is done in application developed for Bharat Bill Payment System (BBPS) for booking daily party wise revenue, the entity being licensed under the Payment and Settlement Systems Act, 2007 for the said function of BBPS.
2	Whether there are any restructuring of an existing loan or cases of waiver / write off debts / loans / interest etc. made by lender to the company due to the company's inability to repay the loan? if yes, the financial impact may be stated. Whether such cases are properly accounted for? (in case, lender is a Government company, then its direction is also applicable for statutory auditor of lender company)	Not Applicable The Company has not availed any loan or the Company is not dealing with lending / borrowing any loan.
3	Whether funds (grants / subsidy etc.) received / receivable for specific schemes from central government / state government or its agencies were properly accounted for / utilised as per its term and conditions? List the cases of deviation	Not Applicable There are no case of funds received / receivable for the specific schemes from Central / State agencies.

Additional directions issued by C&AG as applicable to NPCI Bharat BillPay Limited for the year 2022-23

Sr. No.	Additional Directions	Comments
1	NBFC dealing with digital payment products and services Whether the security controls for digital payment products and services are in compliance with the directions of RBI for Digital Payment Security Controls dated 18th February 2021?	Company carried out a detailed review of RBI Master Directions on Digital Payment Security Controls and thereafter appointed (by NPCI) Cert-IN empaneled Third-Party auditor M/s. Security Bridge InfoSec Private Limited and initiated a compliance check against requirements of RBI Master Direction on Digital Payment Security Controls. All business applications (including NBBL's applications under BBPS) were included in the scope of the assessment. The audit was concluded dated 5th July 2022 and we rely on the same and the system report has few exceptions notified by System Auditor, on which Management has responded with reasonable justification and said exceptions has been complied and closed. Since business applications managed by NBBL was covered under initial scope of audit, No separate assessment for NBBL was conducted.

For K P C M & Co.

Chartered Accountants
FRN 117390W

Chimpu Lapsiwala

Partner

M. No. 137998

UDIN: 23137998BGVMLG1454

Date: 3rd May, 2023

Place: Mumbai

Annexure A to Independent Auditors' Report

(Referred to in Paragraph 1 UNDER 'REPORT ON Other Legal and Regulatory Requirements' section of our report of even date)

1) In respect of Fixed Assets:

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b) The fixed assets have been physically verified by the management at all its offices in phased manner at reasonable intervals which in our opinion is reasonable having regard to the size of the Company and nature of assets. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on such verification. No fixed asset has been disposed of during the year and therefore does not affect the going concern assumption.
 - c) As the Company has no immovable properties during the year under audit, this clause is not applicable.
- 2) The Company's business does not involve inventories and accordingly, the requirements under clause 3(ii) of the order are not applicable to Company and hence not commented upon.
 - 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
 - 4) In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security were not applicable during the period under review.
 - 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and provision of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with the regards to the deposits accepted from public are not applicable.
 - 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
 - 7) a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods and Service tax and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable.
b) According to the information and explanation given to us, there are no dues of income tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) According to the information and explanation given to us, the Company has recorded all transactions incurred during the year under audit. The Company has no unrecorded income to disclose in the books of accounts.
 - 9) In our opinion and according to the information and explanations given to us, the Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
 - 10) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised money by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (x) of the Order are not applicable to the Company and hence not commented upon.
 - 11) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
 - 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
 - 13) In our opinion and according to the information and explanation given to us, the provisions of Section 177 and Section 188 of the Companies Act, 2013 were applicable to the Company with respect to applicable transactions with the related parties and details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
 - 14) In our opinion and according to the information and explanation given to us, the Company has the Audit System equivalent to the size and nature of its business. The reports provided by the Internal Auditors for Audit Period were duly considered while conducting statutory audit.
 - 15) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with

him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

- 16) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.
- 17) In our opinion and according to the information and explanation given to us, the Company has not incurred any cash losses during the current financial year.
- 18) In our opinion and according to the information and explanation given to us, as there is no resignation of Statutory Auditor for the year under review, this clause is not applicable.
- 19) Based upon the audit procedures performed and the

information and explanations given by the management, no material uncertainty exists as on the date of the audit report. The Company is capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date.

- 20) The Company has unspent amount of Rs. 319/- towards Corporate Social Responsibility ("CSR") and unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Act, or special account within a period of six months of the expiry of the financial year in compliance with the provision of sub-section (5) of section 135 of the said Act.
- 21) In our opinion and according to the information and explanation given to us, the Company is a subsidiary of National Payments Corporation of India (The Holding Company) and the Company has no subsidiaries during the financial year, hence this clause is not applicable to the Company.

Date: 3rd May, 2023
Place: Mumbai

For K P C M & Co.
Chartered Accountants
FRN 117390W

Chimpu Lapsiwala
Partner
M. No. 137998
UDIN: 23137998BGVMLG1454

Annexure B to Independent Auditors' Report

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

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

1. We have audited the internal financial controls with reference to Ind AS Financial Statements of NPCI Bharat BillPay Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

adequate internal financial controls with reference to Ind AS Financial Statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to the Ind AS 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 procedure selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to the Ind AS Financial Statements.

Meaning of Internal Financial Controls with reference to Ind AS Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Ind AS Financial Statements

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

Date: 3rd May, 2023
Place: Mumbai

Opinion

8. In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Ind AS Financial Statements and such internal financial controls with reference to Ind AS Financial Statements were operating effectively as at 31 March 2023, based on the internal control with reference to Ind AS Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Controls With reference to Ind AS Financial Statements issued by the Institute of Chartered Accountants of India.

For K P C M & Co.
Chartered Accountants
FRN 117390W

Chimpu Lapsiwala
Partner
M. No. 137998
UDIN: 23137998BGVMLG1454

Balance Sheet

as at 31st March, 2023

(Amount ₹ in Lakh)

Particulars	Note No.	As at 31-Mar-2023	As at 31-Mar-2022
ASSETS			
Non-Current Assets			
a. Property, Plant and Equipment	2.01	71.30	116.99
b. Intangible Assets	2.02	2,176.85	2,952.82
c. Intangible Assets under development	2.03	209.73	-
d. Financial Assets			
i. Investments	2.04	1,103.90	-
ii. Other Financial Assets	2.05	3,820.00	-
Total Non-Current Assets		7,381.78	3,069.81
Current Assets			
a. Financial Assets			
i. Investments	2.06	864.30	-
ii. Trade Receivables	2.07	99.65	68.71
iii. Cash and Cash Equivalents	2.08	1,187.12	598.46
iv. Bank balances other than (iii) above	2.09	3,873.00	9,877.89
v. Other Financial Assets	2.10	4,315.06	1,481.98
b. Other Current Assets	2.11	129.80	177.31
Total Current Assets		10,468.93	12,204.35
TOTAL ASSETS		17,850.71	15,274.16
EQUITY AND LIABILITIES			
Equity			
a. Equity Share Capital	2.12	10,000.00	10,000.00
b. Other Equity	2.13	1,752.97	385.56
Total Equity		11,752.97	10,385.56
Liabilities			
Non-Current Liabilities			
a. Financial Liabilities			
i. Other Financial Liabilities	2.14	5,028.74	3,716.78
b. Deferred Tax Liabilities (net)	2.15	62.23	12.71
c. Provisions	2.16	34.46	-
Total Non-Current Liabilities		5,125.43	3,729.49
Current Liabilities			
a. Financial Liabilities			
i. Trade Payables Due to:			
- Micro and Small Enterprises	2.17	-	0.81
- Other than Micro and Small Enterprises		349.98	754.99
ii. Other Financial Liabilities	2.18	116.80	65.93
b. Provisions	2.19	460.67	296.03
c. Current Tax Liabilities (net)	2.20	44.86	41.35
Total Current Liabilities		972.31	1,159.11
TOTAL EQUITY AND LIABILITIES		17,850.71	15,274.16

Significant Accounting Policies and Notes on Accounts

1 & 2

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As per our report attached

For and on behalf of Board of Directors

For **KPCM & Co.**Chartered Accountants
Registration No.: 117390W**CA Chimpu Lapsiwala**Partner
Membership No: 137998**Biswamohan Mahapatra**Chairman
DIN: 06990345**Noopur Chaturvedi**

Chief Executive Officer

Dilip AsbeDirector
DIN: 02990724**Ashish Pai**

Chief Financial Officer

Place : Mumbai

Date : 03rd May, 2023

Supreetha Shetty

Company Secretary

Statement of Profit and Loss

for the year ended 31st March, 2023

(Amount ₹ in Lakh)

Particulars	Note No.	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Income			
Revenue from Operations	2.21	5,796.52	3,521.66
Other Income	2.22	718.65	346.57
Total Income		6,515.17	3,868.23
Expenses			
Operating Expenses	2.23	190.63	215.74
Employee Benefits Expenses	2.24	2,068.51	1,378.26
Depreciation and Amortisation Expenses	2.25	866.82	879.13
CSR Expenditure	2.26	6.28	-
Administrative and Other Expenses	2.27	1,269.63	741.20
Total Expenses		4,401.87	3,214.33
Profit/(Loss) Before Tax		2,113.30	653.90
Tax Expense			
Current Tax	2.20	650.00	225.00
Deferred Tax		55.31	14.14
Prior Year Tax Adjustment		(57.67)	-
Total Tax Expense		647.64	239.14
Profit/ (Loss) for the year		1,465.66	414.76
Other Comprehensive Income			
(i) Items that will not be reclassified to Profit and Loss	2.13	(24.25)	19.15
(ii) Income Tax relating to items that will not be reclassified to Profit and Loss		(5.80)	5.33
Total Other Comprehensive Income [(i) - (ii)]		(18.45)	13.82
Total Comprehensive Income for the year		1,447.21	428.58
Earnings per equity share			
(i) Basic earnings per share (₹)	2.28	14.66	4.84
(ii) Diluted earnings per share (₹)		14.66	4.84

As per our report attached

For KPCM & Co.

