

## Independent Auditors' Report

### To the Members of Ingenico ePayments India Private Limited (formerly known as E-Billing Solutions Private Limited)

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the financial statements of Ingenico ePayments India Private Limited (formerly known as E-Billing Solutions Private Limited) ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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

##### Basis for Opinion

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

##### Emphasis of matter

Without qualifying our opinion, we draw attention to Note 27 to the financial statements regarding the Scheme of Arrangement ("Scheme") which has been approved by NCLT vide its order dated 8 October 2018. The Company has given effect to the Scheme from the appointed date specified in the Scheme i.e., 1 April 2017. The accounting treatment is different from that prescribed under Ind AS 103 Business Combinations. Our opinion is not qualified in respect of this matter.



## **Independent Auditors' Report (Continued)**

### **Ingenico ePayments India Private Limited** *(formerly known as E-Billing Solutions Private Limited)*

#### **Other Information**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibility for the Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 the Management and Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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



## Independent Auditors' Report (*Continued*)

### Ingenico ePayments India Private Limited

(formerly known as E-Billing Solutions Private Limited)

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.


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 by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) 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.

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

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

## **Independent Auditors' Report (Continued)**

### **Ingenico ePayments India Private Limited**

*(formerly known as E-Billing Solutions Private Limited)*

#### **Report on Other Legal and Regulatory Requirements (Continued)**

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
  - d) In our opinion and in the context of overriding effect of the accounting treatment for the amalgamation scheme approved by the NCLT vis-a-vis the treatment that would have been applicable otherwise as described in Note 27 to the financial statements, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;
  - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act; and
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements - Refer Note 30 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.



**Independent Auditors' Report (Continued)**

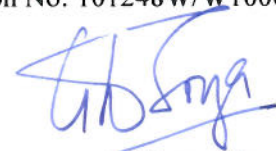
**Ingenico ePayments India Private Limited**  
*(formerly known as E-Billing Solutions Private Limited)*

**Report on Other Legal and Regulatory Requirements (Continued)**

(C) With respect to the matter to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, provisions of section 197 of the Act relating to managerial remuneration are not applicable to the Company.

The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**  
*Chartered Accountants*  
Firm's Registration No: 101248W/W100022



**Glenn D'souza**  
*Partner*

Membership No: 112554  
ICAI UDIN: 21112554AAAADW1245

Jaipur  
30 November 2021

## **Ingenico ePayments India Private Limited**

*(formerly known as E-Billing Solutions Private Limited)*

### **Annexure A to the Independent Auditors' Report on the financial statements of Ingenico ePayments India Private Limited for the year ended 31 March 2021.**

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified over a period of two years. In accordance with the policy, the Company has physically verified certain fixed assets during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no immovable properties are held by the Company. Thus, paragraph 3(i)(c) of the Order is not applicable to the Company.
- (ii) The Company is a service company, primarily acting as intermediary between merchants and banks for electronic payment services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, 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. Therefore, the provisions of paragraph 3(iii) of the said Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans, made any investments or provided any guarantees or security covered under Section 185 and 186 of the Act. Therefore, the provisions of paragraph 3(iii) of the said Order are not applicable to the Company.
- (v) According to information and explanations given to us, the Company has not accepted any deposits from the public as per the provision of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.



## Ingenico ePayments India Private Limited

(formerly known as E-Billing Solutions Private Limited)

### Annexure A to the Independent Auditors' Report on the financial statements of Ingenico ePayments India Private Limited for the year ended 31 March 2021. (Continued)

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and other statutory dues have been generally regularly deposited with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of customs and duty of excise during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, cess and other statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

- (b) According to information and explanations given to us, there are no dues of income-tax, goods and services tax, services tax which have not been deposited by the Company on account of disputes except for the following dues of income-tax which have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the Dues	Amount under Dispute (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	16	A.Y. 2003-04	Assessing Officer
Income Tax Act, 1961	Income Tax	20	A.Y. 2004-05	Assessing Officer
Income Tax Act, 1961	Income Tax	11	A.Y. 2005-06	Assessing Officer
Income Tax Act, 1961	Income Tax	5	A.Y. 2006-07	Assessing Officer
Income Tax Act, 1961	Income Tax	145	A.Y. 2007-08	Assessing Officer
Income Tax Act, 1961	Income Tax	9	A.Y. 2008-09	Assessing Officer

- (viii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company did not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

## **Ingenico ePayments India Private Limited**

*(formerly known as E-Billing Solutions Private Limited)*

### **Annexure A to the Independent Auditors' Report on the financial statements of Ingenico ePayments India Private Limited for the year ended 31 March 2021. (Continued)**

- (xi) The Company is a private limited company. Accordingly, the provisions of Section 197 read with Schedule V to the Act are not applicable to the Company. Thus, paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. The Company does not fall under the definition of a listed company or other class of companies which is required to constitute an audit committee under Section 177 (4) (iv) of the Act and hence the said Section is not applicable to the Company.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential share allotment of shares or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the order is not applicable to the Company.

For **B S R & Co. LLP**  
*Chartered Accountants*

Firm's Registration No: 101248W/ W-100022



**Glenn D'souza**  
*Partner*

Membership No: 112554

ICAI UDIN: 21112554AAAADW1245

Jaipur  
30 November 2021



# **Ingenico ePayments India Private Limited**

*(formerly known as E-Billing Solutions Private Limited)*

**Annexure B to the Independent Auditors' report on the financial statements of Ingenico ePayments India Private Limited for the year ended 31 March 2021.**

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

## **Opinion**

We have audited the internal financial controls with reference to financial statements of Ingenico ePayments India Private Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

## **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.



## **Ingenico ePayments India Private Limited**

*(formerly known as E-Billing Solutions Private Limited)*

**Annexure B to the Independent Auditors' report on the financial statements of Ingenico ePayments India Private Limited for the year ended 31 March 2021. (Continued)**

### **Auditors' Responsibility (Continued)**

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial controls with Reference to Financial Statements**

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

### **Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

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

For **B S R & Co. LLP**  
*Chartered Accountants*

Firm's Registration No: 101248W/W100022



**Glenn D'souza**  
*Partner*

Jaipur  
30 November 2021

Membership No: 112554  
ICAI UDIN: 21112554AAAADW1245

# Ingenico ePayments India Private Limited

(formerly known as E-Billing Solutions Private Limited)

## Balance Sheet

as at 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>(A) Non-current assets</b>			
(a) Property, plant and equipment	(3)	733	935
(b) Right of use assets	(4)	1,121	813
(c) Goodwill	(5)	8,450	16,900
(d) Other intangible assets	(5)	34	123
(e) Intangible assets under development	(3a)	25	-
(f) Financial assets			
(i) Investments	(6)	1	1
(ii) Loans	(8)	375	260
(iii) Other financial assets	(9)	2,565	2,637
(g) Deferred tax assets (net)	(10)	1,461	4,779
(h) Income tax assets (net)		8,240	7,166
(i) Other assets	(11)	28	32
<b>Total non-current assets</b>		<b>23,033</b>	<b>33,646</b>
<b>(B) Current assets</b>			
(a) Financial assets			
(i) Trade receivables	(7)	4,064	7,436
(ii) Cash and cash equivalents	(12)	6,765	5,369
(iii) Bank balances other than (ii) above	(13)	18,535	14,154
(iv) Loans	(8)	2	113
(v) Other financial assets	(9)	2,137	1,641
(b) Other assets	(11)	208	182
<b>Total current assets</b>		<b>31,711</b>	<b>28,895</b>
<b>Total assets</b>		<b>54,744</b>	<b>62,541</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(A) Equity</b>			
(a) Share capital	(14)	2,264	2,264
(b) Other equity	(15)	35,326	42,958
<b>Total equity</b>		<b>37,590</b>	<b>45,222</b>
<b>(B) Liabilities</b>			
<b>(I) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	(28)	950	573
(ii) Other financial liabilities	(17)	83	85
(b) Provisions	(18)	396	289
<b>Total non-current liabilities</b>		<b>1,429</b>	<b>947</b>
<b>(II) Current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	(28)	299	325
(ii) Trade payables	(16)		
1. Dues of micro enterprises and small enterprises		81	-
2. Dues of creditors other than micro enterprises and small enterprises		11,524	12,323
(iii) Other financial liabilities	(17)	1,639	1,248
(b) Other liabilities	(19)	1,327	1,836
(c) Provisions	(18)	855	640
<b>Total current liabilities</b>		<b>15,725</b>	<b>16,372</b>
<b>Total Equity and Liabilities</b>		<b>54,744</b>	<b>62,541</b>

### Summary of significant accounting policies

(2)

The accompanying notes from 1 to 42 form an integral part of the financial statements

As per our report of even date attached.

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Glenn D'Souza

Partner

Membership No: 112554

Mumbai

30 November 2021

For and on behalf of the Board of Directors of

Ingenico ePayments India Private Limited

CIN: U74200MH2005PTC192623

Ramesh Narasimhan Ramamurthy

Director

DIN: 03597514

30 November 2021

Ramesh Narasimhan

Director and CEO

DIN: 08540135

30 November 2021

Esha Mehta

Company Secretary

Membership No: A30027

30 November 2021



# Ingenico ePayments India Private Limited

(formerly known as E-Billing Solutions Private Limited)

## Statement of Profit and Loss

for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
<b>(1) Income</b>			
(a) Revenue from operations	(20)	43,324	42,085
(b) Other income (net)	(21)	1,493	1,402
<b>Total Income</b>		<b>44,817</b>	<b>43,487</b>
<b>(2) Expenses</b>			
(a) Operating expenses	(22)	31,343	30,096
(b) Employee benefits expense	(23)	5,024	5,233
(c) Finance costs	(24)	97	84
(d) Depreciation and amortisation expense	(25)	9,328	9,227
(e) Other expenses	(26)	3,366	3,588
<b>Total Expenses</b>		<b>49,158</b>	<b>48,228</b>
<b>(3) Profit/(Loss) before tax (1-2)</b>		<b>(4,341)</b>	<b>(4,741)</b>
<b>(4) Tax expense</b>			
(a) Current tax		-	-
(b) Deferred tax charge	(37)	3,311	86
<b>Total tax expense</b>		<b>3,311</b>	<b>86</b>
<b>(5) Loss for the year</b>		<b>(7,652)</b>	<b>(4,827)</b>
<b>(6) Other comprehensive income/(loss)</b>			
(1) Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurement of defined employee benefit plans	(23)	27	(24)
(b) Deferred tax on Employee Benefit Actuarial Gain / Loss	(37)	(7)	6
<b>Total other comprehensive income/(loss)</b>		<b>20</b>	<b>(18)</b>
<b>(7) Total comprehensive loss for the year</b>		<b>(7,632)</b>	<b>(4,845)</b>
<b>Earning per share</b>			
Basic and diluted earning per share (Rs. per share)		<b>-33.80</b>	<b>-21.32</b>

