

Date: **September 7, 2022**

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400001
Scrip Code: 517214

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1, G Block
Bandra – Kurla Complex, Bandra (E)
Mumbai – 400 051
Scrip Code: DIGISPICE

Sub.: **Annual Report for the Financial Year 2021-22 and Notice of the 34th Annual General Meeting ('AGM')**

Dear Sir/Madam,

The 34th AGM of DiGiSPICE Technologies Limited is scheduled to be convened on Thursday, 29th September, 2022 at 12:00 noon through Video Conferencing or Other Audio Visual Means.

Pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith a copy of the Annual Report of the Company for the financial year 2021-22 along with Notice of 34th AGM, which is being sent through electronic mode to the Members of the Company who have made available their e-mail ids with Company/Depository Participants/Registrar & Share Transfer Agent.

The Annual Report and the Notice of AGM are also available on the website of the Company at www.digispice.com under below links:

1. [Annual Report 2021-22](#)
2. [Notice of AGM – 29th September 2022](#)

Kindly take the above information on record and acknowledge receipt of the same.

Thanking you.

Yours faithfully,
For **DiGiSPICE Technologies Limited**

Ruchi Mehta
Company Secretary & Compliance Officer

Encl: - Copy of the Annual Report and Notice of AGM

Building future-ready Platforms

Digital
Telco

Spice money

तो Life बनी

korero
Platforms

Travel
Union
Khulenge
naye raaste...



Contents

02	Feature Story	77	Financial Statements:
04	Corporate Identity	77	Independent Auditors' Report
06	Business Segments	86	Balance Sheet
10	Opportunity Landscape	87	Statement of Profit & Loss
12	Story 1: Spice Money	88	Cash Flow Statement
16	Story 2: Adhikaris	90	Statement of Changes in Equity
18	Story 3: Platform	92	Notes to Financial Statements
20	Chairman's Message	146	Consolidated Financial Statements:
22	Key Performance Indicators	146	Independent Auditors' Report
24	Corporate Social Responsibility	154	Balance Sheet
26	Board of Directors	155	Statement of Profit & Loss
28	Company Information	156	Cash Flow Statement
29	Awards and accolades	158	Statement of Changes in Equity
30	Statutory Reports	160	Notes to Financial Statements
30	Board's Report	228	Statement Containing Salient Features of the Financial Statements of Subsidiaries/Associate Companies/Joint Ventures (Form AOC-1)
38	Management Discussion & Analysis Report		
46	Business Responsibility Report		
52	Corporate Governance Report		
68	Secretarial Audit Reports		
72	Annexures to Board's Report		



Building future-ready platforms

India lives in its villages and with the focused approach of the government over the years, the Indian villages emerged as centres of heightened activities. With fast paced internet growth, increasing literacy rates, and growing contribution to national income, rural India has emerged as an attractive opportunity. However, the cash driven rural economy still lacks access to basic financial services owing to dismal penetration of scheduled banks in the rural regions.

We – at Digispice Technologies, through our subsidiary Spice Money – are creating a tech-led connected ecosystem that is revolutionising last mile access to banking and financial services. Our journey started off with India Stack which brought cash access solution. We are further building on it to offer diverse financial and digital products to rural India. Our value proposition includes next door convenience and access to products with assistance from one of their own community members, building ease and trust on availing services with an asset light model and access to products for the rural citizens and a secure, stable platform for product companies.

To achieve our vision, we have deep presence at block and village level and have built an inclusive, trusted and growing community of entrepreneurs, known as Spice Money Adhikaris, who are playing a pivotal role in driving financial inclusion in their villages. The steadily growing Adhikari base, which recently crossed a key milestone of 1 million, now covers more than 2 lakh+ villages, more than one-third of the country's total villages. This is effectively changing the landscape for access to services and unlocking the economic potential of rural India, leading the country towards a digitalised and financially secure future.