Chartered Accountants
Registration No.: 117390W

CA Chimpu Lapsiwala

Partner
Membership No: 137998

Place : Mumbai
Date : 03rd May, 2023

For and on behalf of Board of Directors

Biswamohan Mahapatra

Chairman
DIN: 06990345

Noopur Chaturvedi

Chief Executive Officer

Supreetha Shetty

Company Secretary

Dilip Asbe

Director
DIN: 02990724

Ashish Pai

Chief Financial Officer

Statement of Changes in Equity

for the year ended 31st March, 2023

2.12 Equity Share Capital

		(Amount ₹ in Lakh)
Particulars		Amount
Balance as at 01-Apr-2022		10,000.00
Changes in equity share capital due to prior period errors		-
Restated Balance as at 01-Apr-2022		10,000.00
Changes in equity share capital during the year		-
Balance as at 31-Mar-2023		10,000.00

		(Amount ₹ in Lakh)
Particulars		Amount
Balance as at 01-Apr-2021		8,500.00
Changes in equity share capital due to prior period errors		-
Restated Balance as at 01-Apr-2021		8,500.00
Changes in equity share capital during the year		1,500.00
Balance as at 31-Mar-2022		10,000.00

2.13 Other Equity

				(Amount ₹ in Lakh)
Particulars	Retained Earnings	Other items of Other Comprehensive Income		Total
Balance as at 01-Apr-2022	371.74	13.82		385.56
Total Comprehensive Income for the year	1,465.66	(18.45)		1,447.21
Transfer to SGM BBPS Contribution (Other)	(79.80)	-		(79.80)
Balance as at 31-Mar-2023	1,757.60	(4.63)		1,752.97

				(Amount ₹ in Lakh)
Particulars	Retained Earnings	Other items of Other Comprehensive Income		Total
Balance as at 01-Apr-2021	(19.24)	-		(19.24)
Total Comprehensive Income for the year	414.76	13.82		428.58
Transfer to SGM BBPS Contribution (Other)	(23.78)	-		(23.78)
Balance as at 31-Mar-2022	371.74	13.82		385.56

As per our report attached

For KPCM & Co.

 Chartered Accountants
 Registration No.: 117390W

CA Chimpu Lapsiwala

 Partner
 Membership No: 137998

 Place : Mumbai
 Date : 03rd May, 2023

For and on behalf of Board of Directors

Biswamohan Mahapatra

 Chairman
 DIN: 06990345

Noopur Chaturvedi

Chief Executive Officer

Supreetha Shetty

Company Secretary

Dilip Asbe

 Director
 DIN: 02990724

Ashish Pai

Chief Financial Officer

Statement of Cash Flows

for the year ended 31st March, 2023

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Cash flow from operating activities		
Net profit / (loss) before tax	2,113.30	653.90
Adjustment to reconcile net profit / (loss) to net cash by operating activities		
Depreciation and amortisation expenses	866.82	879.13
Foreign Exchange (Gain)/Loss	0.08	-
Interest income	(678.51)	(346.57)
Operating Profit / (Loss) before working capital changes	2,301.69	1,186.46
Adjustment for:		
Trade and other receivables	(44.59)	(4,027.05)
Trade and other payables	1,052.06	4,807.48
Cash generated from operations	3,309.16	1,966.89
Adjustment for Income Tax	(586.53)	-
Net cash generated from / (used in) operating activities	2,722.63	1,966.89
Cash flow from investing activities		
Sale / (expenditure) on Property, plant and equipment [Including CWIP/IAUD]	(254.89)	(3,948.94)
Redemption / (Investment) in Term Deposits with banks (net)	(587.11)	(7,766.00)
Redemption / (Investment) in Government securities (quoted)	(1,103.90)	-
Redemption / (Investment) in Treasury Bills (quoted)	(864.30)	-
Interest income	676.23	346.57
Net cash generated from / (used in) investing activities	(2,133.97)	(11,368.37)
Cash flow from financing activities		
Net proceeds from issuance of equity shares - Rights Issue	-	1,500.00
Net cash generated from / (used in) financing activities	-	1,500.00
Net increase / (decrease) in cash and cash equivalents (A+B+C)	588.66	(7,901.48)
Cash and cash equivalents at the beginning of the year	598.46	8,499.94
Cash and cash equivalents at the end of the year	1,187.12	598.46

As per our report attached

For KPCM & Co.

Chartered Accountants
Registration No.: 117390W

CA Chimpu Lapsiwala

Partner
Membership No: 137998

Place : Mumbai
Date : 03rd May, 2023

For and on behalf of Board of Directors

Biswamohan Mahapatra

Chairman
DIN: 06990345

Noopur Chaturvedi

Chief Executive Officer

Supreetha Shetty

Company Secretary

Dilip Asbe

Director
DIN: 02990724

Ashish Pai

Chief Financial Officer

Notes forming part of the Financial Statements

Company Overview

NPCI Bharat BillPay Limited (NBBL/Company) is a Wholly Owned Subsidiary of National Payments Corporation of India (NPCI). NBBL was incorporated on 10th December 2020, under the provisions of the Companies Act, 2013. The Company has its registered office at 1001A, B Wing, 10th Floor, The Capital, Bandra - Kurla Complex, Bandra (East) Mumbai, 400051, Maharashtra, India.

NBBL was incorporated, inter alia, to operationalise Bharat Bill Payment Central Unit (BBPCU) under the Bharat Bill Payment System (BBPS) or any activity similar such as to provide an integrated bill payment system to participants that offers interoperable and accessible bill payment services or invoice-based payments or non-invoice-based payments including recharges, etc. to billers and customers through network of entities.

Consumers can make payments from convenience of smartphones/mobile app, website etc. across more than 250+ digital channels and also through nearly 2 lakh unique agent touch-points i.e. Kirana shops, Business Correspondents and Bank-Branches. Consumers can also use multiple payment modes both cash and digital modes i.e. UPI, net-banking, debit cards, credit cards, wallet, IMPS, Aadhaar based payments etc.

The categories include utility payments like Electricity, Gas, Mobile Postpaid, Broadband Postpaid, Landline Postpaid, DTH, Water and other repetitive payments like Insurance, Loan repayments, FASTag Recharge, Municipality taxes, Subscription fees, Hospital, Housing Society, Cable TV, Credit Card, Clubs and Association etc.

RBI vide letter DPSS.CO.AD.No. S21/02.14.004/2019-20 dated 24th March 2021 had granted approval for transferring the license granted from NPCI to NBBL along with all rights and obligations attached thereto with respect to BBPCU. Consequent to the same, the Business Transfer Agreement (BTA) was executed on 7th May, 2021 between NPCI and NBBL. As per the total assets taken over by NBBL were of ₹ 3,783.00 lakhs and the liabilities taken over is of ₹ 363.00 lakhs. Accordingly, a total net consideration of ₹ 3,420.00 lakhs had been remitted from NBBL to NPCI on 7th May, 2021. Also, in exercise of their powers conferred under Section 7 of the Payment and Settlement Systems Act, 2007, RBI granted the Certificate of Authorisation to operate the BBPCU to NBBL.

1. Significant Accounting Policies

1.1. Basis of Preparation and Presentation of financial statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

The presentation and disclosure requirements are in accordance with Schedule III of the Companies Act 2013 as amended from time to time. These financial statements have been prepared under the historical cost convention on accrual basis except for certain Financial Assets and Liabilities, which have been measured at fair value. The accounting policy provides information on such Financial Assets and Liabilities measured at fair value.

The financial statements include the Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity, the Statement of Cash Flows and Notes comprising a summary of significant accounting policies and other explanatory information and comparative information in respect of the preceding year.

The financial statements are presented in Indian Rupees rounded off to the nearest lakh ('00,000) as permitted by Schedule III of the Companies Act, 2013 except where otherwise indicated.