### Summary of significant accounting policies

The accompanying notes from 1 to 42 form an integral part of the financial statements

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Glenn D'souza

Partner

Membership No: 112554

Mumbai

30 November 2021

For and on behalf of the Board of Directors of

Ingenico ePayments India Private Limited

CIN: U74200MH2005PTC192623

Ramakrishnan Ramamurthy

Director

DIN: 03597514

30 November 2021

Ramesh Narasimhan

Director and CEO

DIN: 08540135

30 November 2021

Esha Mehta

Company Secretary

Membership No: A30027

30 November 2021



# Ingenico ePayments India Private Limited

(formerly known as E-Billing Solutions Private Limited)

## Statement of Changes in Equity

for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

### (A) Equity share capital

Particulars	Amount
Balance as at 1 April 2019	2,264
Changes in equity share capital during the year	-
Balance as at 31 March 2020	2,264
Changes in equity share capital during the year	-
Balance as at 31 March 2021	2,264

### (B) Other equity

Particulars	Reserve and Surplus		Total attributable to owners of the Company	Total equity
	Securities premium	Retained earnings		
Balance as at 1 April 2019	57,471	(9,668)	47,803	47,803
Loss for the year	-	(4,827)	(4,827)	(4,827)
Other comprehensive loss	-	(24)	(24)	(24)
Deferred tax on Employee Benefit Actuarial Gain / Loss	-	6	6	6
Total Comprehensive Loss	-	(4,845)	(4,845)	(4,845)
Balance as at 31 March 2020	57,471	(14,513)	42,958	42,958
Balance as at 1 April 2020	57,471	(14,513)	42,958	42,958
Loss for the year	-	(7,652)	(7,652)	(7,652)
Other comprehensive loss	-	27	27	27
Deferred tax on Employee Benefit Actuarial Gain / Loss	-	(7)	(7)	(7)
Total Comprehensive Loss	-	(7,632)	(7,632)	(7,632)
Balance as at 31 March 2021	57,471	(22,145)	35,327	35,327

#### Nature and purpose of reserves

##### (a) Securities premium

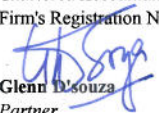
Securities premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of section 52 of the Companies Act, 2013.

##### (b) Retained earnings

The cumulative gain or loss arising from the operations which is retained by the Company is recognised and accumulated under the heading of retained earnings. At the end of the year, the loss after tax is transferred from the statement of profit and loss to retained earnings.

As per our report of even date attached.

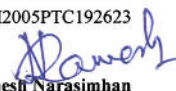
For BSR & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

  
Glenn D'Souza  
Partner  
Membership No: 112554

Mumbai  
30 November 2021

For and on behalf of the Board of Directors of  
Ingenico ePayments India Private Limited  
CIN: U74200MH2005PTC192623

  
Ramakrishnan Ramamurthy  
Director  
DIN: 03597514  
30 November 2021

  
Ramesh Narasimhan  
Director and CEO  
DIN: 08540135  
30 November 2021

  
Esha Mehta  
Company Secretary  
Membership No: A30027  
30 November 2021



Ingenico ePayments India Private Limited  
(formerly known as E-Billing Solutions Private Limited)

Statement of Cash Flows  
for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>(A) Cashflow from operating activities</b>		
Loss before tax	(4,341)	(4,741)
<b>Adjustment for:</b>		
Depreciation and amortisation	9,328	9,227
Allowance for expected credit loss	9	177
Provision for doubtful deposits	33	-
Bad debts written-off	16	82
Interest expense on finance lease	96	84
Balances written-back	(25)	(114)
Other miscellaneous income	(3)	-
(Profit)/Loss on sale/discard/write off of property, plant and equipment and intangible assets	(5)	7
Interest on income-tax refund	(55)	-
Interest income on bank deposits	(1,243)	(1,174)
Unrealized foreign exchange loss/(gain)	(51)	5
<b>Operating cash flow before working capital changes</b>	<b>3,759</b>	<b>3,553</b>
<b>Adjustment for changes in working capital:</b>		
Decrease/(Increase) in trade receivables	3,350	(2,771)
(Increase)/Decrease in other current assets	(26)	472
(Increase)/Decrease in loans	(37)	(51)
Decrease in non-current assets	5	10
Increase/(Decrease) in non-current financial assets	-	(1)
(Increase) in current financial assets	(562)	(393)
(Decrease) in trade payables	(642)	6,777
Increase in current provisions	107	120
Increase in non-current provisions	241	62
Increase/(Decrease) in non-current financial liabilities	391	(200)
(Decrease)/Increase in current financial liabilities	(2)	542
(Decrease)/Increase in current liabilities	(509)	83
<b>Cash generated from operations</b>	<b>6,075</b>	<b>8,203</b>
Income taxes paid (net of interest on refund of tax)	(1,019)	(2,918)
<b>Net cashflow from operating activities</b>	<b>5,056</b>	<b>5,285</b>
<b>(B) Cashflow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(216)	(976)
Proceeds from sale of property, plant and equipment	13	6
Interest received on bank deposits	1,171	1,281
Investments in bank deposits	(4,170)	(7,079)
<b>Net cashflow from investing activities</b>	<b>(3,202)</b>	<b>(6,768)</b>
<b>(C) Cashflow from financing activities</b>		
Payment of lease liabilities	(362)	(277)
Interest paid on lease liabilities	(96)	(84)
<b>Net cashflow from financing activities</b>	<b>(458)</b>	<b>(361)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1,396</b>	<b>(1,844)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>5,369</b>	<b>7,213</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>6,765</b>	<b>5,369</b>




# Ingenico ePayments India Private Limited

(formerly known as E-Billing Solutions Private Limited)

## Statement of Cash flow (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>Cash and cash equivalents comprise of:</b>		
Cash in hand	1	1
Balance with banks:		
In current accounts	4,116	2,492
In fixed deposit account with original maturity of 3 months or less	2,648	1,947
Deposits (lien against performance guarantees) with original maturity of less than 3 months	-	929
<b>Total cash and cash equivalents</b>	<b>6,765</b>	<b>5,369</b>

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Glenn D'souza

Partner

Membership No: 112554

For and on behalf of the Board of Directors of

Ingenico ePayments India Private Limited

CIN: U74200MH2005PTC192623

Ramakrishnan Ramamurthy

Director

DIN: 03597514

30 November 2021

Ramesh Narasimhan

Director and CEO

DIN: 08540135

30 November 2021

Esha Mehta

Company Secretary

Membership No: A30027

30 November 2021

Mumbai

30 November 2021

Notes:

1. This statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 - 'Statement of Cash Flows'.
2. Cash and cash equivalent represent Cash and bank balance (refer Note 12)



# Ingenico ePayments India Private Limited

(formerly known as E-Billing Solutions Private Limited)

## Notes to the financial statements

for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

### 1 Company overview

Ingenico ePayments India Private Limited (formerly known as E-Billing Solutions Private Limited) ('the Company') was incorporated on 3 February 2005 under the Companies Act, 1956. The main business of the Company is to act as an intermediary between merchants and banks for electronic payment services. It is also engaged in providing recurring payment services to its clients in the form of ECS, NACH, Direct Debit, e-mandate services and such ancillary activities to payment services. The Company also acts as an intermediary to facilitate delivery, review and payment of bills payable to any utility provider, service provider etc., in respect of services or utilities availed and to receive/send instructions/communications in respect of the same. The Company is wholly owned subsidiary of Ingenico e-Commerce Solutions BVBA/SPRL. During the year ended 31 March 2018, TechProcess Payment Services Private Limited was amalgamated with the Company.

### 2 Summary of significant accounting policies

#### 2.1 Basis of preparation

##### (i) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

Except for the changes below, the Company has consistently applied accounting policies to all periods.

i) The Company has adopted Ind AS 116 'Leases' with the date of initial application being 1 April 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor.

Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company has applied Ind AS 116 using the modified retrospective approach, where it has recognised the lease liability on initial application (i.e. 1 April 2019) at the present value of the remaining lease payments, discounted using the company's (lessee's) incremental borrowing rate at the date of initial application & it has recognised the a right-of-use asset at the date of initial application, at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Refer note 2.7, 4 & 28 for further details.

These financial statements were authorised for issue by the Company's Board of Directors as on 30 November 2021.

##### (ii) Basis of measurement

The financial statements has been prepared on a historical cost basis except for following items:

- Certain financial assets and liabilities which are measured at fair value.
- Defined benefit plans - plan assets measured at fair value.

##### (iii) Use of judgement and estimates

While preparing financial statements in conformity with Ind AS, the Company makes certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on our estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. The Company continually evaluate these estimates and assumptions based on the most recently available information.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2021 and 31 March 2020 is included in the following notes:

Note 2.6 – Recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used.

Note 2.8 and 2.12 – Impairment test; key assumptions for underlying recoverable amounts.

Note 2.17 – Measurement of defined benefit obligations.

Note 2.16 and 2.18 – Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow

Note 2.11 – Impairment of trade receivables.





## 2 Significant accounting policies (Continued)

### 2.2 Current versus non-current classification

The Company presents assets and liabilities in its Balance Sheet based on current versus non-current classification.

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

### 2.3 Segment reporting

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. The Company operates in one reportable business segment i.e. 'Payment processing services'. Further, since all of its business takes place in India, the Company does not have an reportable geographical segment.

### 2.4 Foreign currencies

#### (i) Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency. The Company determines its own functional currency (the currency of the primary economic environment in which the Company operates) and items included in the financial statements of the Company are measured using that functional currency.

#### (ii) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the Company's functional currency at the rates prevailing on the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.



## 2 Significant accounting policies (Continued)

### 2.5 Revenue

Income from operations consist of revenue from providing payment processing services.

Revenue is recognized when a contract exists with the customer, measured based on the amount entitled to be received for the performance obligation and recognized when it satisfies its performance obligation (transfer of control) which may be either overtime or at a point in time.

Revenue from payment processing services include online and offline services, revenue for which is recognised as the services are rendered based on contractual terms.

Integration fees, which do not result in the transfer of a service are normally recognised when the future services are provided.

Maintenance services revenue are recognised when it is not unreasonable to expect ultimate collection and is accounted ratably over the period.

Risk management services revenue and charge-back processing fees are recognized as the services are rendered.

Revenue excludes taxes collected from customers.

Contracts are unbundled into separately identifiable performance obligations and the consideration is allocated to those identifiable performance obligations on the basis of their relative standalone selling price of each distinct goods or service promised in the contract. Revenue is recognised for respective performance obligation either at the point in time or overtime, as applicable.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the Company's performance completed to date, typically to those contracts where invoicing is based on transaction processed.