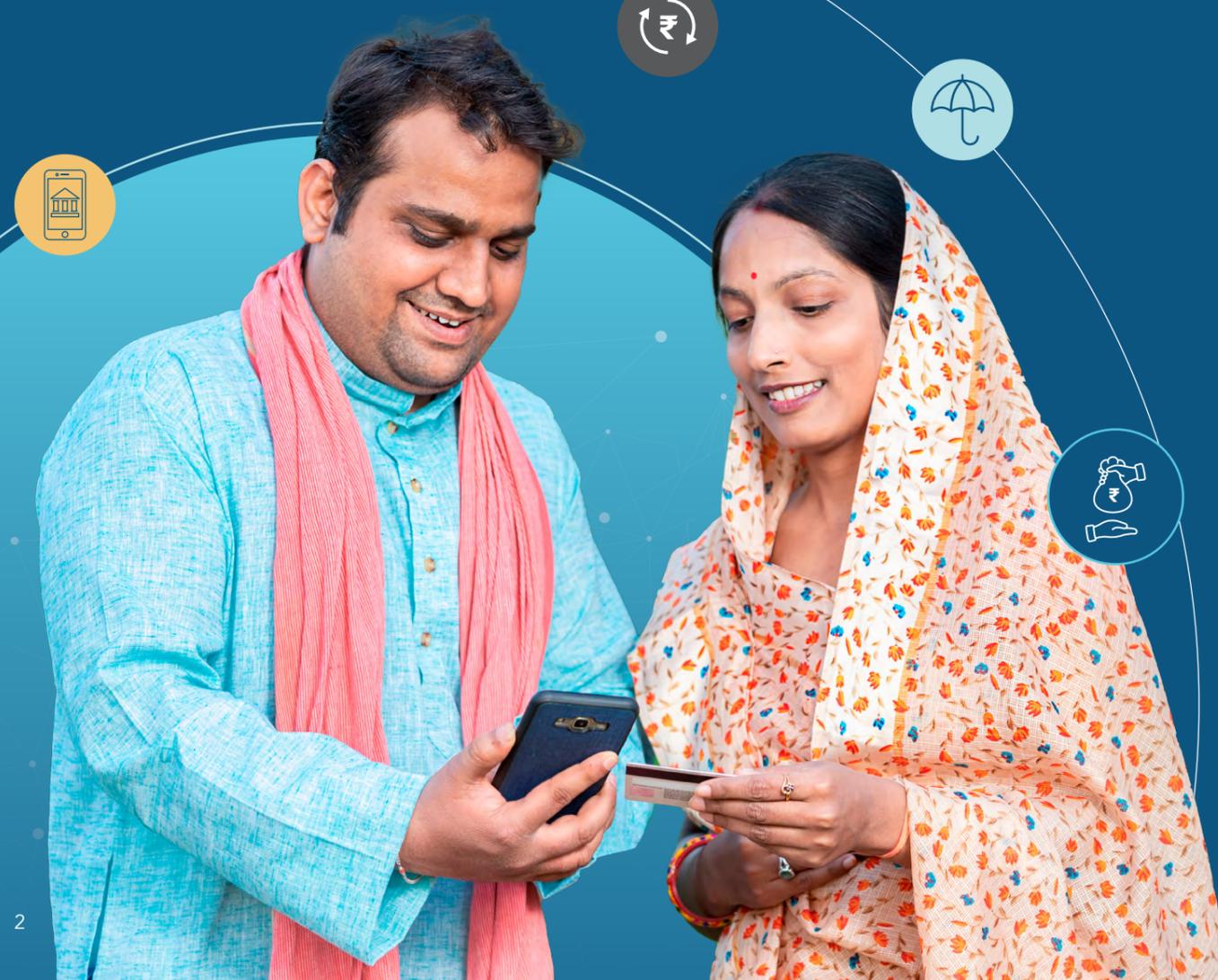
With an annualised gross transaction value of ₹ 1.7 lakh crore, we aspire to serve a billion people by being the preferred platform for our partners, to drive more transactions on it. In the process, we aim to change the face of financial services and entrepreneurship in the hinterlands, contributing to the larger objective of the nation achieving an economy size of US\$ 5 trn.

Feature Story

Real access, real inclusion

India is among the handful of economies where the rural region is grappling with lower penetration of scheduled banking services. The country has one ATM per 10 villages. With 65% of the country's population residing in rural India, it has only 20% of the country's total ATMs. The high cost of establishing and operating physical infrastructure is one of the main reasons that formal financial institutions find it difficult to operate ATMs in rural areas.