1.2. Statement of Cash Flows

The statement of Cash Flows has been prepared and presented as per the requirements of IND-AS 7 "Statement of Cash Flows". Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

1.3. Operating cycle

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

1.4. Use of estimates, judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Indian Accounting Standards, requires Management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities and disclosure of Contingent Assets and Liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon Management's best knowledge of current events and actions, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates

Notes forming part of the Financial Statements

are recognised in the period in which the estimates are revised, and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of recognition of revenue, valuation of unbilled receivables, estimation of net realisable value of inventories, impairment of non-current assets, valuation of deferred tax assets, provisions and contingent liabilities.

1.4.1. Impairment of Non - Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the Cash Generating Unit (CGU) being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment property recorded by the Company.

1.4.2. Useful lives of Property, Plant and Equipment

The Company reviews the useful lives of property, plant and equipment as at each reporting date. This reassessment may result in change in depreciation expense in future periods.

1.4.3. Valuation of Deferred Tax Assets

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

1.4.4. Defined Benefit Plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

1.5. Property, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost, net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment.

Cost comprises the purchase price and any attributable costs of bringing the asset to its working condition as intended by the management. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied.

PPE not ready for the intended use, on the date of the Balance Sheet are disclosed as "Capital Work-in-Progress".

Advances paid towards the acquisition of PPE outstanding at each balance sheet date is classified as capital advances under other non-current assets.

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

Depreciation is calculated on a Straight-Line Method on the basis of the useful life as specified in Schedule II to the Companies Act, 2013. Useful life of assets is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits of the asset.

Depreciation for additions to/deductions from, owned Assets is calculated on pro rata basis.

Subsequent expenses relating to PPE is Capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost can be measured reliably.

Depreciation charged for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

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

Notes forming part of the Financial Statements

Sr. No.	Nature of Assets Tangible Assets	Estimated useful life (In years)
1	Network Equipment / Central Switching	6
2	Office Equipment #	5
3	Computers and Printers	3
4	Furniture and Fittings	10
5	Vehicles	8
6	Leasehold Improvements*	-
7	Buildings (Other than factory Building)	60
8	Plant machinery and equipment	10
9	Plant and machinery	15
10	Plant and machinery (Solar Power Plant)	8
11	Electrical Installations	10
12	General Policy for all assets	Not Allowed - depreciation based on class of asset

#Office equipment includes Air conditioners, Web cameras, Fire alarm system etc.

*Leasehold Improvements are depreciated over the lease term.

Repairs and maintenance costs are recognised in the statement of Profit and Loss.

1.6. Intangible Assets

Intangible Assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Intangible Assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. Intangible Assets not ready for the intended use on the date of the Balance Sheet, are disclosed as "Intangible Assets under Development".

Amortisation on impaired assets is provided by adjusting the amortisation charges in the remaining period so as to allocate the Asset's revised carrying amount over its remaining useful life.

Amortization is provided using the straight-line Method as per the following useful life as specified in Schedule II of the Company's Act, 2013:

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

1.7. Leases as per IND-AS 116

The Company determines whether a contract is (or contains) a lease is based on the substance of the contract at the inception of the lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognises Right to Use and Lease Liability at the commencement of the lease period.

Subsequently the right to use is shown as at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any re-measurement of the lease liability. The company applies depreciation requirements of IND-AS 116, Property, Plant and Equipment, in depreciating the right-of-use asset and the lease term mentioned in the contract is taken as useful life for calculating the depreciation.

The Company measures the lease liability at the present value of the lease payments. The lease payments are discounted using incremental borrowing rate applicable to the Company for a similar term. Subsequently the lease liability is increasing the carrying amount to reflect interest on the lease liability; reducing the carrying amount to reflect the lease payments made; and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.8. Research and development expenses

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

Notes forming part of the Financial Statements

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

- i. The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- ii. The Company has the intention to complete the intangible asset and use or sell it.
- iii. The Company has the ability to use or sell the intangible asset.
- iv. The manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets.
- v. The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- vi. The Company has ability to measure the expenses attributable to the intangible asset during its development reliably.

Development expenses that do not meet the criteria listed above is expensed in the period in which it is incurred.

1.9. Impairment of Assets

As at each Balance Sheet date, the carrying amount of Assets is tested for impairment so as to determine:

- i. The provision for impairment loss, if any; and
- ii. The reversal of impairment loss recognised in previous periods, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- i. In the case of an individual asset, at the higher of the net selling price and the value in use;
- ii. In the case of a cash generating unit (a group of Assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

1.10. Share Capital

Ordinary Shares

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

1.11. Provisions

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

1.12. Financial Instruments

Financial Assets and Financial Liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial Assets and Financial Liabilities are initially measured at fair value except for trade receivables which are initially measured at transaction price.

Financial Assets

(i) Fair Value through other comprehensive income

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

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

(ii) Fair Value through Profit or Loss

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

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

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

Impairment of Financial Assets:

- a. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 - Financial

Notes forming part of the Financial Statements

Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

- b. The Company has invested in Central Government Securities, Treasury Bills, and Government of India Bonds, which are sovereign in nature. Hence, impairment is not required.

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

- i. The contractual rights to the cash flows from the financial asset expire;
- ii. It transfers the financial assets and the transfer qualifies for de-recognition.

Financial Liabilities

Financial Liabilities are subsequently carried at amortised cost using the effective interest method for trade and other payables, maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

1.13. Revenue recognition

Revenue from contracts with customers is recognised when services are rendered to the customer or upon completion of service at an amount that reflects the consideration entitled in exchange for those services. Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional as per IND AS 115 - Revenue from Contracts with Customers.

The Company derives revenue primarily from operating Bharat Bill Payment System (BBPS), which is licensed by Reserve Bank of India under Payment and Settlement Systems Act, 2007. The revenue from this service is

accounted for all transactions including fetch transactions during the reporting year.

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

The Board of Directors may from time to time decide on the fee structure including waiver, if any including delegation to a competent authority in this regard.

1.13.1. Other Income

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

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

1.14. Employee Benefits

1.14.1. Short term Employee Benefits

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

The Company has recognised the cost due to the fair valuation of advances granted to staff which are either interest free or at concessional rate. The interest income will be recognised over the period of advances.

1.14.2. Post-employment benefits

i. Defined Contribution plans

Provident Fund: The Company is a member of the Government Provident Fund which is operated by the office of the Regional Provident Fund Commissioner (RPF) and the contribution thereof is paid /provided for during the period in which the employee renders the related service.

ii. Defined Benefits plans

Gratuity: In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit retirement plan ('The Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment of an amount based on the respective

Notes forming part of the Financial Statements

employee's salary and the tenure of employment with the Company.

Gratuity payable to employees is covered by a Gratuity Plan provided by Insurance Company. The contribution thereof is paid / provided during the period in which the employee renders service. Gratuity is provided as per actuarial valuation as at the Balance Sheet date, carried out by an independent actuary.

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

The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on Plan Assets (excluding net interest) and any change in the effect of asset ceiling (if applicable) are recognised in other comprehensive income and is reflected immediately in retained earnings and is not reclassified to statement of Profit and Loss.

In case of inter-company employee transfers within the NPCI group, it is treated as continuity in service period and as such the Company recognizes long service provided by its employees by calculating the period of service from the date of joining the group and not the date of transfer. Further, in case of such inter-company transfers, the transferee company cross charges the amount of Gratuity / Leave Encashment payable to the employee as on the date of transfer to the transferor company. In case, the employee leaves before the eligible period of payment of gratuity, the above cross charge will be reversed.

1.15. Income Tax

Tax expense (Tax income) is the aggregate amount included in the determination of Profit or Loss for the period in respect of Current Tax and Deferred Tax. Current Tax is measured as the amount expected to be paid to the Tax Authorities in accordance with the provision of Income Tax Act, 1961. The Company offsets, on a year-on-year

basis, the Current Tax Assets and Liabilities, where it has a legally enforceable right and where it intends to settle such Assets and Liabilities on a net basis.

Deferred Tax is recognised as a temporary difference between carrying amounts of Assets and Liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred Tax Liabilities and Assets are measured based on the tax rates and tax laws enacted or substantively enacted at the Balance Sheet date. Deferred Tax Liabilities are recognised for all taxable temporary differences. Deferred Tax Assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realised. The Company offsets, on a year-on-year basis, the Deferred Tax Assets and Liabilities, where it has a legally enforceable right and where it intends to settle such Assets and liabilities on a net basis.

Transaction or event which is recognised outside the statement of Profit and Loss, either in other comprehensive income or in equity, if any is recorded along with the tax as applicable.

1.16. Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding at the end of the reporting period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

1.17. Contingent Assets

The contingent asset is a possible asset that arises from past events the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the

Notes forming part of the Financial Statements

enterprise. Contingent Assets, if any, are disclosed in the Notes to Accounts.

1.18. Contingent Liabilities

The contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent Liabilities, if any, are disclosed in the Notes to Accounts.