#### *Use of significant judgements in revenue recognition*

The Company's contracts with customers could include promises to transfer multiple services to a customer. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

### 2.6 Income tax

#### *Current tax*

The income tax expense or credit for the period is the tax payable or tax receivable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of tax rates (and tax laws) enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### *Deferred tax*

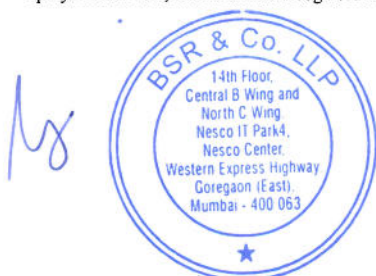
Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets –unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



## 2 Significant accounting policies (Continued)

### 2.7 Leases

The Company evaluates if an arrangement qualifies to be a lease based on the requirements of the relevant standard. Computation on of the lease liabilities and right-to-use assets requires management to estimate the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the Option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Policy applicable before 1 April 2019

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### Operating lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Rental expenses from operating lease in the books of lessee are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term, unless the lease agreement explicitly states that increase is on account of inflation. Contingent rentals arising under operating leases are recognised as an expense in the period in which they incurred.

#### Finance Lease

Leases under which the Company being lessee assumes substantially all the risks and rewards of ownership are classified as finance leases. The lower of fair value of asset and present minimum lease rentals is capitalised as fixed assets with corresponding amount shown as lease liability. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged to the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalised.

Policy applicable with effect from 1 April 2019

#### The Company as a lessee

"The Company's lease asset classes primarily consist of leases for buildings.

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

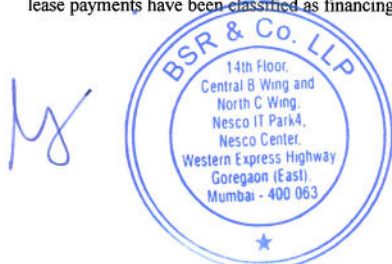
- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset."

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right -of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right -of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight -line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment as to whether it will exercise an extension or a termination option. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in Company's assessment of whether it will exercise a purchase, extension or termination option. Lease liability is further bifurcated into current and non-current portion; and the right-of-use assets have been separately presented in the Balance Sheet and lease payments have been classified as financing activities in the Statement of Cash Flow.



## 2 Significant accounting policies (Continued)

### 2.7 Leases (Continued)

The Company has adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 wherein it has used the modified retrospective approach, where it has recognised the lease liability on initial application (i.e. 1 April 2019) at the present value of the remaining lease payments, discounted using the company's (lessee's) incremental borrowing rate at the date of initial application & it has recognised the a right-of-use asset at the date of initial application, at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Accordingly, the Company has not restated comparative information.

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by lease basis.

The Company has also used the practical expedient provided by the standard and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The Company does not have any lease contracts wherein it acts as a lessor.

### 2.8 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

### 2.9 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### 2.10 Cash flows

Cash flows are reported using the indirect method, where by net profit (loss) before tax 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 are segregated.

### 2.11 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The impairment losses and reversals are recognised in Statement of Profit and Loss.

### 2.12 Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

#### A. Financial assets

The Company determines the classification of its financial assets at initial recognition. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

#### (I) Classification

The financial assets are classified in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those to be measured at amortised cost.



2 Significant accounting policies (Continued)

2.12 Financial instruments (Continued)

A. Financial assets (Continued)

(I) Classification (Continued)

**Financial assets at fair value through profit or loss (FVTPL)**

Financial assets at fair value through profit or loss include financial assets held for trading, debt securities and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the Balance Sheet at fair value with net changes in fair value presented as finance costs in profit or loss. Interests, dividends and gain/loss on foreign exchange on financial assets at fair value through profit or loss are included separately in other income.

**Fair value through other comprehensive income (FVTOCI)**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

**(II) Measurement**

**Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

**Amortised cost**

The Company classifies its financial assets at amortised cost only if both of the following criteria are met:

- a) The asset is held within a business model with the objective of collecting the contractual cash flows, and
- b) The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets at amortised cost include trade and other receivables and other financial assets. After initial measurement at fair value, the financial assets are measured at amortised cost using the effective interest rate (EIR) method, less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the Statement of Profit and Loss in other expense.

**Fair value through other comprehensive income (FVTOCI)**

The Company classifies its financial assets at other comprehensive income only if both of the following criteria are met:

- a) financial assets are held within a business whose objective is achieved by collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding; and
- b) selling financial assets.

**Fair value through profit or loss (FVTPL)**

Fair value through profit or loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL.

**(III) Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**(IV) Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets carried at amortised cost and FVTOCI debt instruments. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.



2 Significant of accounting policies (Continued)

2.12 Financial instruments (Continued)

A. Financial assets (Continued)

(IV) Impairment of financial assets (Continued)

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers the following:

(i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument.

(ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

B. Financial liabilities

The Company determines the classification of its financial liabilities at initial recognition.

(I) Classification

The financial liabilities are classified in the following measurement categories:

- a) Those to be measured as financial liabilities at fair value through profit or loss,
- b) Those to be measured at amortised cost.

(II) Measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

The Company's financial liabilities include trade payables, employee benefits payable and other payables.

Financial liabilities measured at amortised cost

Financial liabilities are initially recognised at fair value, net of transaction cost incurred and are subsequently measured at amortised cost, using the EIR method. Any difference between the proceeds net of transaction costs and the amount due on settlement or redemption of borrowings is recognised over the term of the borrowing.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest charge over the relevant effective interest rate period. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. This category generally applies to borrowings.

(III) Derecognition of financial liabilities

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

(IV) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.13 Interest and dividend income

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets, interest income is recognised using the effective interest rate (EIR), which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial asset is recognised using the original EIR.



## 2 Signification accounting policies (Continued)

### 2.14 Property, plant and equipment

Property, plant and equipment are measured at cost / deemed cost, less accumulated depreciation and impairment losses, if any. Cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated attributable costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

Property, plant and equipment not available for intended use are disclosed as capital work-in-progress.

#### **Depreciation methods, estimated useful lives and residual value**

Assets are depreciated on straight-line method based on the estimated useful life of asset, as determined by the management or as per rates prescribed under Part C of Schedule II of the Companies Act 2013.

Class of asset	Life of the asset
Office equipment	5 years
Computers and accessories	3 years
Furniture and fixtures	Over the primary lease period of the premises
Vehicle	4 years

The assets' residual values, depreciation method and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

A property, plant and equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of property, plant and equipment are recognized in the Statement of profit and loss.

### 2.15 Intangible assets

#### (i) Recognition and measurement

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Intangible assets are stated at cost less accumulated amortisation and impairment. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

#### (ii) Amortisation methods and periods

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Class of asset	Life of the asset
Computer software	5 years

Amortisation method and useful lives are reviewed at each reporting date.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal.

Losses arising from retirement and gains or losses arising from disposal of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit and loss.

Goodwill arising on amalgamation in accordance with court scheme

Goodwill arising on amalgamation of TechProcess Payment Services Private Limited has been recognised in accordance with court scheme. Said goodwill has been amortised in accordance with the court scheme for which Company has estimated useful life of 5 years.

### 2.16 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.



## 2 Significant accounting policies (Continued)

### 2.17 Employee benefits

#### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### (ii) Share based compensation

The Company recognises compensation expense relating to share based payments using the fair value in accordance with Ind AS 102- Share based payment. Selected employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period and for ultimate holding company's performance based stock options over the defined period. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award with a corresponding increase to share options outstanding account.

#### (iii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### (iv) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

#### Defined benefit plans - Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

#### Defined contribution plan

The Company pays provident fund contributions to publicly administered provident fund as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### 2.18 Contingent liabilities

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

### 2.19 Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit/(loss) attributable to owners of the Company;
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.





**2 Significant accounting policies (Continued)**

**2.19 Earnings per share (Continued)**

*(ii) Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**2.20 Rounding off amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**2.21 Recent accounting pronouncement**

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.
- The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

**2.22 Impact of COVID-19 on the Financial Statements**

"The Company has considered the possible effects that may result from COVID-19 on its revenue and the carrying amounts of its non current and current assets including billed and unbilled receivables and Intangibles. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information. Having reviewed the underlying data and based on current estimates, the Company does not expect any material impact on the carrying amount of these assets. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions."



(3) Property, plant and equipment

Particulars	Computers and accessories	Vehicles	Furniture and fixtures	Office equipment	Leasehold improvements	Total
<b>Gross carrying amount</b>						
As at 1 April 2019	574	17	121	77	3	792
Additions	520	-	390	67	-	977
Disposals	15	-	28	24	3	70
As at 31 March 2020	1,079	17	483	120	-	1,699
<b>Accumulated depreciation</b>						
As at 1 April 2019	415	15	60	60	3	553
Depreciation	165	2	79	22	-	268
Disposals	14	-	15	25	3	57
As at 31 March 2020	566	17	124	57	-	764
<b>Net carrying amount as at 31 March 2020</b>	<b>513</b>	<b>-</b>	<b>359</b>	<b>63</b>	<b>-</b>	<b>935</b>
<b>Gross carrying amount</b>						
As at 1 April 2020	1,079	17	483	120	-	1,699
Additions	143	-	35	11	-	189
Disposals	6	17	139	26	-	188
As at 31 March 2021	1,216	-	379	105	-	1,700
<b>Accumulated depreciation</b>						
As at 1 April 2020	566	17	124	57	-	764
Depreciation	242	-	121	21	-	384
Disposals	6	17	139	19	-	181
As at 31 March 2021	802	-	106	59	-	967
<b>Net carrying amount as at 31 March 2021</b>	<b>414</b>	<b>-</b>	<b>273</b>	<b>46</b>	<b>-</b>	<b>733</b>

(3a) Intangible assets under development

Particulars	Total
Opening balance at 1 April 2020	-
Additions (Salary capitalised)	25
Transfer to intangibles	-
Closing balance as at 31 March 2021	25

(4) Right-of-use assets

Particulars	Buildings	Total
<b>Gross carrying value</b>		
At 1 April 2019	-	-
Impact of adoption of Ind AS 116 (refer note 28)	1,175	1,175
Additions	-	-
At 31 March 2020	1,175	1,175
<b>Accumulated depreciation</b>		
At 1 April 2019	-	-
Depreciation expense	362	362
At 31 March 2020	362	362
<b>Net carrying value as at 31 March 2020</b>	<b>813</b>	<b>813</b>
<b>Gross carrying value</b>		
At 1 April 2020	1,175	1,175
Impact of adoption of Ind AS 116 (refer note 28)	-	-
Additions	712	712
Disposals	406	406
At 31 March 2021	1,481	1,481
<b>Accumulated depreciation</b>		
At 1 April 2020	362	362
Depreciation expense	404	404
Disposals	406	406
At 31 March 2021	360	360
<b>Net carrying value as at 31 March 2021</b>	<b>1,121</b>	<b>1,121</b>

*[Handwritten signature]*



Ingenico ePayments India Private Limited  
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Notes to the financial statements (Continued)  
as at 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

(5) Intangible assets

Particulars	Computer software	Goodwill *	Total
<b>Gross carrying amount</b>			
As at 1 April 2019	674	42,233	42,907
Additions	2	-	2
Disposals	-	-	-
As at 31 March 2020	676	42,233	42,909
<b>Accumulated amortisation</b>			
As at 1 April 2019	396	16,893	17,289
Amortisation	157	8,440	8,597
Disposals	-	-	-
As at 31 March 2020	553	25,333	25,886
<b>Net carrying amount as at 31 March 2020</b>	<b>123</b>	<b>16,900</b>	<b>17,023</b>
<b>Gross carrying amount</b>			
As at 1 April 2020	676	42,233	42,909
Additions	1	-	1
Disposals	-	-	-
As at 31 March 2021	677	42,233	42,910
<b>Accumulated amortisation</b>			
As at 1 April 2020	553	25,333	25,886
Amortisation	90	8,450	8,540
Disposals	-	-	-
As at 31 March 2021	643	33,783	34,426
<b>Net carrying amount as at 31 March 2021</b>	<b>34</b>	<b>8,450</b>	<b>8,484</b>

\* Refer Note No. 27 - Goodwill arising on account of the amalgamation.