The 'Jan Dhan-Aadhar-Mobile' (JAM) trinity has been instrumental in establishing new digital business/delivery models in the financial services space especially in the rural regions to drive financial inclusion. The challenges faced by the rural Indians in accessing financial services were identified and through our Spice Money ecosystem, we act as a digital bridge with our Digital Adhikaris to millions of rural Indians in accessing financial and other services.



Challenge

Making banking convenient in rural areas

To access basic banking services, an average rural Indian must travel to the nearby town, costing money and time, both.

Building trust in banking

Trust plays an important part in handling cash related transactions. Despite the proliferation of mobile and internet usage, digital banking is still not preferred by the rural customers.

Serving in an economically viable way

The Bank's high cost of infrastructure and acquisition often deters them from opening branches in rural India, resulting in lack of access to banking services for the rural customers.

Making cash collection efficient

Enterprises such as Microfinance NBFCs, Logistics companies, among others, collect cash in rural areas through their representatives who need to go back to their urban branches at the end of the day to deposit cash. Branch manager then deposits cash in a Bank branch. This involves significant cash management risk apart from attendant logistical issues and limitations of branch banking hours.

Offering relevant products

The lack of rural consumer data often results in products which are not relevant for them.



Spice Money solutions

Creating hyperlocal access

Being part of the local community, the adhikari is able to relate their problems and being a face amongst them there is a lot of trust factor and comfort of engaging with a financial product.

Banker within the community for the community

The Adhikaris are local community members and their personal acquaintance brings a sense of trust among the residents. The customer is only required to produce Aadhar card and the name of their bank to access a host of financial services that includes withdrawal and deposit of cash.

Wide network, asset light model

The Spice Money digital platform enables any next-door kirana store or an entrepreneur to start operating as a mini bank counter and provide banking and digital services to consumers in semi-urban and rural India through shared infrastructure. It is a win-win proposition for the banks, NBFCs, insurance and fintech companies, as they can tap a large customer base without being present physically, following an asset light model.

Cash collection as a service

Such representatives and agents now deposit cash at nearby Spice Money Adhikari in the village. Enterprises get near real time credit. Adhikari uses this cash to serve customers with cash withdrawal services.

We are enabling the Adhikaris to serve the customers more through an increased number of transactions. The data generated through these transactions can give us insight for designing targeted products for our rural customers and generate further transactions for the Adhikaris.

Flywheel strategy by Spice Money



• Positive unit economics business model

• Operating leverage to be driven by transactions growth

Corporate Identity

At the forefront of digital transformation

Built on a strong foundation, Digispice is positioned as a trusted player for digital transformation of private and public enterprises and governments. We leverage our decades-long capabilities in engineering, analytics and automation, for seamless reinvention of products, operations and business models of our clients. We have emerged as a preferred partner for providing technology solutions for enterprise digital transformation, digital entertainment, digital financial services and digital travel services globally.

Broadly, we function across two key business segments: fintech, and digital technology segment. Spice Money, our fintech outfit, is our primary driver of business growth. By harnessing the power of digital technology, we plan to reach the nooks and corners of the nation, and empower enterprises, nanopreneurs or Adhikaris in the remotest fringes of the country.

In our B2B segment, we offer digital or data-driven services to enterprises from various sectors including telecom, BFSI, retail, etc.