1.19. Commitments

Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follows:

- i. Estimated amount of contracts remaining to be executed on capital account and not provided for
- ii. Uncalled liability on shares and other investments partly paid and

- iii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

1.20. Foreign Currency Transactions

- i. The functional currency of the Company is Indian rupee.
- ii. Foreign currency transactions are recorded on initial recognition using the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each reporting date at the closing rate are recognised in Statement of Profit and Loss in the period in which they arise.

Notes forming part of the Financial Statements

2.01 Property, Plant and Equipment

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

Asset Group	GROSS BLOCK				ACCUMULATED DEPRECIATION			NET BLOCK		
	As at 01-Apr-2022	Additions	Deletions	As at 31-Mar-2023	As at 01-Apr-2022	Additions	Deletions/ Adjustments	As at 31-Mar-2023	As at 31-Mar-2022	
Computers	12.77	-	-	12.77	6.31	4.64	-	10.95	1.82	6.46
Network Equipment	52.37	-	-	52.37	37.70	13.76	-	51.46	0.91	14.67
Switching Equipment / Central Processors	231.29	45.16	-	276.45	135.55	72.34	-	207.89	68.56	95.74
Telephone	0.29	-	-	0.29	0.17	0.11	-	0.28	0.01	0.12
Total	296.72	45.16	-	341.88	179.73	90.85	-	270.58	71.30	116.99

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

Asset Group	GROSS BLOCK				ACCUMULATED DEPRECIATION			NET BLOCK	
	As at 01-Apr-2021	Additions	Deletions	As at 31-Mar-2022	As at 01-Apr-2021	Additions	Deletions/ Adjustments	As at 31-Mar-2022	As at 31-Mar-2021
Computers	-	12.77	-	12.77	-	6.31	-	6.31	6.46
Network Equipment	-	52.37	-	52.37	-	37.70	-	37.70	14.67
Switching Equipment / Central Processors	-	231.29	-	231.29	-	135.55	-	135.55	95.74
Telephone	-	0.29	-	0.29	-	0.17	-	0.17	0.12
Total	-	296.72	-	296.72	-	179.73	-	179.73	116.99

Notes forming part of the Financial Statements

2.2 Intangible assets

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

Asset Group	GROSS BLOCK			ACCUMULATED AMORTISATION			NET BLOCK	
	As at 01-Apr-2022	Additions	Deletions	As at 01-Apr-2022	Additions	Deletions/ Adjustments	As at 31-Mar-2023	As at 31-Mar-2022
Computer Software	346.81	-	-	79.79	156.37	-	236.16	110.65
BBPS	0.01	-	-	0.01	-	-	0.01	-
IPR - BHARAT BILLPAY	1,888.00	-	-	377.60	377.60	-	755.20	1,510.40
Contracts with Customers	1,210.00	-	-	242.00	242.00	-	484.00	968.00
Goodwill on Purchase consideration	207.40	-	-	-	-	-	-	207.40
Total	3,652.22	-	-	699.40	775.97	-	1,475.37	2,176.85

(Amount ₹ in Lakh)

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

The business of BBPS is on growth phase and as such there is no requirement for impairment of Goodwill appearing in the balance sheet due to acquisition of BBPCU

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

Asset Group	GROSS BLOCK			ACCUMULATED AMORTISATION			NET BLOCK	
	As at 01-Apr-2021	Additions	Deletions	As at 01-Apr-2021	Additions	Deletions/ Adjustments	As at 31-Mar-2022	As at 31-Mar-2021
Computer Software	-	346.81	-	-	79.79	-	79.79	267.02
BBPS	-	0.01	-	-	0.01	-	0.01	-
IPR - BHARAT BILLPAY	-	1,888.00	-	-	377.60	-	377.60	1,510.40
Contracts with Customers	-	1,210.00	-	-	242.00	-	242.00	968.00
Goodwill on Purchase consideration	-	207.40	-	-	-	-	-	207.40
Total	-	3,652.22	-	-	699.40	-	699.40	2,952.82

(Amount ₹ in Lakh)

As per the Business Transfer Agreement, the total assets taken over by NBBL were of ₹ 3,783.00 lakhs and the liabilities taken over were of ₹ 363.00 lakhs. Accordingly, a total net consideration of ₹ 3,420.00 lakhs had been remitted from NBBL to NPCI on 7th May, 2021. NBBL had carried out Purchase Price Allocation in following Assets as on 1st April 2021.

Notes forming part of the Financial Statements

(Amount ₹ in Lakh)

S. No.	Asset	Amount
1	Tangible Assets (WDV of Fixed Assets as on 31st March 2021 of NPCI ₹ 404.00 lakhs, CWIP ₹ 67.00 lakhs, Debtors ₹ 6.06 lakhs)	477.60
2	Intellectual Property Right (IPR) of the "BHARAT BILLPAY" Trademark	1,888.00
3	The Customer relationship and Contractual arrangements with Customers	1,210.00
4	Goodwill, which Value of all Non Separable Intangibles	207.40
	Total	3,783.00

2.03 Intangible Assets Under Development (IAUD)

Intangible Assets Under Development (IAUD) as on 31st March 2023

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More years than 3 years	
Projects in progress	209.73	-	-	-	209.73
Projects temporarily suspended	-	-	-	-	-
Total	209.73	-	-	-	209.73

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

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More years than 3 years	
Projects in progress					
(i) Unified Presentment and Management System(UPMS) Phase 3 and UPMS Support*	-	68.00	-	-	68.00
(ii) Biller On boarding and Automated Testing Deployment*	10.50	-	-	-	10.50
Total	10.50	68.00	-	-	78.50

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

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

Intangible Assets Under Development (IAUD) as on 31st March 2022

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More years than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Notes forming part of the Financial Statements

Details of Intangible Assets Under Development (IAUD), whose completion is overdue or has exceeded its cost compared to Original Plan as on 31st March 2022

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More years than 3 years	
Projects in progress					
Nil	-	-	-	-	-
Total	-	-	-	-	-

2.04 Investments (Non-Current)

(Amount ₹ in Lakh)

Particulars	Face Value per Unit (in ₹)	Qty. as at		As at	As at
		31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022
Quoted Investment carried at amortised cost					
Investments in Government Securities					
G-Sec 6.89% 2025	100.00	2,00,000	-	199.16	-
G-Sec 7.38% 2027	100.00	2,00,000	-	201.67	-
G-Sec 7.10% 2029	100.00	5,10,000	-	503.62	-
G-Sec 7.26% 2032	100.00	2,00,000	-	199.45	-
Total				1,103.90	-
Aggregate amount of quoted investments				1,103.90	-
Market Value of quoted investments				1,107.07	-
Aggregate amount of impairment in value of investments				-	-

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

2.05 Other Financial Assets (Non-Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Earmarked Deposits		
Original maturity more than 12 months and current maturity more than 12 months (Callable)		
- SGM BBPS	1,620.00	-
Sub Total (A)	1,620.00	-
Term Deposit with Banks		
Original maturity more than 12 months and current maturity more than 12 months (Callable)		
	2,200.00	-
Sub Total (B)	2,200.00	-
Total	3,820.00	-

Notes forming part of the Financial Statements

2.06 Investments (Current)

(Amount ₹ in Lakh)

Particulars	Face Value per Unit (in ₹)	Qty. as at		As at 31-Mar-2023	As at 31-Mar-2022
		31-Mar-2023	31-Mar-2022		
Quoted Investments carried at amortised cost with maturity more than 3 months but less than 12 months					
Treasury Bills	100.00	9,20,000	-	864.30	-
Total				864.30	-
Aggregate amount of quoted investments				864.30	-
Market Value of quoted investments				880.92	-
Aggregate provision for diminution in value of Investments				-	-

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

2.07 Trade Receivables

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Unsecured considered Good		
Receivables for BBPS Services	83.34	14.71
Receivables from National Payments Corporation of India	16.31	54.00
Total	99.65	68.71

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

Ageing of trade receivable as at 31-March-2023

(Amount ₹ in Lakh)

Particulars	Outstanding for following periods from due date of payments					Unbilled	Not Due	Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years			
Undisputed Trade Receivables - considered good	33.81	-	-	-	-	65.84	-	99.65
Undisputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Total	33.81	-	-	-	-	65.84	-	99.65

Notes forming part of the Financial Statements

Ageing of trade receivable as at 31-March-2022

(Amount ₹ in Lakh)

Particulars	Outstanding for following periods from due date of payments					Unbilled	Not Due	Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years			
Undisputed Trade Receivables - considered good	68.71	-	-	-	-	-	-	68.71
Undisputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Total	68.71	-	-	-	-	-	-	68.71

2.08 Cash and Cash Equivalents

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Balances with Banks		
Current account (Own Fund)	187.12	598.46
Deposits with Banks		
Original maturity less than 3 months and current maturity less than 3 months (Callable)	1,000.00	-
Total	1,187.12	598.46