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## Notes to the financial statements (Continued)

as at 31 March 2021

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	As at 31 March 2021	As at 31 March 2020
<b>(6) Investments</b>		
<i>Non-current investments (measured at cost)</i>		
Investment in equity shares of Saraswat Co-Operative Bank (unquoted) (5,000 (Previous year: 5,000) equity shares of Rs. 10 each, fully paid)	1	1
<b>Total non-current investments</b>	<u>1</u>	<u>1</u>
<b>(7) Trade receivables</b>		
Unsecured, considered good	4,064	7,436
Significant increase in credit risk	-	-
Credit impaired	226	453
	<u>4,290</u>	<u>7,889</u>
Less: Allowance for expected credit loss	(226)	(453)
<b>Total current trade receivables</b>	<u>4,064</u>	<u>7,436</u>
<b>(8) Loans</b>		
<i>Non-current loans</i>		
<i>Unsecured, considered good unless otherwise stated</i>		
Security deposits		
Security deposit to related parties (Ref. note no. 33)	123	-
Security deposit to other than related parties		
Unsecured, considered good	252	260
Credit impaired	44	11
	<u>419</u>	<u>271</u>
Less: Impairment allowance for security deposit	(44)	(11)
<b>Total non-current loans</b>	<u>375</u>	<u>260</u>
<i>Current loans</i>		
<i>Unsecured, considered good unless otherwise stated</i>		
Security deposits	2	113
<b>Total current loans</b>	<u>2</u>	<u>113</u>
<b>(9) Other financial assets</b>		
<i>Non-current financial assets</i>		
Interest accrued but not due on fixed deposits with bank	208	69
Bank deposits due to mature after 12 months from the reporting date	2,353	2,477
Deposits (Lien against performance guarantee)	4	91
<b>Total non-current financial assets</b>	<u>2,565</u>	<u>2,637</u>
<i>Current financial assets</i>		
Interest accrued but not due on fixed deposits with bank	358	424
Unbilled receivables	1,209	658
Others - receivables	595	559
Less: Credit impaired	(25)	-
<b>Total current financial assets</b>	<u>2,137</u>	<u>1,641</u>



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## Notes to the financial statements (Continued)

as at 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
<b>(10) Deferred tax assets (net)</b>		
<b>Significant components of deferred tax assets</b>		
<b>Deferred tax assets</b>		
Difference between book and tax value of PPE and intangible assets	130	334
Difference between book and tax value of amortisation of goodwill	(2,126)	-
Carry forward loss and unabsorbed depreciation	2,430	3,570
Provision for doubtful debts	57	113
Provision for doubtful deposits and advance	17	3
Provision for bonus	317	244
Provision for leave encashment	30	17
Lease liabilities (net of right-of-use assets)	32	22
Provision for retirement benefits	87	72
Provision for other expenses and chargeback	485	399
Legal and professional expenses (for amalgamation) amortised	2	5
	<b>1,461</b>	<b>4,779</b>

Deferred tax assets have been recognised as at 31 March 2021 as the Company expects utilisation of the unused tax losses and taxable/deductible temporary differences within its appropriate period of carry forward. The unutilised tax losses of the Company are allowed to be carried forward for a period of eight years under the applicable tax laws and unutilised tax depreciation can be carried forward indefinitely.

## (11) Other assets

### Non-current assets

#### Unsecured considered good

Prepaid expenses	28	32
<b>Total non-current assets</b>	<b>28</b>	<b>32</b>

### Current assets

#### Unsecured considered good

Prepaid expenses	141	129
Advance for expenses	10	32
Goods and services tax credit available	57	21
<b>Total current assets</b>	<b>208</b>	<b>182</b>

## (12) Cash and cash equivalents

<b>Cash in hand</b>	<b>1</b>	<b>1</b>
<b>Balance with banks</b>		
In current accounts	4,116	2,492
In fixed deposit account with original maturity of 3 months or less	2,648	1,947
Deposits (lien against performance guarantees) with original maturity of less than 3 months	-	929
<b>Total cash and cash equivalents</b>	<b>6,765</b>	<b>5,369</b>

### Nodal balance:

The Company has arrangements for Nodal accounts with various banks. The nodal accounts are operated as per Reserve Bank of India (RBI) guidelines pertaining to settlement of payments for electronic payment transactions involving intermediaries. The balance in nodal accounts represents money collected from customers on transactions undertaken and is used for settling of dues to various merchants as per RBI guidelines.

## (13) Other bank balances

Bank deposits due to mature before twelve months from the reporting date	18,501	14,154
Deposits (lien against performance guarantees) due to mature before twelve months from the reporting date	34	-
<b>Total other bank balances</b>	<b>18,535</b>	<b>14,154</b>
<b>Details of bank deposits</b>		
Bank deposits with original maturity of three months or less included under 'Cash and cash equivalents'	2,648	2,876
Bank deposits due to mature within twelve months of the reporting date included under "Other bank balances"	18,535	14,154
Bank deposits due to mature after twelve months of the reporting date included under "Other non-current financial assets"	2,357	2,568
	<b>23,540</b>	<b>19,598</b>




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**Notes to the financial statements (Continued)**

as at 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

As at  
31 March 2021

As at  
31 March 2020

**(14) Equity share capital**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Authorised</b>		
98,070,000 [31 March 2020: 98,070,000] equity shares of Rs.10 each	9,807	9,807
	9,807	9,807
<b>Issued, subscribed and fully paid-up</b>		
22,637,413 [31 March 2020: 22,637,413] equity shares of Rs.10 each	2,264	2,264
	2,264	2,264

**(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year**

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
<b>Equity shares</b>				
At the commencement of the year	2,26,37,413	2,264	2,26,37,413	2,264
Shares issued during the year	-	-	-	-
<b>At the end of the year</b>	2,26,37,413	2,264	2,26,37,413	2,264

**(b) Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders at the Annual General Meeting except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive balance of the remaining assets of the Company, after distribution of all preferential amounts and the distribution shall be in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholding**

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount in (Rs.)	Number of shares	Amount in (Rs.)
<b>Equity shares of Rs.10 each fully paid-up held by</b>				
Ingenico e-Commerce Solutions BVBA/SPRL	2,26,37,412	2,264	2,26,37,412	2,264
Ingenico Holdings Asia II Limited *	1	0	1	0

\* Represents value less than Rs. 1 lakh

**(d) Particulars of shareholders holding more than 5% shares of a class of shares**

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% of total shares in the class	Number of shares	% of total shares in the class
<b>Equity shares of Rs. 10 each fully paid-up held by</b>				
Ingenico e-Commerce Solutions BVBA/SPRL	2,26,37,412	99.99%	2,26,37,412	99.99%

**(e) Buy back of shares or shares allotted by way of bonus shares:**

The Company has not made any buy-back of shares, nor there has been an issue of shares by way of bonus share or issue of share pursuant to contract without payment being received / paid in cash for the period of five years immediately preceding the balance sheet date.



# Ingenico ePayments India Private Limited

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## Notes to the financial statements (Continued)

as at 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
<b>(15) Other equity</b>		
Securities premium	57,471	57,471
Retained earnings	(22,145)	(14,513)
<b>Total other equity</b>	<b>35,326</b>	<b>42,958</b>
<b>Movement of other equity</b>		
<b>Securities premium</b>		
At the commencement of the year	57,471	57,471
On shares issued during the year	-	-
<b>At the end of the year</b>	<b>57,471</b>	<b>57,471</b>
<b>Retained earnings</b>		
At the commencement of the year	-14,513	-9,668
Loss for the year	-7,652	-4,827
Other comprehensive income/(loss) for the year	27	-24
Deferred tax on Employee Benefit Actuarial Gain / Loss	(7)	6
<b>At the end of the year</b>	<b>(22,145)</b>	<b>-14,513</b>



# Ingenico ePayments India Private Limited

(formerly known as E-Billing Solutions Private Limited)

## Notes to the financial statements (Continued)

as at 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
<b>(16) Trade payables</b>		
<i>Trade payables</i>		
<b>Due to related parties (Refer note no. 33)</b>		
- Dues of micro enterprises and small enterprises (Refer note no. 32)	-	-
- Dues of creditors other than micro enterprises and small enterprises *	2,370	1,105
<b>Due to others</b>		
- Dues of micro enterprises and small enterprises (Refer note no. 32)	81	-
- Dues of creditors other than micro enterprises and small enterprises **	9,154	11,218
<b>Total trade payables</b>	<u>11,605</u>	<u>12,323</u>

\* This includes Rs. 1,915.64 lakhs [31 March 2020 Rs.212 lakhs] pertains to foreign currency payable in relation to purchase of services which is outstanding for a period more than one year. These balances are due to the ultimate holding company and holding company and are outstanding beyond the applicable credit period. The Company does not expect any penalties / levies in this regard and hence no provision has been made towards FEMA non-compliance. The Company has submitted the request letter to Reserve Bank of India (RBI) for approval to make the remittances of more than 1 million USD as per RBI regulations given under RBI Master Direction on Other Remittance Facilities dated 1 January 2016. Approval from RBI is awaited as on date.

\*\* This includes Rs. 190 lakhs pertains to merchant settlement erroneously credited to company's Corporate bank account instead of Settlement bank account.

## (17) Other financial liabilities

### Non-current financial liabilities

Merchant deposit	83	85
<b>Total non-current financial liabilities</b>	<u>83</u>	<u>85</u>

### Current financial liabilities

Employee benefits payable	1,530	1,248
Creditors for capital expenditure	109	-
<b>Total current financial liabilities</b>	<u>1,639</u>	<u>1,248</u>

## (18) Provisions

### Non-current provisions

Gratuity	295	235
Compensated absences	101	54
<b>Total non-current provisions</b>	<u>396</u>	<u>289</u>

### Current provisions

Gratuity	50	50
Compensated absences	20	13
Provision for charge-backs*	716	507
Provision for tax (net of advance taxes)	69	70
<b>Total current provisions</b>	<u>855</u>	<u>640</u>

### Movement in Provision for charge-backs

At the commencement of the year	507	377
Provision made during the year	209	181
Provision utilised during the year	-	50
<b>At the end of the year</b>	<u>716</u>	<u>507</u>

\*Provision for charge-backs: Charge-back costs are estimated on the basis of Company's past experience with merchants. Provision is made for estimated liability in respect of charge-back costs based on past trends and volume of transactions processed by the Company.