Our services

Digital rural banking

1 mn
Adhikaris

18,500
Pincode coverage

1 lakh+
mATM network

15 crore+
customer base

Digital telco solution

25+
Telecom operators live globally with our platforms and services

60 bn+
Customer transactions on our platforms annually

3 bn+
Customers being catered through our services

Digital enterprise communication

350+
leading enterprise customers

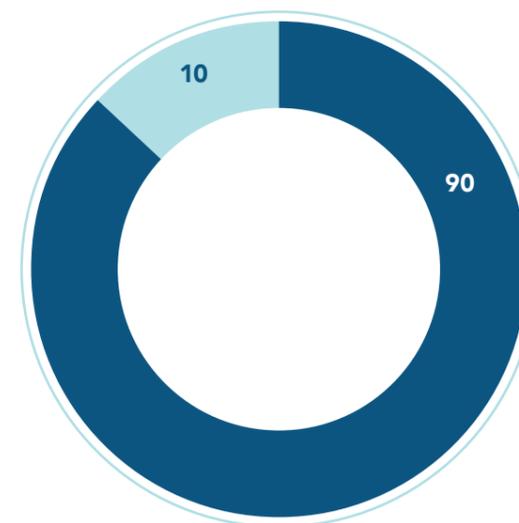
12 bn+
outbound messages annually

12 bn+
outbound calls annually

Digital travel services

1 lakh+
travel counters onboarded

Segment-wise revenue share (%)



● Fintech segment (Spice Money)
● Other segments

Vision

At DiGiSpice, we are passionate about transforming the lives of billions globally, one innovation at a time.

Mission

Our aim is to empower enterprises and consumers across the globe by accelerating the impact of digital technologies.

Core Values

Integrity

Born out of the values of mutual respect and trust, we imbibe within our culture a deep sense of integrity while partnering with our clients, peers, and colleagues; no matter how big or small.

Innovation

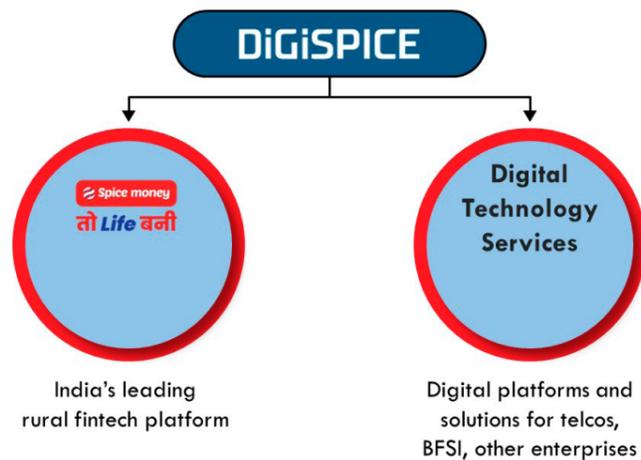
With a strong desire to innovate, we stay one step ahead by harnessing the power of cutting-edge technology and consumer insights, which reflects in our commitment towards new ideas, opportunities and innovative solutions.

Intensity

Driven by the passion and enthusiasm to break boundaries and create the best-in-class solutions, our core value of intensity is born out of the sheer desire and grit to explore unknown territories.

Business Segments

Well diversified business model



Spice Money

Spice Money is India's leading rural fintech company. We cater to the financial and digital needs of rural India by empowering merchants/nanopreneurs to become Spice Money Adhikaris. We deploy cutting-edge technologies to render our services across the country.

Key highlights



Banking Services

We provide easy access to services like Cash Deposit, Withdrawals, and Money Transfer to rural populace through our robust Spice Money Adhikari network. These services are accessed through an Adhikari app and portal, using NPCi enabled AePs stack, Bharat bill pay (BBPS) and matm through connected devices to offer basic cash out services.



Payment Services

Our platform provides access to a largest micro ATM network in the country which not only helps in cash withdrawals by cards but also allows the rural citizen to pay for the services consumed by the card device.



Cash Collection Services

Spice Money Adhikari outlets act as Cash Collection Points where Agents, customers and bank representatives can deposit their insurance premiums, loan EMIs etc.



Bill Payment Services

Spice Money enables its Adhikaris to accept payments for all utility bills such as water, electricity, Gas, and Broadband through the Bharat Bill Payment System (BBPS). The BBPS service also facilitates other payments for services like FasTag, Municipal Corporation Tax, LIC Premiums and much more.



Loan Services

We provide quick, easy and attractive loans to both our Spice Money Adhikaris through our partnerships with a wide range of Banks and NBFCs.



Devices and Other Services

We provide various devices to our Adhikaris including biometric scanners, printers, mini-ATM device and relevant services to enable the creation of PAN cards for consumers at the Spice Money Dukan.