2.09 Other Bank Balances

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Earmarked Deposits		
Original maturity more than 3 months to 12 months and current maturity less than 3 months (Callable)		
- SGM BBPS	180.00	1,149.89
Original maturity more than 3 months to 12 months and current maturity more than 3 months to 12 months (Callable)		
- SGM BBPS	1,295.00	1,394.00
Sub Total (A)	1,475.00	2543.89
Term Deposit with Banks		
Original maturity more than 3 month to 12 months but current maturity less than 3 months (Callable)	398.00	5,174.00
Original maturity more than 3 month to 12 months but current maturity more than 3 months to 12 months (Callable)	2,000.00	2,160.00
Sub Total (B)	2,398.00	7,334.00
Total	3,873.00	9,877.89

Notes forming part of the Financial Statements

2.10 Other Financial Assets (Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Advances to Employees (including KMPs)	8.89	8.01
Interest Accrued but not due		
SGM BBPS Contributions deposits	12.08	8.41
Other than SGM BBPS contribution deposits	87.94	23.19
Security Deposits	1.65	1.65
HDFC Life Insurance Company Ltd. - Group Gratuity Fund	-	6.97
HDFC Life Insurance Company Ltd. - Group Leave Encashment Fund	-	6.75
Receivable from HDFC Life Insurance Company Ltd.	5.50	-
Earmarked Funds		
Original maturity more than 12 months and current maturity less than 3 months (Callable)		
- SGM BBPS	1,409.00	-
Original maturity more than 12 months and current maturity more than 3 months to 12 months (Callable)		
- SGM BBPS	490.00	995.00
Deposits with Banks		
Original maturity more than 12 months but current maturity less than 3 months (Callable)	2,300.00	-
Original maturity more than 12 months but current maturity more than 3 months to 12 months (Callable)	-	432.00
Total	4,315.06	1,481.98

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

The Company has made advance payments to the KMPs and other officers of the company as stated above in Advance to Employees (including KMP). There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other person or advances to firms or private companies respectively in which any director is a partner or a director or a member other than as stated above.

2.11 Other Current Assets

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Prepaid expenses	33.02	22.71
Advances to Vendors	17.94	2.38
GST input credit	78.84	107.06
Accrued income	-	45.16
Total	129.80	177.31

The prepaid expenses consist of un-expired portion of annual maintenance expenses, Insurance premium, subscription, etc.

Notes forming part of the Financial Statements

2.12 Equity Share Capital

Particulars	(Amount ₹ in Lakh)	
	As at 31-Mar-2023	As at 31-Mar-2022
Authorised Share Capital		
1,00,00,000 Equity Shares of ₹ 100 each	10,000.00	10,000.00
Issued Share Capital		
1,00,00,000 Equity Shares of ₹ 100 each	10,000.00	10,000.00
Subscribed and Paid up Share Capital		
Opening Balance	10,000.00	8,500.00
Addition during the year	-	1,500.00
Closing Balance		
1,00,00,000 Equity Shares of ₹ 100 each	10,000.00	10,000.00
Total	10,000.00	10,000.00

Reconciliation of shares outstanding at the beginning and end of the year ended 31st March, 2023

Particulars	(Amount ₹ in Lakh)			
	As at 31-Mar-2023		As at 31-Mar-2022	
	Number	Amount	Number	Amount
Equity shares as at the beginning of the year	1,00,00,000	10,000.00	85,00,000	8,500.00
Add: equity shares issued at par during the year	-	-	15,00,000	1,500.00
Shares outstanding as at the end of the year	1,00,00,000	10,000.00	1,00,00,000	10,000.00

Details of shares held by Holding Company and nominees of Holding Company in aggregate

Particulars	As at 31-Mar-2023		As at 31-Mar-2022		% of change during the year
	Number	% of total shares	Number	% of total shares	
Equity shares of ₹100 each	1,00,00,000	100%	1,00,00,000	100%	-

Particulars	As at 31-Mar-2022		As at 31-Mar-2021		% of change during the year
	Number	% of total shares	Number	% of total shares	
Equity shares of ₹100 each	1,00,00,000	100%	85,00,000	100%	-

Terms/Rights attached to Equity Shares:

The Company has only one class of equity share having par value of ₹ 100 each. Each holder of equity shares is entitled to one vote per share.

In the period of five years immediately preceding 31st March 2023:

- The Company has not allotted any bonus shares.
- The Company has not allotted any equity shares as fully paid up without payment being received in cash.

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

Name of the Shareholders	Equity Shares			
	As at 31-Mar-2023		As at 31-Mar-2022	
	Number	% of holding	Number	% of holding
National Payments Corporation of India	1,00,00,000	100%	1,00,00,000	100%

Notes forming part of the Financial Statements

2.14 Other Financial Liabilities (Non-Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
SGM - BBPS Contribution	4,909.99	3,677.83
SGM - BBPS Contribution (Other)*	118.75	38.95
Total	5,028.74	3,716.78

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

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
SGM - BBPS balance at the beginning of the year	3,677.83	-
Add : Contribution received during the year	1,232.16	4,073.70
Less : Contribution refunded during the year	-	(395.87)
Sub Total (A) : SGM - BBPS balance at the end of the year	4,909.99	3,677.83
SGM - BBPS (Other) balance at the beginning of the year	38.95	-
Transfer from NPCI as part of Business Transfer Agreement	-	15.17
Interest received on SGM - BBPS Investment	225.59	64.34
Less : LOC charges	(110.48)	(30.54)
Less : Salary expense	(2.53)	(2.02)
Less : Income tax	(32.79)	(8.00)
Sub Total (B) : SGM - BBPS (Other) balance at the end of the year	118.75	38.95
Total SGM - BBPS [Including Others] balance at the end of the year (A+B)	5,028.74	3,716.78

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

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

2.15 Deferred Tax Liabilities (net)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Deferred Tax Liabilities		
Property, Plant and Equipment	78.21	51.87
Other Comprehensive Income	-	5.33
Investment in Government Securities and Treasury Bills	5.76	-
Deferred Tax Assets		
Preliminary Expenses	(11.24)	(16.18)
Other Comprehensive Income	(0.47)	-
Provision for Gratuity	(7.02)	(16.76)
Provision for Leave encashment	(3.01)	(11.55)
Total	62.23	12.71

Notes forming part of the Financial Statements

2.16 Provisions (Non-Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Provision for Gratuity (net)	24.11	-
Provision for Leave encashment (net)	10.35	-
Total	34.46	-

2.17 Trade Payables

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Micro and Small Enterprises	-	0.81
Other than Micro and Small Enterprises	349.98	754.99
Total	349.98	755.80

Ageing of Trade Payable as on 31st March 2023

(Amount ₹ in Lakh)

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	-	-	-	-	-
Other than Micro and Small Enterprises	349.98	-	-	-	349.98
Disputed dues- Micro and Small Enterprises	-	-	-	-	-
Disputed dues- Other than Micro and Small Enterprises	-	-	-	-	-
Total	349.98	-	-	-	349.98

Ageing of Trade Payable as on 31st March 2022

(Amount ₹ in Lakh)

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	0.81	-	-	-	0.81
Other than Micro and Small Enterprises	754.99	-	-	-	754.99
Disputed dues- Micro and Small Enterprises	-	-	-	-	-
Disputed dues- Other than Micro and Small Enterprises	-	-	-	-	-
Total	755.80	-	-	-	755.80

There are no unbilled dues as at 31-Mar-2023 and 31-Mar-2022.

2.18 Other Financial Liabilities (Current)

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Statutory liabilities	111.86	61.68
Other payables	4.94	4.25
Total	116.80	65.93

Other Statutory Liabilities: It consists of amount payable towards TDS, GST, Profession tax, Provident Fund, NPS Contribution etc.

Notes forming part of the Financial Statements

2.19 Provisions (Current)

Particulars	(Amount ₹ in Lakh)	
	As at 31-Mar-2023	As at 31-Mar-2022
Provision for Expenses	460.67	296.03
Total	460.67	296.03

The movement of Provisions (including the Non-Current Provisions) is as follows:

Particulars	(Amount ₹ in Lakh)	
	As at 31-Mar-2023	As at 31-Mar-2022
Balance at the beginning of the year	296.03	0.69
Provision during the year	494.83	296.03
Less : Provision utilised/reversed during the year	(295.72)	(0.69)
Balance at the end of the year	495.14	296.03

2.20 Current Tax Liabilities (Net)

Particulars	(Amount ₹ in Lakh)	
	As at 31-Mar-2023	As at 31-Mar-2022
Provision for Tax - (Net of Advance Income Tax and TDS)	44.86	41.35
Total	44.86	41.35

Income Taxes

Income Tax expense in the statement of Profit and Loss comprises of the following:

Particulars	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Current Tax	650.00	225.00
Deferred Tax	55.31	14.14
Prior year Tax adjustment	(57.67)	-
Total	647.64	239.14