## (19) Other liabilities

### Current liabilities

Unearned revenue (Contract liability)	17	42
<i>Statutory dues payable :</i>		
-Provident fund	16	16
-Tax deducted at source	123	195
- Goods and services tax	7	252
-Employee state insurance corporation	1	1
-Profession tax payable	1	1
-Other payables (includes payable to merchants towards tax deducted at source)	1,162	1,329
<b>Total current liabilities</b>	<u>1,327</u>	<u>1,836</u>






Ingenico ePayments India Private Limited  
(formerly known as E-Billing Solutions Private Limited)

Notes to the financial statements (Continued)  
for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>(20) Revenue from operations *</b>		
Sale of services	43,324	42,085
Break-up of revenue from services rendered:		
Payment processing services	42,791	41,346
Risk management system income	362	460
Integration fees	60	141
Maintenance and other services	111	138
	<u>43,324</u>	<u>42,085</u>
* Refer Note No. 29 - Disclosure under Ind AS 115		
<b>(21) Other income</b>		
Interest income on bank deposits	1,243	1,174
Balances written-back	25	114
Interest on income-tax refund	55	30
Excess provisions written back	113	84
Profit on sale/discard of property, plant and equipment	5	-
Other miscellaneous income	3	-
Net gain on account of foreign exchange fluctuations	49	-
	<u>1,493</u>	<u>1,402</u>
<b>(22) Operating expenses</b>		
Bank clearing charges	30,427	28,672
Software license charges	421	441
Commission	197	226
Server charges	135	131
Other operating expenses	163	626
<b>Total operating expenses</b>	<u>31,343</u>	<u>30,096</u>
<b>(23) Employee benefits expenses</b>		
Salaries, wages and bonus	4,723	4,821
Contribution to provident and other funds	95	103
Gratuity	103	90
Compensated absences	66	31
Staff welfare and other employee related costs	62	188
Less: Capitalisation for intangible asset under development	(25)	-
<b>Total employee benefits expenses</b>	<u>5,024</u>	<u>5,233</u>
<b>(24) Finance costs</b>		
Interest expense on finance lease	96	84
Interest expense on delayed payment of statutory dues *	1	0
	<u>97</u>	<u>84</u>

\* Represents value less than Rs. 1 lakh



# Ingenico ePayments India Private Limited

(formerly known as E-Billing Solutions Private Limited)

## Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

### (25) Depreciation and amortisation expense

Depreciation of property, plant and equipments	384	268
Depreciation of Right-of-use assets (refer note 28)	404	362
Amortisation of intangible assets	8,540	8,597
<b>Total depreciation and amortisation expense</b>	<b>9,328</b>	<b>9,227</b>

### (26) Other expenses

Legal and professional fees	247	146
Rent**	96	182
Contract manpower cost	497	482
Rates and taxes *	0	3
Power and fuel	42	118
Repairs and maintenance - others	29	11
IT infrastructure expenses	393	363
Communication	46	43
Bank charges	12	7
Travelling and conveyance	14	145
Annual maintenance charges	86	81
Recruitment	11	34
Postage and courier	3	14
Printing and stationery	5	27
Advertising and marketing	85	123
Provision for chargeback	208	174
Management fees	1,021	914
Royalty fees	292	257
Bad debts written off	16	82
Profit on sale/discard of property, plant and equipment	-	7
Payment to auditors (refer Note below)	47	35
Subscription fees	6	5
Allowance for expected credit loss	42	177
Net loss on account of foreign exchange fluctuations	-	44
Miscellaneous expenses	169	114
<b>Total other expenses</b>	<b>3,366</b>	<b>3,588</b>

\* Represent value less than Rs. 1 lakh

\*\* Includes lease rentals for short term leases and leases of low value assets for the year.

### Payment to auditors (excluding GST) :

For statutory audit	23	13
For tax audit	4	3
For other services	18	18
Out of pocket expenses	2	1
<b>Total payment to auditors (excluding GST)</b>	<b>47</b>	<b>35</b>



**Ingenico ePayments India Private Limited**  
(formerly known as E-Billing Solutions Private Limited)

**Notes to the financial statements (Continued)**  
for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

**(27) Amalgamation**

Note: - As per the NCLT merger order, with effect from the Effective Date, the name of the Transferee Company shall be changed from "E-Billing Solutions Private Limited" to "Ingenico ePayments India Private Limited" in accordance with Section 13 of the Companies Act, 2013 and the other relevant provisions of the Companies Act, 2013 as applicable.

**Amalgamation of TechProcess Payment Services Private Limited with the Company**

- The shareholders of the Company approved the Scheme of Amalgamation ("the Scheme") between E-Billing Solutions Private Limited ("the Company") and TechProcess Payment Services Private Limited ("Transferor Company").
- TechProcess Payment Services Private Limited is engaged in the business of providing payment aggregation services wherein it enables merchants to accept payments through online payment gateways in partnership with their acquiring banks. It also provides recurring payment services to its clients in the form of Electronic clearing system (ECS), National automated clearing house (NACH), direct debit, e-mandate services and such ancillary activities to payment services. Among others, it acts as an intermediary to facilitate delivery, review and payment of bills payable to any utility provider, service provider or the like, in respect of services/ facilities or utilities availed and to receive and send instructions and/or communications in respect of the same.
- The National Company Law Tribunal ("NCLT"), Mumbai Bench on 8 October 2018, approved the Scheme as per the provisions of Sections 230 and 232 of the Companies Act, 2013. In accordance with the Scheme, the Transferor Company is merged with the Company with an appointed date of 1 April 2017. The Scheme has become effective on 17 October 2018, being the date on which the order of the NCLT, Mumbai Bench has been filed with the Registrar of Companies, Mumbai by the Company. The impact of amalgamation has been given in the financial year 2017-2018 with effect from the appointed date. The NCLT order override the requirements under Ind AS 103, Business Combinations and hence the Company has considered the date of acquisition as 1 April 2017. The Company has considered the said amalgamation as a business acquisition from the appointed date.

In accordance with the provisions of the aforesaid Scheme, the Company discharged the purchase consideration in November 2017 by issuing 7,286 fully paid up equity shares of Rs.10 each against every 10,000 equity shares of the Transferor Company. Accordingly, for a total consideration of Rs.57,251 lakhs the Company has allotted and issued 21,639,960 equity shares of Rs.10 each at a premium of Rs 254.56 per share to the shareholders of the Transferor Company.

The NCLT order override the requirements under Ind AS 103, Business Combinations and hence the Amalgamation has been accounted for under the "Purchase Method" as per AS-14 Accounting for Amalgamations as referred to in the Scheme of Amalgamation approved by the NCLT. Had the Company followed the requirements of Ind AS 103 Business Combinations, the excess of consideration over assets and liabilities would be debited to Retained earnings (net of deferred taxes) instead of Goodwill.

All assets and liabilities excluding reserves appearing in the books of accounts of the Transferor Company as at 1 April 2017 have been incorporated at their fair values in the financial statements of the Company.

All assets and liabilities excluding reserves taken over on amalgamation and equity shares to be issued by the Company to the shareholders of TechProcess Payment Services Private Limited with effect from the appointed date are as under:

Particulars	As at 1 April 2017
<b>ASSETS</b>	
<b>(A) Non-current assets</b>	
(a) Property, plant and equipment	583
(b) Other intangible assets	743
(c) Financial assets	
(i) Investments	1
(ii) Loans	224
(iii) Other financial assets	56
(d) Income tax assets (net)	1,431
(e) Other assets	2,446
<b>Total non-current assets</b>	<b>5,484</b>
<b>(B) Current assets</b>	
(a) Financial assets	
(i) Investments	2,902
(ii) Trade receivables	1,724
(iii) Cash and cash equivalents	1,307
(iv) Bank balances other than (iii) above	6,591
(v) Loans	27
(vi) Other financial assets	329
(b) Other assets	257
<b>Total current assets</b>	<b>13,137</b>
<b>Total assets</b>	<b>18,621</b>



# Ingenico ePayments India Private Limited

(formerly known as E-Billing Solutions Private Limited)

## Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

### (27) Amalgamation (Continued)

#### Amalgamation of TechProcess Payment Services Private Limited with the Company (Continued)

Particulars	As at 1 April 2017
<b>(A) Liabilities</b>	
<b>(I) Non-current liabilities</b>	
(a) Financial liabilities	
(i) Other financial liabilities	49
(b) Provisions	65
(c) Deferred tax liabilities (net)	31
(d) Other liabilities	-
<b>Total non-current liabilities</b>	<b>145</b>
<b>(II) Current liabilities</b>	
(a) Financial liabilities	
(i) Trade payables	
1. Dues of micro enterprises and small enterprises	-
2. Dues of creditors other than micro enterprises and small enterprises	2,353
(ii) Other financial liabilities	663
(b) Provisions	116
(c) Other liabilities	220
(d) Current tax liabilities (net)	106
<b>Total current liabilities</b>	<b>3,458</b>
<b>Total liabilities</b>	<b>3,603</b>
<b>Net assets taken over</b>	<b>15,018</b>
<b>Purchase consideration</b>	<b>57,251</b>
<b>Goodwill</b>	<b>42,233</b>

Goodwill arising on account of the amalgamation has been amortised over period of five years as per AS-14, Accounting for Amalgamations.

### (28) Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being 1 April 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance.

In adopting Ind AS 116 'Leases', it has used the modified retrospective approach, where it has recognised the lease liability on initial application (i.e. 1 April 2019) at the present value of the remaining lease payments, discounted using the company's (lessee's) incremental borrowing rate at the date of initial application & it has recognised the a right-of-use asset at the date of initial application, at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Accordingly, the Company has not restated comparative information.

In adopting Ind AS 116, the Company has applied the below practical expedients:

- The Company has discounted lease payments using the applicable incremental borrowing rate at the date of initial application.
- The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases", they continue to be recognised as an expense in the P&L account.
- The Company has not applied the requirements of Ind AS 116 for leases of low value assets
- The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease

On transition to Ind AS 116, the Company recognised right-of-use assets and lease liabilities amounting to Rs. 1,175 lakhs as on 1st April, 2019.