Business Segments



Korero Platforms (CPaaS) -DiGiSpice In-house Omni-Channel Platform

Korero offers CPaaS and Marketing Automation, enabling brands to engage in omni-channel communications with their customers through various channels like SMS, Voice, E-mail, WhatsApp, Google Verified notifications, Push Notifications etc.. Our platform KoSYNC harnesses advanced data science to communicate with their customers across multiple channels, while simultaneously creating an exclusive digital audience. With KoScan, brands can create fully automated marketing campaigns, leveraging powerful tools to generate leads through their target audiences.

Korero Platforms has currently onboarded more than **70 customers** from various industries using SMS, Voice, Email and WhatsApp as their communication channels to engage with their customers. Korero also offers many custom solutions like **Click to Call, Number Masking, Email to SMS, 2 way messaging and Missed call** which enterprises can use to build their customised applications.

We also provide a bulk messaging service to communicate in a personalised manner with customers, along with multiple other solutions like two-factor authentication to provide security and safety from fraudulent activities.

Korero Platforms has recently deployed a **new age SMSC solution** for its enterprise customers through which the platform can send SMS across telcos with very high throughput of 10,000.

350+

Leading Enterprise Customers

Travel Union

As an assisted travel business brand for rural India, Travel Union offers the best inventory, competitive prices and tech-led dedicated support systems to travel agents, small businesses as well as enterprises. With zero on-boarding costs, the platform allows travel businesses to directly book trains, buses, flights, hotels and tour packages seamlessly.

1 lakh+

Travel Counters Onboarded

Digital Telco Business

Through DiGital Telco business, we offer an extensive range of solutions to telecom operators comprising Entertainment Suite, Content Aggregation, Super App and Digital platforms like MFS, M2M and USSD. Leveraging its sophisticated infrastructure, we provide in-app support and services for end customers, while enabling the augmentation and modernisation of networks and applications, with a greater ease.

3 bn+

Customers being catered through our services

Opportunity Landscape

Harnessing the potential in the hinterlands

The rural economy has been evolving rapidly, aided by favourable government policies and advancements in technology. Rising literacy rates, a robust MSME sector and availability of digital infrastructure as a public good has churned out immense opportunities for development at scale, in the hinterlands.

Financial inclusion forms the bedrock of a successful economy. Uneven access to financial services has been a major hurdle in the equitable growth in rural and semi-urban regions of India. Often the last mile is left

uncharted due to the lack of resources and insufficient market presence in the hinterlands. With the massive push towards a 'Digital' and 'Aatmanirbhar' India, the scenario is drastically changing.

Financial inclusion schemes like the Jan Dhan Yojana, coupled with the increased availability of cheap internet and mobile services in rural areas has opened up a world of possibilities, propelling major shifts in consumption habits and financial practices. The wide-scale implementation of the India Stack, with its promise of cashless, paperless, presence-less and consent based transactions, has become a game-changer in expanding financial access, even in the most underserved and remote locations of the country.

The pandemic played a big factor in speeding up this process, with the government's agenda of creating a cashless economy finally panning out through the accelerated adoption of digital transactions all over the country.

Contributing Factors to a Rising Rural Sector

Internet Penetration in Rural India

- **336 million** Internet subscribers in Rural India
- Rural smartphone and internet penetration increased 30% p.a. over the last five years (Source:- Bain & Co.)
- Rural India has 20% more internet users than urban areas (recent study by Nielson)
- Smart phone availability in Rural India - 67.6% in 2021 vs 36.5% in 2018

Contribution to Nation - Rural

- Rural Economy contributes around 46% to the National Income
- Employs 350 million people (68% of total workforce)
- Over the last five years, the rural economy has grown ~10% p.a. – and still has strong headroom for growth

Literacy rate in Rural

- As of 2021, the literacy rate in rural India improved too around 73.5% (69% in 2011) includes 81% male and 65% female literacy in rural India (Source: MOSPI)
- 83% of total schools are located in rural India & ~61% of colleges (as of 2019-20) were located in rural India (Source: Dept. of School education & literacy)

MSME Sector - Rural

- A huge contributor to the Indian economy making up about 30% of the country's GDP.
- Out of about 63.4 million MSME's in India, 51.25% i.e., 32.5 million MSME's are in the rural areas.
- Employing about 50 million people in rural India, it is one of the most important sectors in the rural economy. (Source: IBEF)



Our response: A unique value proposition to unlock potential

Our Spice Money fintech platform and our growing network of Spice Money Adhikaris have helped us to reach out to the underserved populations through the trustworthy Spice Money Dukan which primarily are the next door kirana stores, also acting as a host of assisted financial services. Our Adhikaris facilitate these transactions and permeate financial literacy through their services to millions of people across India.