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

Particulars	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Profit before tax	2,113.30	653.90
Applicable Tax Rate	29.12%	27.82%
Computed expected Tax Expense	615.39	181.91
Interest income taxable as Income from other source	(197.58)	(96.42)
Setoff of carry forward Business Loss	-	(7.23)
Prior year Tax adjustment	(57.67)	-
Deferred Taxes	55.31	14.14
Items of Income and expenses not considered for Tax purposes:	(199.94)	(89.51)
Other Disallowances - Gratuity and Leave Encashment Provisions and others	8.74	68.99
Items of Income and expenses not deductible for Tax purposes:	8.74	68.99
Excess Depreciation as per Income Tax	28.53	(14.19)
1/5th Amortisation of Share Issue Expenses	(5.62)	(5.37)
Items of Income and expenses added for Tax purposes:	22.91	(19.56)
Interest Income	197.58	96.42
Income from other sources:	197.58	96.42
Others	2.96	0.88
Total	647.64	239.14
Tax Expense recognised during the year	647.64	239.14

The applicable Indian Statutory tax rate for financial year 2022-23 is 29.12% and 2021-22 is 27.82%

Notes forming part of the Financial Statements

Financial Instruments

Financial Instrument by Category

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

Financial Assets

Particulars	(Amount ₹ in Lakh)	
	As at 31-Mar-2023	As at 31-Mar-2022
Measured at amortised cost		
Trade Receivables	99.65	68.71
Cash and Cash Equivalents	1,187.12	598.46
Bank balances other than Cash and Cash Equivalents	3,873.00	9,877.89
Investments	1,968.20	-
Other Financial Assets	8,135.06	1,481.98
Total	15,263.03	12,027.04

Financial Liabilities

Particulars	(Amount ₹ in Lakh)	
	As at 31-Mar-2023	As at 31-Mar-2022
Measured at amortised cost		
Trade Payables	349.98	755.80
Other Financial Liabilities	5,145.54	3,782.71
Total	5,495.52	4,538.51

Fair Value Hierarchy

Level 1 - Quoted prices in active market for identical Assets and Liabilities

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly

Level 3 - Inputs for the Assets or Liabilities that are not based on observable market data.

Investments (Level 1)	(Amount ₹ in Lakh)	
	As at 31-Mar-2023	As at 31-Mar-2022
Government Securities	1,107.07	-
Treasury Bills	880.92	-
Total	1987.99	-

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

Financial Risk Management

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company has robust accounts receivable collection mechanism which has ensured near zero level of credit risk since inception. The investment of the Company is in high grade investment categories reducing the credit risk exposure to near minimal. The following table gives

Notes forming part of the Financial Statements

details in respect of % of revenue generated from top customer and top 5 customers :

Particulars	(Amount ₹ in Lakh)	
	As at 31-Mar-2023	As at 31-Mar-2022
Revenue from Top Customer	25%	23%
Revenue from Top 5 Customers	66%	64%

Credit Risk Exposure

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

Foreign Currency Risk Exposures

Particulars	(Amount ₹ in Lakh)	
	As at 31-Mar-2023	As at 31-Mar-2022
Financial Assets		
Advances to Vendors	12.33	-

2.21 Revenue from Operations

Particulars	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Income from Bharat Bill Payment System	5,780.52	3,481.93
Certification income	16.00	28.00
Other operating income	-	11.73
Total	5,796.52	3,521.66

2.22 Other Income

Particulars	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Interest Income on Deposits	405.58	282.19
Interest Income on Earmarked Fund - SGM BBPS	225.59	64.38
Interest Income on Government Securities	24.73	-
Interest Income on Treasury Bills	20.33	-
Interest on Income Tax Refund	2.28	-
Liabilities no longer required written back	34.47	-
Miscellaneous Income	5.67	-
Total	718.65	346.57

2.23 Operating Expenses

Particulars	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Annual Maintenance Charges - Network & IT Equipments	174.63	215.74
Other Operating Expenses	16.00	-
Total	190.63	215.74

2.24 Employee Benefits Expenses

Notes forming part of the Financial Statements

Particulars	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Salary & Allowances	1,850.77	1,190.45
Salary & Allowances (Shared Service Cost)	63.04	56.62
Contribution to Employee Benefits	85.54	53.90
Gratuity and Leave encashment	30.26	52.83
Outsourcing Cost	3.92	22.81
Staff Welfare	34.98	1.65
Total	2,068.51	1,378.26

Gratuity and Leave Encashment

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

The summarised position of post-employment benefits recognised in the Statement of Profit and Loss and Balance Sheet are as under:

Gratuity Plan

Reconciliation of Amounts in Balance Sheet	(Amount ₹ in Lakh)	
	As at 31-Mar-2023	As at 31-Mar-2022
Opening Net Defined Benefit (Asset) / Liability	60.23	59.23
Total (Income) / Expense recognised in Profit and Loss	21.84	20.15
Actual Employer Contributions	(82.21)	-
Total Re-measurements recognised in Other Comprehensive (Income) / Expense	24.25	(19.15)
Closing (Asset) / Liability recognised in the Balance sheet	24.11	60.23

Amounts in Balance Sheet	(Amount ₹ in Lakh)	
	As at 31-Mar-2023	As at 31-Mar-2022
Defined Benefit Obligation (DBO)	91.32	60.23
Fair Value of Plan Assets	67.21	-
Funded Status - (Surplus) / Deficit	24.11	60.23
Liability/(Asset) recognised in the Balance Sheet	24.11	60.23

Amount recognised in the Statement of Profit and Loss	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Current Service Cost	18.20	16.51
Interest Cost	3.64	3.64
Total Expense/(Income) included in "Employee Benefit Expenses"	21.84	20.15

Amount recognised in Other Comprehensive Income (OCI)	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Amount recognised in OCI, Beginning of the year	(19.15)	-
Remeasurements due to :		
Effect of Change in financial assumptions [C]	(2.79)	(1.17)
Effect of experience adjustments [E]	27.04	(17.98)
Actuarial (Gains)/Losses (C + E)	24.25	(19.15)
Return on plan assets (excluding interest)	-	-
Total remeasurements recognised in OCI	24.25	(19.15)
Amount recognised in OCI, End of the year	5.10	(19.15)

Notes forming part of the Financial Statements

(Amount ₹ in Lakh)

Change in Present Value of Benefit Obligation during the year	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Defined Benefit Obligation, Beginning of the year	60.23	59.23
Current Service Cost	18.20	16.51
Interest Cost	3.64	3.64
Actuarial (Gains)/Losses	24.25	(19.15)
Actual Benefits Paid	(15.00)	-
Defined Benefit Obligation, End of the year	91.32	60.23

(Amount ₹ in Lakh)

Change in Fair Value of Plan Assets during the Period	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Fair value of Plan Assets, Beginning of the year	-	-
Actual Enterprise's Contributions	82.21	-
Actual Benefits Paid	(15.00)	-
Actuarial Gains/(Losses)	-	-
Fair Value of Plan Assets, End of the year	67.21	-

(Amount ₹ in Lakh)

Current/ Non-Current Benefit Obligation	As at 31-Mar-2023	As at 31-Mar-2022
Current Liability	-	9.29
Non-Current Liability	24.11	50.94
Liability/(Asset) Recognised in Balance Sheet	24.11	60.23

(Amount ₹ in Lakh)

Other Items	As at 31-Mar-2023	As at 31-Mar-2022
Expected Contributions for the next financial year	19.57	-
Decrement adjusted estimated tenure of Actuarial liability (years)	6.46	6.36

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

(Amount ₹ in Lakh)

Particulars	31-Mar- 2023	31-Mar- 2022	31-Mar- 2021	31-Mar- 2020	31-Mar- 2019
DBO	91.32	60.23	59.23	N.A.	N.A.
Plan Assets	67.21	-	-	N.A.	N.A.
(Surplus) / Deficit	24.11	60.23	59.23	N.A.	N.A.
Exp Adj - Plan Assets Gain/(Loss)	-	-	-	N.A.	N.A.
Assumptions (Gain) / Loss	(2.79)	(1.17)	-	N.A.	N.A.
Exp Adj. - Plan Liabilities (Gain) / Loss	27.04	(17.98)	-	N.A.	N.A.
Total Actuarial (Gain) / Loss	24.25	(19.15)	-	N.A.	N.A.