#### ROU Assets

Particulars	Amount
ROU Asset as on 1 April 2019	1,175
Depreciation	362
<b>ROU Asset as on 31 March 2020</b>	<b>813</b>
ROU Asset as on 1 April 2020	813
Add: Addition during the year	712
Depreciation	404
<b>ROU Asset as on 31 March 2021</b>	<b>1,121</b>

#### Lease Liability

Particulars	Amount
Lease liability as on 1st April, 2019	1,175
Finance cost	84
Lease payments	361
<b>Lease liability as on 31st March, 2020</b>	<b>898</b>
Lease liability as on 1 April 2020	898
Add: Addition during the year	712
Finance cost	96
Lease payments	457
<b>Lease liability as on 31 March 2021</b>	<b>1,249</b>
	<b>Current</b>
	299
	<b>Non-current</b>
	950
	<b>1,249</b>

#### Amount recognized in Statement of Profit and Loss

Particulars	Amount
Depreciation charged during the year on ROU assets	404
Finance cost on the lease liability	96
<b>Total</b>	<b>500</b>



# Ingenico ePayments India Private Limited

(formerly known as E-Billing Solutions Private Limited)

## Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

### (29) Disclosure under Ind AS 115, Revenue from Contracts with Customers

The Company is engaged in the business of providing payment processing services. There is no impact on the Company's revenue on applying Ind AS 115 - Revenue from contracts with customers.

#### Reconciliation of revenue as per Ind AS 115

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale of services		
Adjustment on account of:	43,324	42,085
Total	43,324	42,085

The Company's revenue is primarily from providing payment processing services. All the revenue is derived primarily from the customers in India.

The billing to customers follow different schedules based upon the nature and type of services being transferred. The billing is generally made on a monthly basis and payable within contractually agreed credit period.

There is no revenue to be recognised in future related to performance obligations that are unsatisfied (or partially satisfied) as at 31 March 2021 and 31 March 2020.

Applying the practical expedient in paragraph 63 of Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if at contract inception it is expected that the period between when the entity transfers a promised service to a customer and when the customer pays for that service will be one year or less.

The Company applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

Since the Company's revenue is primarily from providing payment processing services and such business of providing payment processing services constitute a single business segment, no de-segregation of revenue is being done by the company. (Refer note 35)

#### Impact of COVID-19

While the Company believes strongly that it has a rich portfolio of services to partner with customers and also since the company operates in a digital space, the impact on future revenue streams is insignificant.

The Company has considered such impact to the extent known and currently available. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

### (30) Contingent Liabilities and Commitments

#### (a) Contingencies

- 1 Claims against the Company not acknowledged as debts in respect of income-tax demand and payment to Income Tax Authority are as below. Other claims against the Company not acknowledged as debts aggregates to Rs. 18 lakhs (31 Mar 2020 Rs 18 lakhs).

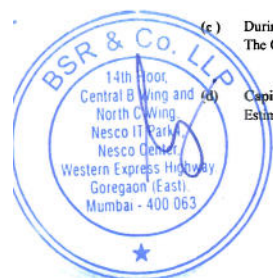
Assessment Year	As at 31 March 2021	As at 31 March 2020
2003-2004	16	16
2004-2005	20	20
2005-2006	11	11
2006-2007	5	5
2007-2008	146	146
2008-2009	9	9
2017-2018	1,219	1,219
2018-2019	3	-
<b>Aggregate Income Tax demand</b>	<b>1,429</b>	<b>1,426</b>
Payment made to Income Tax Authority against A.Y. 2017-2018	1,219	1,219
<b>Net aggregate Income Tax demand *</b>	<b>210</b>	<b>207</b>

\* Management considers these claims/demands are not tenable against the Company, and therefore no provision for these contingency has been established.

- 2 The income tax authorities have disallowed certain expenses aggregating Rs.179 lakhs (31 March 2020: Rs. 179 lakhs) during the the course of assessment proceedings for assessment years from assessment year 2003-04 to assessment year 2007-08. The Company is contesting against these disallowances at various levels with the income-tax authorities. Management believes that the outstanding matters are not tenable against the Company, and therefore no provision for these contingency has been established.
  - 3 The Company had received notice under Section 148 of the Income-tax Act, 1961 along with notice issued under section 142(1) of the Act for the reason that the Company received large amount of money by way of share application money/share capital of Rs. 1,505 lakhs with high share premium. The Company filed a writ petition in the Bombay High Court, challenging the Order. The Hon'ble Bombay High Court passed an order dated 8 December 2016 granting interim stay to the reassessment proceedings initiated under Section 147 of the Act in respect of TechProcess for financial year 2008-09. No demand has been received so far from the income tax department. The Company is confident of obtaining favorable verdict in this matter.
  - 4 Performance guarantees issued by bank and outstanding as on 31 March 2021 Rs. 4,480 Lakhs (31 March 2020: Rs. 4,844 lakhs) against lien on fixed deposits.
  - 5 In February 2017, TechProcess Payment Services Private Limited (formerly TechProcess Payment Services Limited), now merged with the Company cancelled the ESOP scheme 2016 and ESOP scheme 2012 with an ex-gratia compensation to the employees covered in the said Scheme. 17 ex-employees, including the ex-CEO filed a suit in the Bombay High Court, seeking a stay on the cancellation of the Scheme or a compensation of Rs. 1,602 lakhs.  
On 6 May 2021, Ingenico ePayments, Mr. Bikramjit Sen and the erstwhile option holders entered into a Settlement Agreement through which they settled all existing disputes and differences, which form the subject matter of the aforesaid arbitrations. In accordance with the terms of the Settlement Agreement, Ingenico ePayments, Mr. Bikramjit Sen and the erstwhile option holders have withdrawn all petitions and applications filed by them before the High Court and the Ld. Sole Arbitrator. Ingenico ePayments paid a total amount of Rs. 719 lakhs in June 2021 as a part of the said settlement. The balance provision in books against ESOP scheme is Rs. 267 lakhs and Rs. 451 lakhs reimbursed by holding company Ingenico e-Commerce Solutions BVBA/SPRL as a final settlement.
  - 6 In February 2019, the Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. However, there are numerous interpretative aspects related to the judgement, including the effective date of application. In view of the above, the Company has assessed the liability which is not significant. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.
- (b) In April-May 2018, the Company found out that there was a shortfall in settlement funds due from wallet company, which was integrated as a payment option for the Company's merchants. Investigations revealed that for many transactions in April-May 2018, the Company had received 'success' confirmation and passed it on to merchants for onward delivery of goods and services. The wallet company has claimed to have passed on 'failed' status to the Company, due to which no moneys were received but disbursements were made to merchants by the Company. The Company believes prima facie that the status of transactions have been tampered in transit. The Company conducted a forensic study and has already reported the matter to law enforcement authorities. The matter is in progress with law enforcement authorities. The Company had made a total closing provision of Rs 790 lakhs for the year ended 31 March 2021 (Rs.790 lakhs for the year ended 31 March 2020).
- (c) During the year ended 31 March 2019, one of the employees of the Company misappropriated funds aggregating to Rs 9 lakhs into his own personal bank account. The concerned employee admitted the act. The Company filed police complaint in January 2019 and filed First Information Report in March 2019. The matter is in progress with law enforcement authorities.

#### Capital commitments

Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances) as on 31 March 2021 is Nil (31 March 2020: Nil)



**Ingenico ePayments India Private Limited**  
(formerly known as E-Billing Solutions Private Limited)

**Notes to the financial statements (Continued)**  
for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

**(31) Earnings per share**

Particulars	Year ended	Year ended
	31 March 2021	31 March 2020
Loss attributable to the equity holders of the Company (Amount in Lakhs)	(7,652)	(4,827)
Weighted average number of equity shares	2,26,37,413	2,26,37,413
Earnings per share (basic and diluted)	(33.80)	(21.32)
Face value per equity share (Rs.)	10	10

**(32) Dues to Micro and Small Enterprises**

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to dues to Micro and Small Enterprises. On the basis of the information and records available with the Company, the following disclosures are made for the amounts due to the Micro and Small Enterprises:

Particulars	31 March 2021	31 March 2020
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year,	81	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year,	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006, *	0	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year, and *	0	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

\* Represent value less than Rs. 1 lakh

**(33) Related party transactions**

**(a) Related parties**

Sr. No	Name of the party	Nature of relationship
1	Worldline S.A. (w.e.f. 28th October 2020)	Ultimate holding company
2	Ingenico Group S.A. (till 27th October 2020)	Ultimate holding company
3	Ingenico e-Commerce Solutions BVBA/SPRL	Holding company
4	Global Collect Services B.V.	Fellow subsidiary
5	Retail International Holding	Fellow subsidiary
6	Ingenico International India Private Limited	Fellow subsidiary
7	Worldline India Private Limited (w.e.f. 28th October 2020)	Fellow subsidiary
8	Ingenico Group S.A. (w.e.f. 28th October 2020)	Fellow subsidiary

**(b) Key managerial personnel**

Sr. No	Particulars	Nature of relationship
1	Mr. Ramesh Narasimhan (Appointed w.e.f. 30th September 2019)	Director and CEO
2	Mr. Ramakrishnan Ramanurthy (Appointed w.e.f. 30th September 2019)	Director
3	Mr. Kumar Manohar Karpe (resigned w.e.f. 1st October 2019)	Director and CEO
4	Mr. Anand Ramchandran (resigned w.e.f. 1st October 2019)	Director and CFO
5	Ms. Esha Mehta	Company Secretary




# Ingenico ePayments India Private Limited

(formerly known as E-Billing Solutions Private Limited)

## Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

### (33) Related party transactions (Continued)

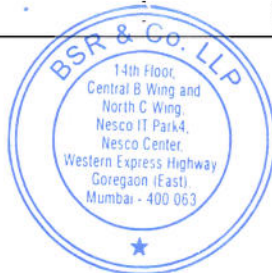
#### (c) Details of transactions with related parties for the year ended 31 March 2021

Sr. No	Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Management Personnel	Total
<b>A Transactions</b>						
1	<b>Managerial remuneration</b>					
	Mr. Ramesh Narasimhan	-	-	-	177	177
	Mr. Ramakrishnan Ramamurthy	-	-	-	118	118
2	<b>Remuneration to Company Secretary</b>					
	Esha Mehta	-	-	-	12	12
3	<b>Reimbursement of expenses of shared office</b>					
	Ingenico International India Private Limited	-	-	31	-	31
4	<b>Security deposit paid</b>					
	Worldline India Private Limited	-	-	123	-	123
5	<b>Rent, Repair and maintenance</b>					
	Worldline India Private Limited	-	-	80	-	80
6	<b>Management fees</b>					
	Retail International Holding	-	-	1,021	-	1,021
7	<b>Royalty fees</b>					
	Ingenico Group S.A.	-	-	292	-	292
8	<b>Revenue from services (Risk management services)</b>					
	Ingenico e-Commerce Solutions BVBA/SPRL	-	254	-	-	254
9	<b>Revenue from services (Payment Gateway transaction process)</b>					
	Global Collect Services B.V.	-	-	53	-	53
	Worldline India Private Limited	-	-	3	-	3
<b>B Closing balances</b>						
1	<b>Trade receivables</b>					
	Ingenico e-Commerce Solutions BVBA/SPRL	-	22	-	-	22
	Global Collect Services B.V.	-	-	28	-	28
	Worldline India Private Limited	-	-	14	-	14
2	<b>Security deposit receivable</b>					
	Worldline India Private Limited	-	-	123	-	123
3	<b>Trade payables</b>					
	Ingenico Group S.A.	-	-	1,107	-	1,107
	Retail International Holding	-	-	1,210	-	1,210
	Ingenico International India Private Limited	-	-	4	-	4
	Worldline India Private Limited	-	-	50	-	50