10 Lakh+

Spice Money Adhikaris
(Read more on page 10)

1 Lakh+

Mini-ATM network
(Read more on page 10)

18,500+

Pin codes coverage

2 Lakh+

Villages coverage

Spice Money

Expanding access to inclusive growth

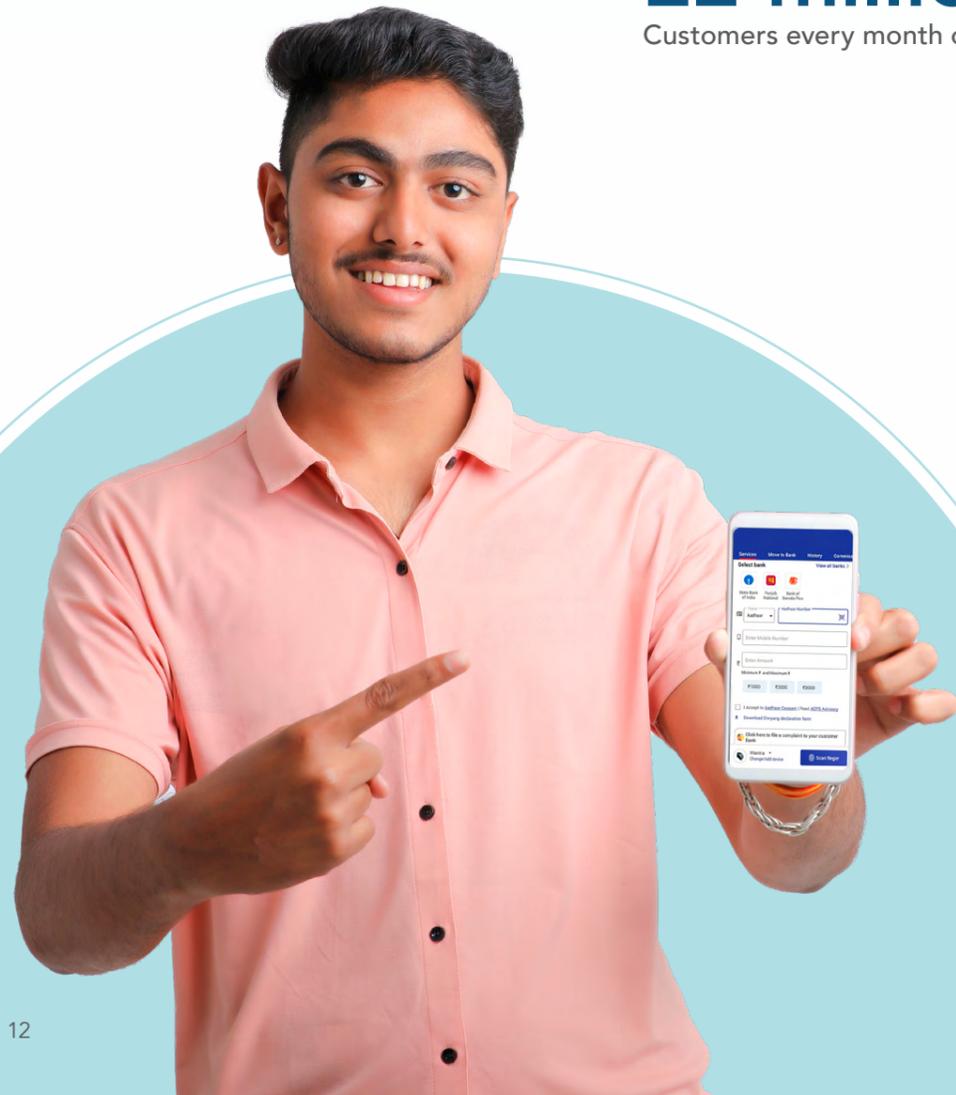
Spice Money has redefined financial access through its unique tech-led platform that disseminates assisted fintech solutions, enhances inclusive financial services and empowers local entrepreneurs, all at the same time.