Category of Assets	As at 31-Mar-2023	As at 31-Mar-2022
Other (including assets under Schemes of Ins.)	100%	0.00%
Total	100%	0.00%

Notes forming part of the Financial Statements

(Amount ₹ in Lakh)		
Recognition of Actuarial Gain/(Loss)	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Actuarial (Gain)/Loss arising on DBO	24.25	(19.15)
Total (Gain)/Loss recognised during the year	24.25	(19.15)

Sensitivity Analysis

(Amount ₹ in Lakh)	
Particulars	As at 31-Mar-2023
Defined Benefit Obligation (Base)	91.32

Particulars	As at 31-Mar-2023	
	Decrease	Increase
Discount rate (per annum)	93.63	89.12
Impact of increase/decrease in 50 bps on DBO	2.53%	-2.41%
Salary Growth rate (per annum)	89.27	92.91
Impact of increase/decrease in 50 bps on DBO	-2.24%	1.74%

Expected Cash Flow

(Amount ₹ in Lakh)	
Particulars	31-Mar-2023
Year 1	19.57
Year 2	9.30
Year 3	9.55
Year 4	10.00
Year 5	10.70
Year 6 to 10	44.61

(Amount ₹ in Lakh)		
Actuarial assumptions	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Discount Rate	7.15%	6.55%
Salary Escalation Rate	8.00%	8.00%
Expected Return on Assets	7.15%	0.00%
Withdrawal Rate	15.00%	15.00%
Retirement Age	60 years	60 years

Leave Encashment Plan

(Amount ₹ in Lakh)		
Reconciliation of amounts in Balance Sheet	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Opening Net Defined Benefit (Asset) / Liability	41.50	53.40
Total (Income) / Expense recognised in Profit and Loss	23.27	(11.90)
Actual Employer Contributions	(54.42)	-
Closing (Asset) / Liability recognised in the Balance sheet	10.35	41.50

Notes forming part of the Financial Statements

(Amount ₹ in Lakh)

Amounts in Balance Sheet	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Defined Benefit Obligation (DBO)	58.61	41.50
Fair Value of Plan Assets	48.26	-
Funded Status - (Surplus) /Deficit	10.35	41.50
Net (Asset) /Liability recognised in the Balance Sheet	10.35	41.50

(Amount ₹ in Lakh)

Amount recognised in the Statement of Profit and Loss	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Current Service Cost	11.37	15.99
Interest Cost	2.52	3.28
Net Actuarial Losses/(Gains)	9.38	(31.17)
Expense/(Income) included in "Employee Benefit Expenses"	23.27	(11.90)

(Amount ₹ in Lakh)

Change in Present Value of Benefit Obligation during the year	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Defined Benefit Obligation, Beginning of the year	41.50	53.40
Current Service Cost	11.37	15.99
Interest Cost	2.52	3.28
Actuarial (Gains)/Losses	9.38	(31.17)
Actual Benefits Paid	(6.16)	-
Defined Benefit Obligation, End of the year	58.61	41.50

(Amount ₹ in Lakh)

Change in Fair Value of Plan Assets during the year	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Fair value of Plan Assets, Beginning of the year	-	-
Actual Enterprise's Contributions	54.42	-
Actual Benefits Paid	(6.16)	-
Actuarial Gains/(Losses)	-	-
Fair Value of Plan Assets, End of the year	48.26	-

(Amount ₹ in Lakh)

Current/ Non-Current Benefit Obligation	As at 31-Mar-2023	As at 31-Mar-2022
Current Liability	-	7.40
Non-Current Liability	10.35	34.10
Liability/(Asset) Recognised in Balance Sheet	10.35	41.50

(Amount ₹ in Lakh)

Other Items	As at 31-Mar-2023	As at 31-Mar-2022
Expected Contributions for the next financial year	-	-
Decrement adjusted estimated tenure of Actuarial liability (years)	6.46	6.36

Notes forming part of the Financial Statements

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

(Amount ₹ in Lakh)

Particulars	31-Mar-2023	31-Mar-2022	31-Mar-2021	31-Mar-2020	31-Mar-2019
DBO	58.62	41.50	53.40	N.A.	N.A.
Plan Assets	48.26	-	-	N.A.	N.A.
(Surplus) / Deficit	10.36	41.50	53.40	N.A.	N.A.
Exp Adj - Plan Assets Gain/(Loss)	-	-	-	N.A.	N.A.
Assumptions (Gain) / Loss	(1.68)	(0.90)	-	N.A.	N.A.
Exp Adj. - Plan Liabilities (Gain) / Loss	11.06	(30.27)	-	N.A.	N.A.
Total Actuarial (Gain) / Loss	9.38	(31.17)	-	N.A.	N.A.

Category of Assets	As at 31-Mar-2023	As at 31-Mar-2022
Other (including assets under Schemes of Ins.)	100%	0.00%
Total	100%	0.00%

Recognition of Actuarial Gain/(Loss)	As at 31-Mar-2023	As at 31-Mar-2022
Actuarial (Gain)/Loss arising on DBO	9.38	(31.17)
Total (Gain)/Loss recognised during the year	9.38	(31.17)

Sensitivity Analysis

(Amount ₹ in Lakh)

Particulars	As at 31-Mar-2023
Defined Benefit Obligation (Base)	58.61

Particulars	As at 31-Mar-2023	
	Decrease	Increase
Discount rate (per annum)	60.00	57.28
Impact of increase/decrease in 50 bps on DBO	2.38%	-2.27%
Salary Growth rate (per annum)	57.28	59.98
Impact of increase/decrease in 50 bps on DBO	-2.26%	2.35%

Expected Cash Flow

(Amount ₹ in Lakh)

Particulars	31-Mar-2023
Year 1	11.45
Year 2	10.39
Year 3	9.45
Year 4	8.62
Year 5	7.87
Year 6 to 10	26.95

Notes forming part of the Financial Statements

(Amount ₹ in Lakh)

Actuarial assumptions	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Discount Rate	7.15%	6.55%
Future Salary Increases considering Inflation, Seniority, Promotion	8.00%	8.00%
Expected Return on Assets	7.15%	0.00%
Withdrawal Rate	15.00%	15.00%
Retirement Age	60 years	60 years

2.25 Depreciation and Amortisation Expenses

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Depreciation on Property Plant and Equipment	90.85	179.73
Amortisation of Intangible assets	775.97	699.40
Total	866.82	879.13

2.26 CSR Expenditure

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
CSR Expenditure	6.28	-
Total	6.28	-

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

(Amount ₹ in Lakh)

Particulars	Amount paid	Amount yet to be paid	Total
i) Construction/Acquisition of any asset	-	-	-
ii) On Purpose Other than (i) above	6.28	-	6.28

Amount Spent during the year :

(Amount ₹ in Lakh)

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
i) Amount required to be spent by the company during the year	6.28	-
ii) Amount of expenditure incurred	6.28	-
iii) Shortfall at the end of the year	-	-
iv) Total of previous years shortfall/ (excess)	-	-
v) Reason for shortfall	NA	NA
vi) Nature of CSR activities	1. Education and Livelihood*	NA
vii) Details of Related Party Transactions	NA	NA
viii) Details related to Movement of Provision	-	-

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

Notes forming part of the Financial Statements

2.27 Administrative and Other Expenses

Particulars	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Shared Service Cost		
Rent	99.68	55.38
Electricity	8.65	5.80
General Office Expenses	16.19	8.79
Telephone & communication expenses	0.81	0.55
Administrative Charges	15.07	9.96
Rates & Taxes	0.26	0.18
Travelling and Conveyance Expenses	70.42	14.32
Training & Seminar	89.81	-
Sitting fees to directors	5.00	4.00
Insurance	0.09	0.08
Finance Charges - LOC SGM BBPS	115.51	30.54
Postage, Printing and Stationery	1.06	0.06
Internal Audit Fees	1.59	1.60
Recruitment Expenses	5.23	10.94
Preliminary Expenses	-	77.55
Professional Fees	175.44	48.03
Legal Fees	16.15	2.06
Honorarium Fees	-	0.70
Marketing Expenses	503.15	466.46
Business Development and Marketing Support Services	124.25	-
Membership Fees / Subscription	9.28	1.00
Foreign Exchange gain/(loss)	0.08	-
Auditor's Remuneration*	3.66	1.77
Tax Audit Fees	0.55	0.40
Interest on MSME	0.00	-
Miscellaneous Expenses	7.70	1.03
Total	1,269.63	741.20

* Auditor's Remuneration

Particulars	(Amount ₹ in Lakh)	
	As at 31-Mar-2023	As at 31-Mar-2022
Statutory Audit Fees	2.60	1.00
Audit Fees for Limited Review	0.85	0.70
Out of Pocket Expenses	0.21	0.07
Total	3.66	1.77

2.28 Earnings per share (EPS)

Particulars	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Net Profit / (Loss) as per Statement of Profit and Loss	1,465.66	414.76
Weighted Average Number of Equity Shares	1,00,00,000	85,65,753
EPS :		
(i) Basic EPS (Face value ₹ 100 per Equity Share)	14.66	4.84
(ii) Diluted EPS (Face value ₹ 100 per Equity Share)	14.66	4.84

Notes forming part of the Financial Statements

2.29 Key Financial Ratios

Ratios	Formula	31-Mar-2023	31-Mar-2022
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	10.77	10.47
Debt-Equity Ratio	Not applicable as there is no Debt in the company	N.A.	N.A.
Debt Service Coverage Ratio	Not applicable as there is no Debt in the company	N.A.	N.A.
Return on Equity Ratio	$\frac{\text{Net profit after taxes}}{\text{Average Shareholder's Equity}}$	13.24%	3.99%
Inventory Turnover ratio	Not applicable considering the nature of business of the company	N.A.	N.A.
Trade Receivables Turnover Ratio	$\frac{\text{Revenue From Operations}}{\text{Average Trade receivables}}$	68.86	102.51
Trade Payables Turnover Ratio	$\frac{\text{Operating Expenses}}{\text{Average Trade Payable}}$	1.09	4.28
Net Capital Turnover Ratio	$\frac{\text{Revenue from operations}}{\text{Working Capital}}$	0.55	0.32
Net Profit Ratio	$\frac{\text{Net Profit}}{\text{Revenue from operations}}$	25.29%	11.78%
Return on Capital Employed	$\frac{\text{Profit before Interest and Tax}}{\text{Capital Employed}}$	17.98%	6.30%
Return on Investment	$\frac{\text{Net return on Investment}}{\text{Average Cost of Investment}}$	5.17%	3.07%

Ratios where there has been a significant change from 31-Mar-2022 to 31-Mar-2023

Return on Equity Ratio :

The Return on Equity Ratio has increased due to increase in Net profit after taxes from ₹ 414.76 lakhs to ₹ 1,465.66 lakhs which is growth of 3.53 times as against increase in Average Shareholder's Equity 1.07 times.