#### (c) Details of transactions with related parties for the year ended 31 March 2020

Sr. No	Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Management Personnel	Total
<b>A Transactions</b>						
1	<b>Managerial remuneration</b>					
	Mr. Kumar Karpe	-	-	-	341	341
	Mr. Anand Ramachandran	-	-	-	194	194
	Mr. Ramesh Narasimhan	-	-	-	94	94
	Mr. Ramakrishnan Ramamurthy	-	-	-	117	117
2	<b>Remuneration to Company Secretary</b>					
	Esha Mehta	-	-	-	10	10
3	<b>Reimbursement of expenses incurred by</b>					
	Mr. Ramesh Narasimhan *	-	-	-	0	0
4	<b>Reimbursement of expenses of shared office</b>					
	Ingenico International India Private Limited	-	-	35	-	35
5	<b>Management fees</b>					
	Ingenico Group S.A.	804	-	-	-	804
	Retail International Holding	-	-	110	-	110
6	<b>Royalty fees</b>					
	Ingenico Group S.A.	257	-	-	-	257
7	<b>Revenue from services (Risk management services)</b>					
	Ingenico e-Commerce Solutions BVBA/SPRL	-	237	-	-	237
8	<b>Revenue from services (Payment Gateway transaction process)</b>					
	Global Collect Services B.V.	-	-	143	-	143
9	<b>Recovery of support services cost</b>					
	Ingenico International India Private Limited	-	-	9	-	9
<b>B Closing balances</b>						
1	<b>Trade receivables</b>					
	Ingenico e-Commerce Solutions BVBA/SPRL	-	21	-	-	21
	Global Collect Services B.V.	-	-	10	-	10
2	<b>Trade payables</b>					
	Ingenico Group S.A.	-	889	-	-	889
	Retail International Holding	-	-	207	-	207
	Ingenico International India Private Limited	-	-	9	-	9

\* Represents value less than Rs. 1 lakh




**Ingenico ePayments India Private Limited**  
(formerly known as E-Billing Solutions Private Limited)

**Notes to the financial statements (Continued)**  
for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

**(34) Share-based payments**

**(a) Long-term incentive plan (Phantom shares plan)**

During the year ended 31 March 2018, the Company launched a Long-Term Incentive Plan (LTI) for the benefit of key employees, subject to the satisfaction of certain performance and service considerations:

Achievement of performance conditions	Granted Phantom shares	Evaluation date	Date of payment upon presence
EBS integration roadmap	30% of the conditional award	31 March 2019	30 April 2019
NPCI/RBI License	5% of the conditional award	31 March 2019	30 April 2019
Onboarding Top Billers	5% of the conditional award	31 March 2019	30 April 2019
Financial targets 2019-2020	47% of the conditional award	31 December 2020	31 March 2021
* Revenue targets year 2021	13% of the conditional award	31 December 2021	31 March 2022

Award means conditional award of Ingenico Phantom shares to the benefit of such employee, subject to the vesting in accordance with the plan. Ingenico Phantom shares means a unit representing the right to receive a cash amount based on Ingenico share price.

\* As at 31 March 2021, the performance condition of financial targets 2019-2020 was partially achieved and therefore the Company has approved to pay 87% of the target amount and balance 13% of the target amount will be offered to the same set of key employees and advisor as an opportunity to catch-up with the new revenue target for year 2021, if achieved will be paid by March 2022.

The Company paid Nil during the year ended 31 March 2021 (31 March 2020: Rs. 36 lakhs) to its employees and recognised an expense of Rs.148.54 lakhs in the statement of profit and loss account for the year ended 31 March 2021 (31 March 2020: Rs. 425 lakhs) on achievement of other performance conditions as per plan by their respective evaluation dates. The Company subsequently paid Rs. 556 lakhs in August 2021 to all the eligible employees and balance will be paid by March 2022.

**(35) Segment reporting**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker for assessing the Company's performance and allocating the resources based on an analysis of various performance indicators by business segments and geographic segments.

The Company is mainly engaged in the business of providing payment processing services which constitute a single business segment. These activities are conducted only in one geographic segment viz India. Therefore, the disclosure requirements of Ind AS 108 "Segment Reporting" are not applicable.

**Information about major customers**

The Company has 1 customer (previous year: 1 customer) contributing more than 10% of the total revenue and in aggregate of Rs.4,926 lakhs (31 March 2020: Rs.5,202 lakhs). These revenues are attributed to the payment processing services which constitute a single business segment.

**(36) Employee benefits**

**(a) Defined contribution plan**

The Company has a defined contribution plan in respect of provident fund. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Particulars	31 March 2021	31 March 2020
Employee contribution to provident fund	95	103

Included in 'Contribution to provident and other funds' under employee benefits expense (Refer Note 23)

**(b) Compensated absences**

The Company accrues for unutilised leave, a defined benefit plan based on the available leave balance standing to the credit of the employees at year-end. The value of such leave balance eligible for carry forward, is determined by actuarial valuation as at the Balance sheet and is charged to the Statement of profit and loss in the period determined.

**Actuarial assumptions:**

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate as at 31 March	6.06%	6.24%
Future salary increases	9%	5.0% [Year 1], 10.0% [Thereafter]
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Attrition Rate	18%	21%
Normal retirement age	58 years	58 years

The estimates of future salary increases considered in the actuarial valuation takes into account factors like inflation, seniority, promotions and other relevant factors.






# Ingenico ePayments India Private Limited

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## Notes to the financial statements (Continued)

for the year ended 31 March 2021

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### (36) Employee benefits (Continued)

#### (c) Defined benefit plans

##### Gratuity:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The gratuity plan is a funded plan and the Company makes contribution to recognised funds in India.

Particulars	Gratuity	
	As at 31 March 2021	As at 31 March 2020
Discount rate as at 31 March	6.06%	6.24%
Future salary increases	9%	5.0% [Year 1], 10.0% [Thereafter]
Expected return on plan assets	6.06%	6.24%
Attrition rate	18%	21%
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

##### Notes:

- Discount rate: The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.
- Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.

#### The amounts recognised in the balance sheet and movements in the net defined benefit obligation (DBO) over the year are as follows :

	As at 31 March 2021	As at 31 March 2020
<b>Change in the present value of obligation</b>		
Present value of obligation at the beginning of the year	413	395
Interest cost	25	23
Past service cost	-	-
Current service cost	86	78
Benefits paid	(36)	(107)
<b>Remeasurement due to</b>		
Actuarial loss/(gain) arising from change in financial assumptions	3	(6)
Actuarial loss/(gain) arising on account of experience changes	(39)	13
Actuarial (gain)/loss arising on account of demographic assumptions	10	17
<b>Present value of obligation at the end of the year</b>	<b>462</b>	<b>413</b>

#### The amounts recognised in the balance sheet and movements in the fair value of plan assets over the year are as follows :

	As at 31 March 2021	As at 31 March 2020
<b>Change in the fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	128	192
Interest on plan assets	8	11
Actuarial gains/(losses) *	1	0
Contributions made by the Company	15	32
Benefits paid	(36)	(107)
<b>Fair value of plan assets at the end of the year</b>	<b>116</b>	<b>128</b>

\* Represent value less than Rs. 1 lakh

	As at 31 March 2021	As at 31 March 2020
<b>Reconciliation of present value of defined benefit obligation and the fair value of assets</b>		
Present value of funded obligation at the end of the year	462	413
Fair value of plan assets as at the end of the period	(116)	(128)
<b>Deficit of funded plan</b>	<b>346</b>	<b>285</b>

	As at 31 March 2021	As at 31 March 2020
<b>Amount recognised in the statement of profit and loss</b>		
Current service cost	86	78
Past service cost	-	-
Interest cost	17	12
<b>Total expense recognized in the statement of profit and loss</b>	<b>103</b>	<b>90</b>

	As at 31 March 2021	As at 31 March 2020
<b>Amount recognised in other comprehensive income</b>		
<b>Remeasurements during the year due to</b>		
Changes in financial assumptions	3	-6
Changes in demographic assumptions	10	17
Experience adjustments	-39	13
Actual return on plan assets less interest on plan assets *	(1)	(0)
<b>Amount recognised in other comprehensive income during the year</b>	<b>-27</b>	<b>24</b>

\* Represent value less than Rs. 1 lakh




# Ingenico ePayments India Private Limited

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## Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

### (36) Employee benefits (Continued)

(d) Sensitivity of the defined benefit obligation to changes in weighted principal assumptions is:

Sr No	Particulars	Impact on defined benefit obligation end of the period	
		As at 31 March 2021	As at 31 March 2020
1.	Discount rate +100 basis points	439	396
2.	Discount rate -100 basis points	486	432
3.	Salary Increase Rate +1%	482	430
4.	Salary Increase Rate -1%	442	398
5.	Attrition Rate +1%	457	410
6.	Attrition Rate -1%	466	417

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice it is unlikely to occur, and changes in some of the assumptions may be correlated. The methods and types of assumption used in preparing the sensitivity analysis did not change compared to previous period.

(e) Expected future benefit payments

Expected cash flows for following year	As at	
	31 March 2021	31 March 2020
Year 1	61	64
Year 2	57	56
Year 3	55	51
Year 4	54	46
Year 5	43	40
Next 5 years	143	119

### (37) Income tax expense

(a) Income tax expense in the statement of profit and loss comprises:

Particulars	Year ended	
	31 March 2021	31 March 2020
<b>Current tax</b>		
Current tax	-	-
<b>Total current tax expense</b>	-	-
<b>Deferred tax</b>		
Deferred tax	3,311	86
<b>Total deferred tax benefit/(expense)</b>	3,311	86
<b>Income tax expense</b>	3,311	86

(b) OCI section deferred tax related to items recognised in OCI during the period:

Particulars	Year ended	
	31 March 2021	31 March 2020
Net loss/(Gain) on remeasurement of defined benefit plans	(7)	6

(c) Reconciliation of tax expense and the accounting profit computed by applying income tax rate:

Particulars	Year ended	
	31 March 2021	31 March 2020
Loss before tax	(4,341)	(4,741)
Tax rate of 25.168% (2019-20: 25.168%)	25.168%	25.168%
Computed tax expense	(1,093)	(1,194)
Goodwill on Merger not deductible *	4,484	0
Impact of change in deferred tax rate	-	1,326
Deferred tax due to true up of losses	(92)	48
Others	11	(95)
<b>Income tax expense</b>	3,311	86

\* Represent value less than Rs. 1 lakh



# Ingenico ePayments India Private Limited

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## Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

### (38) Fair value measurement

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value those includes cash and cash equivalents, other bank balances, trade receivables and trade payables.