With a 17.2% share of AePS and robust tie-ups with a range of Banks and NBFCs, Spice Money delivers financial services seamlessly. Its digital ecosystem that connects product partners and consumers, with Spice Money Adhikaris forming the key enablers of this transaction.

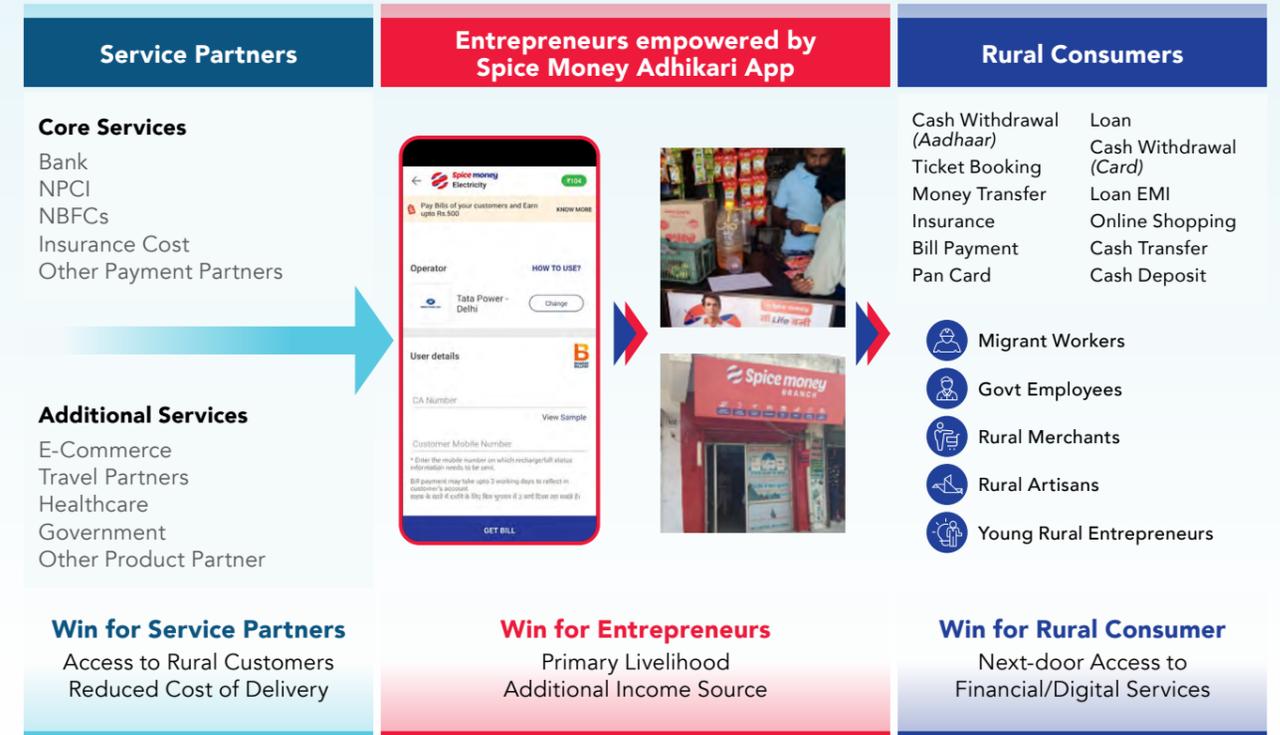
Our operating model is pivoted around three building blocks:

- Creating access and building engagement at the village and block level through Adhikaris
- An effective proprietary data strategy
- Strong technological capabilities with an open API architecture