Trade Receivables Turnover Ratio :

The Trade Receivables Turnover Ratio has decreased since Revenue From Operations has increased around 1.65 times as against the increase in Average Trade receivables by 2.45 times.

Trade Payables Turnover Ratio :

The Trade Payables Turnover Ratio has decreased since Operating expenses has increased around 0.10 times as against the increase in Average Trade Payables by 0.41 times.

Net Capital Turnover Ratio :

The Net Capital Turnover Ratio has increased due to increase in Revenue from operations by 1.65 times as against the increase in Working Capital by 0.94 times.

Net Profit Ratio :

The Net Profit Ratio has increased due to increase in Net Profit from ₹ 414.76 lakhs to ₹ 1,465.66 lakhs which is growth of 3.53 times as against increase in Revenue from operations by 1.65 times.

Return on Capital Employed :

The Return on Capital Employed has increased due to increase in Profit before Interest and Tax by 3.23 times as against the increase in Capital Employed by 1.13 times.

Return on Investment :

The Return on Investment has increased due to increase in Net return on Investment by 1.95 times as against the increase in Average Cost of Investment by 1.16 times.

Notes forming part of the Financial Statements

2.30 Related Party Disclosures

Name of related party	Nature of Relationship
National Payments Corporation of India	Holding Company
NPCI International Payments Limited	Fellow Subsidiary

Name of Key Managerial Personnel (KMP) / Related parties:

Key Managerial Personnel - Directors	Title	Date of appointment	Date of Retirement /Cessation
Mr. Biswamohan Mahapatra	Chairman	10-Dec-20	-
Mr. Dilip Asbe	Non-independent Non-Executive	10-Dec-20	-
Mr. Rana Ashutosh Kumar Singh	Non-independent Non-Executive	12-Aug-21	-
Ms. Praveena Rai	Non-independent Non-Executive	27-Jan-22	-

Key Managerial Personnel of the Company	Designation	Date of appointment	Date of Retirement /Cessation
Ms. Noopur Chaturvedi	Chief Executive Officer	06-Aug-21	-
Mr. Ashish Pai	Chief Financial Officer	08-Mar-21	-
Ms. Supreetha Shetty	Company Secretary	01-Dec-21	-

Transactions with Related Parties

The details of Related Party Transactions entered into by the Company for the year ended 31st March, 2023 are as below:

(Amount ₹ in Lakh)				
Name of Related Party		Nature of Transaction	Year ended 31-Mar-2023	Year ended 31-Mar-2022
National Payments Corporation of India	Income	Appropriation to SGM Contribution	-	15.17
		Transfer of interest of SGM BBPS FD	-	10.19
		Reimbursement of Employee Benefit Expenses	15.10	-
		Consumer Awareness Program Campaign fees	-	50.00
	Expense	Shared Services cost	203.44	145.20
		Business Development and Marketing Support Services	124.25	-
		AMC Hardware & Software	-	209.14
		Reimbursement of Employee Benefit Expenses	8.79	5.20
		Processing Fees for LOC SGM BBPS	6.31	3.10
		Reimbursement of expenses	-	12.23
	Asset	Business purchase	-	3,420.00
		CWIP Tangible Asset	-	27.79
		Debtors of BBPS	-	6.48
Liability	SGM-BBPS Member Bank Contribution	-	1,127.83	
Yes Bank Limited	Income	Switching fees	-	3.27

Details of Amounts Due to or Due from Related Parties as at 31-Mar-2023

(Amount ₹ in Lakh)			
Name of Related Party	Nature of Balances	As at 31-Mar-2023	As at 31-Mar-2022
National Payments Corporation of India	Trade Payable	0.28	37.52
	Trade Receivable	16.31	54.00
Ms. Noopur Chaturvedi	Advance for Security Deposit	3.50	7.00

Notes forming part of the Financial Statements

Transactions with Key Managerial Personnel

Particular	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Sitting Fees	5.00	4.00
Advance for Security Deposit paid/(repayment)	(3.50)	7.00
Total	1.50	11.00

Compensation to Key Management Personnel of the Company

Particular	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Short Term Employee Benefits	193.30	185.30
Post-Employment Benefits*	-	19.60
Other Long Term Benefits	-	-
Total	193.30	204.90

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

2.31 Segment reporting

Operating segment/s are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and assessing performance. The Company's Chief Operating Decision Maker (CODM) is the Chief Executive Officer. The Company has only one identified business segments (industry practice) namely "Payments Systems."

The Financial Statements itself may be considered to be the segment result as per disclosure requirement of Indian Accounting Standard 108 issued by The Institute of Chartered Accountants of India.

2.32 Revenue Expenditure in Foreign Currency

Particulars	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Membership Fees / Subscription	1.43	-
Total	1.43	-

Notes forming part of the Financial Statements

Accounting for Foreign Currency Transactions :

Expenditure in foreign currencies are recorded in INR by applying to the foreign currency amount the exchange rate at the time of transaction. Exchange rate differences consequent to settlement are recognised as income / expenditure.

2.33 Details of Dues to Micro, Small and Medium Enterprises as defined in MSMED Act, 2006.

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

Particulars	(Amount ₹ in Lakh)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
a (i) Principal amount remaining unpaid to any supplier / service provider at the end of the accounting year	-	0.81
(ii) Interest due on above	-	-
Total	-	0.81
b. Amount of Interest paid by the buyer in terms of Section 16 of the Act, along with amount of payment made beyond the appointed date during the year.	-	-
c. Amount of interest accrued and remaining unpaid at the end of the financial year.	0.00	-
d. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	0.00	-
e. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Act.	-	-

2.34 Contingent Liabilities and Commitments

Particulars	(Amount ₹ in Lakh)	
	As at 31-Mar-2023	As at 31-Mar-2022
Estimated amount of Contracts remaining to be Executed on Capital Account and not provided for	502.53	153.00
Revenue commitments	301.51	163.07
Contingent Liabilities - Other Matters [refer below note (i)]	30.00	-

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

2.35 Relationship with Struck Off Companies

The company does not have any transactions with the struck off companies during the current or previous financial year.

2.36 Other Statutory Compliances

- The Company has neither traded or nor invested in crypto currency or virtual currency during the current or previous financial year.
- The Company has complied with the number of layer of companies prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- The Company is not declared as wilful defaulter by any bank or financial Institution or other lender during the current or previous financial year.

Notes forming part of the Financial Statements

e. Loans & Advances

- The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), which are either repayable on demand or without specifying any terms or period of repayment during the current or previous financial year.
- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- No funds have been received by the company from any person or entity, including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

f. Declaration regarding Borrowed funds

- The Company has used the borrowings from banks for the specific purpose for which it was taken at the balance sheet date.
- The Company has not taken any borrowings from banks on the basis of security of Current assets during the current or previous financial year.
- The Company has not taken any secured borrowings during the current or previous financial year accordingly there is no requirement for charge or satisfaction of charges is to be registered with ROC.

g. No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

h. There was no case of misappropriation of funds in the Company.

2.37 COVID Impact

The Company is continuously monitoring the impact of COVID-19 on its financial position. Covid 19 is continuously affecting economic activities in India and abroad and, as a result, may impact the payment industry in which the Company operates. On the basis of the companies monitoring it has identified that there is not material impact of Covid 19 on its financial position.

2.38 There are no material prior period errors which has an impact on the financial position of the company as per IND AS 8.

2.39 Previous year's figures have been regrouped, reclassified, rearranged to correspond with the current year figures / presentation wherever necessary. Numbers are rounded off to the nearest lakhs.

As per our report attached

For KPCM & Co.

Chartered Accountants
Registration No.: 117390W

CA Chimpu Lapsiwala

Partner
Membership No: 137998

Place : Mumbai
Date : 03rd May, 2023

For and on behalf of Board of Directors

Biswamohan Mahapatra

Chairman
DIN: 06990345

Noopur Chaturvedi

Chief Executive Officer

Supreetha Shetty

Company Secretary

Dilip Asbe

Director
DIN: 02990724

Ashish Pai

Chief Financial Officer