#### (a) Financial instruments by category

31 March 2021	Carrying amount		Fair value		
	Fair value through profit or loss	Amortised cost	Level 1	Level 2	Level 3
<b>Financial assets</b>					
<b>Non-current</b>					
Investment in equity shares	-	1	-	1	-
Security deposits	-	375	-	-	-
Interest accrued but not due on fixed deposits with bank	-	208	-	-	-
Fixed deposits with bank (including assets on lien)	-	2,357	-	-	-
<b>Current</b>					
Trade receivables	-	4,064	-	-	-
Security deposits	-	2	-	-	-
Cash and cash equivalents	-	6,765	-	-	-
Other bank balances	-	18,535	-	-	-
Interest accrued but not due on fixed deposits with bank	-	358	-	-	-
Unbilled receivables	-	1,209	-	-	-
Others - receivables	-	570	-	-	-
<b>Total financial assets</b>	-	<b>34,444</b>	-	<b>1</b>	-
<b>Financial liabilities</b>					
<b>Non-current</b>					
Merchant deposit	-	83	-	-	-
Lease liabilities	-	950	-	-	-
<b>Current</b>					
Trade payables	-	11,605	-	-	-
Employee benefits payable	-	1,530	-	-	-
Creditors for capital expenditure	-	109	-	-	-
Lease liabilities	-	299	-	-	-
<b>Total financial liabilities</b>	-	<b>14,576</b>	-	-	-

31 March 2020	Carrying amount		Fair value		
	Fair value through profit	Amortised cost	Level 1	Level 2	Level 3
<b>Financial assets</b>					
<b>Non-current</b>					
Investment in equity shares	-	1	-	1	-
Security deposits	-	260	-	-	-
Interest accrued but not due on fixed deposits with bank	-	69	-	-	-
Fixed deposits with bank (including assets on lien)	-	2,568	-	-	-
<b>Current</b>					
Investment in mutual funds units	-	-	-	-	-
Trade receivables	-	7,436	-	-	-
Security deposits	-	113	-	-	-
Cash and cash equivalents	-	5,369	-	-	-
Other bank balances	-	14,154	-	-	-
Interest accrued but not due on fixed deposits with bank	-	424	-	-	-
Unbilled receivables	-	658	-	-	-
Others - receivables	-	559	-	-	-
<b>Total financial assets</b>	-	<b>31,611</b>	-	<b>1</b>	-
<b>Financial liabilities</b>					
<b>Non-current</b>					
Merchant deposit	-	85	-	-	-
Lease liabilities	-	573	-	-	-
Employee benefits payable	-	-	-	-	-
<b>Current</b>					
Trade payables	-	12,323	-	-	-
Employee benefits payable	-	1,248	-	-	-
Lease liability	-	325	-	-	-
<b>Total financial liabilities</b>	-	<b>14,554</b>	-	-	-

Note: Carrying amounts of cash and cash equivalents, bank balances, trade receivables, unbilled receivables and trade payables as at 31 March 2021, 31 March 2020 approximate the fair value. Difference between carrying amounts and fair values of bank deposits, other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the periods presented.



# Ingenico ePayments India Private Limited

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## Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

### (38) Fair value measurement (Continued)

#### (b) Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

Financial assets measured at fair value at 31 March 2021	Level 1	Level 2	Level 3	Total
Investment in equity shares of Saraswat Co-Operative Bank	-	1	-	1

Financial assets measured at fair value at 31 March 2020	Level 1	Level 2	Level 3	Total
Investment in equity shares of Saraswat Co-Operative Bank	-	1	-	1

#### (c) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or mutual fund houses quotes (NAV) for such instruments. This is included in Level 2.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis for which third party valuer is appointed. This is included in Level 3. The Company did not use the services of third party valuer as at 31 March 2021, 31 March 2020 for any of the financial instruments as it were not applicable during these years.

#### (d) Fair value of financial assets and liabilities measured at amortised cost

Carrying amounts of cash and cash equivalents, bank balances, trade receivables, unbilled receivables and trade payables as at 31 March 2021, 31 March 2020 approximate the fair value. Difference between carrying amounts and fair values of bank deposits, other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the periods presented. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs, including counter party credit risk.

### (39) Financial risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies. The Board holds regular meetings on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is assisted in its role by internal audit team from Ingenico Group. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board and audit committee of Ingenico Group.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management of risk
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits and regular monitoring.
Liquidity risk	Trade payables and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit line and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Regular monitoring to keep the net exposure at an acceptable level.
Price risk	Investment in mutual funds	Credit ratings	Portfolio diversification and regular monitoring

#### a). Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

#### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which Company operates and other macro-economic factors.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company, market intelligence and goodwill. Outstanding customer receivables are regularly monitored.



# Ingenico ePayments India Private Limited

(formerly known as E-Billing Solutions Private Limited)

## Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

### (39) Financial risk management framework (Continued)

#### a). Credit risk (Continued)

The Company has established an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables and 12-month expected credit loss for other receivables. An impairment analysis is performed at each reporting date on an individual basis for major parties. In addition, a large number of minor receivables are combined into homogenous categories and assessed for impairment collectively. The calculation is based on historical data of actual losses. The Company evaluates the concentration of risk with respect to trade receivables as low.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

	31 March 2021	31 March 2020
- Past due 0 to 180 days	4,105	6,781
- Past due more than 180 days	185	1,108
Gross carrying amount	4,290	7,889
Expected credit loss (Loss allowance provision)	(226)	(453)
Net carrying amount of trade receivable	4,064	7,436

Reconciliation in the allowance for impairment in respect of trade receivables during the year was as follows.

	31 March 2021	31 March 2020
Balance at the beginning of the year	453	287
Bad debts written off out of opening provision	(171)	-
Provision (net) during the year	(56)	166
Balance at the end of the year	226	453

#### Cash and cash equivalents

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Company generally invest in deposits with banks with high credit ratings assigned by external credit rating agencies, accordingly the Company considers that the related credit risk is low. Impairment on these items are measured on the 12-month expected credit loss basis.

#### b). Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury maintains flexibility in funding by maintaining liquidity through investments in liquid funds and other committed credit lines. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

#### Maturities of financial liabilities

The below table analyses the Company's financial liabilities into relevant maturity based on their contractual maturities. The amounts disclosed in the table are contractual undiscounted cash flows, balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

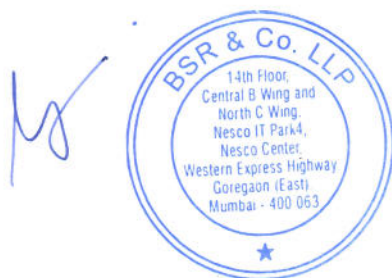
	Carrying amount	Contractual cash flows	Contractual cash flows
	<12months	Upto one year	More than one year
<b>31 March 2021</b>			
Non-derivative financial liabilities			
Trade payables	11,605	11,605	-
Other financial liabilities	1,723	1,639	83
<b>31 March 2020</b>			
Trade payables	12,323	12,323	-
Other financial liabilities	1,333	1,248	85

#### (c). Market risk

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

#### (i). Currency risk

The Company is exposed to currency risk on account of foreign currency transactions including recognized assets and liabilities denominated in a currency that is not the Company's functional currency (₹), primarily in respect of Euro(€) and United States Dollar(\$). The Company ensures that the net exposure is kept to an acceptable level.



# Ingenico ePayments India Private Limited

(formerly known as E-Billing Solutions Private Limited)

## Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

### (39) Financial risk management framework (Continued)

#### Exposure to currency risk

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

As at 31 March 2021

	EUR	USD	Total
<b>Financial assets</b>			
Trade receivables	22	-	22
Net exposure to foreign currency (assets)	22	-	22
<b>Financial liabilities</b>			
Trade payables	2,324	5	2,329
Net exposure to foreign currency (liabilities)	2,324	5	2,329

As at 31 March 2020

	EUR	USD	Total
<b>Financial assets</b>			
Trade receivables	21	-	21
Net exposure to foreign currency (assets)	21	-	21
<b>Financial liabilities</b>			
Trade payables	1,096	-	1,096
Net exposure to foreign currency (liabilities)	1,096	-	1,096

#### Sensitivity analysis

Any change with respect to strengthening (weakening) of the Indian Rupee against various currencies as at 31 March 2021, 31 March 2020 would have affected the measurement of financial instruments denominated in respective currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates.

	Impact on profit after tax		Impact on other components of equity	
	31 March 2021	31 March 2020	31 March 2020	31 March 2019
<b>EUR</b>				
- Increase by 5%	(86)	(35)	-	-
- Decrease by 5%	86	35	-	-
<b>USD</b>				
- Increase by 5%	(0)	-	-	-
- Decrease by 5%	0	-	-	-

#### (ii). Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

#### Exposure to interest rate risk

The Company's deposits/loans are all at fixed rate and are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

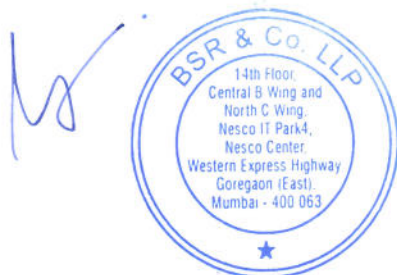
#### (iii). Price risk exposure

The Company's exposure to securities price risk arises from investments held in mutual funds and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (NAV) of these investments are available from the mutual fund houses.

Profit for the year would increase/decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

### (40) Transfer pricing

The Company's management has developed a system of maintenance of information and documents as required by the Transfer pricing legislation under Section 92 to Section 92F of the Income tax Act, 1961. The Company's management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have an impact on the financial statements, particularly on the amount of tax expense and that of the provision for taxation.



**Ingenico ePayments India Private Limited**  
(formerly known as E-Billing Solutions Private Limited)

**Notes to the financial statements (Continued)**  
for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs, unless otherwise stated)

**(41) Code on Social Security, 2020**


The Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. The Company will perform its evaluation and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are framed.

**(42) Reclassification of previous year amount**

Certain amounts in the prior period financial statements have been reclassified to conform to the presentation of the current period financial statements.

As per our report of even date attached.

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

  
Glenn D'Sa  
Partner  
Membership No: 112554

Mumbai  
30 November 2021

For and on behalf of the Board of Directors of  
Ingenico ePayments India Private Limited  
CIN: U74200MH2005PTC192623

  
Ramakrishnan Ramamurthy  
Director  
DIN: 03597514  
30 November 2021

  
Ramesh Narasimhan  
Director and CEO  
DIN: 08540135  
30 November 2021

  
Esha Mehta  
Company Secretary  
Membership No: A30027  
30 November 2021