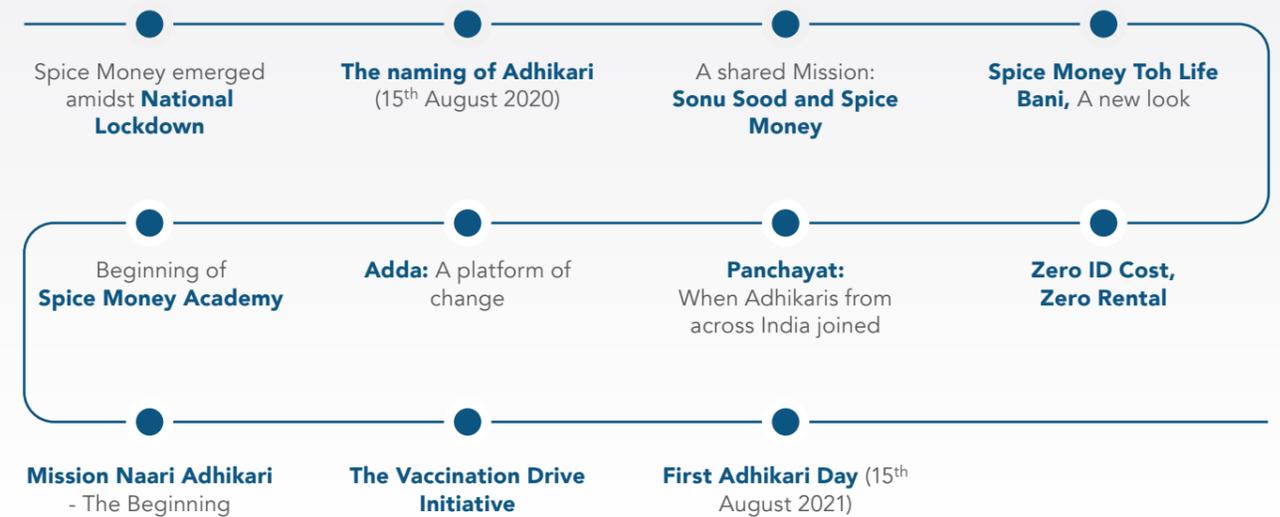
22 million+
Customers every month on platform



Developing a Win-Win-Win Rural Ecosystem



The Spice Money Journey



Spice Money



Brand Refresh – Spice Money Toh Life Bani

With the aim to create opportunities for rural and semi-urban India, we adopted a fresh brand identity with 'Spice Money Toh Life Bani campaign'. We were backed by Bollywood actor Sonu Sood, who worked relentlessly to provide aid during the COVID-19 pandemic. As our Brand Ambassador, he launched our campaign bearing the same name to introduce the concept of Zero Investment Scheme for Adhikaris, which is an industry first initiative. This prompted more people to join the Spice Money network, enabling them to start their own entrepreneurial ventures in rural India.

Products like Mini-ATM devices were made available with a refundable deposit scheme, making them effectively free of cost. To further strengthen the new Brand identity, we revamped our product packaging as well as our marketing kit for Adhikaris.

₹ 83,513 crores

Customer transaction value in FY22 (81% growth YoY), marking a milestone of trust, growth and prosperity

Fastest-growing mini-ATM network

ATMs are not readily available in rural areas and often people would have to walk more than 10/20 km to get to the nearest one in their vicinity. This problem is a lingering one that causes immense distress in the lives of people, especially during emergencies. To mitigate this issue, we have installed 1 lakh+ mini ATMs in remote villages, making it the fastest growing ATM network in India.

**जो अब तक थी बड़ी बात,
mATM से हुई आसान**
ग्राहकों को मिली सुविधा और आपकी दुकान को नई पहचान



Installing the first ATM in the last village

Chitkul village, with a population of ~1,000 and located in the Kinnaur-Kailash region of Himachal Pradesh, did not have access to any ATM facilities. People had to travel as far as 25 km to meet their banking needs, which was a very difficult task in itself. With the aim of creating ease of access, Spice Money installed its mATM in Chitkul, becoming the first rural fintech company to provide ATM service in this last village of the country.

Adhikaris

Nurturing the rural entrepreneurial ecosystem



We are nurturing a thriving ecosystem of entrepreneurs by creating opportunities and building capacities for their sustained growth and profitability.

Spice Money Adhikaris are the face, backbone and driving force behind the successful uptake of our services. It is

their position and identity within their locality that gives assurance to customers, strengthening their trust to engage in financial transactions without hesitation. By providing a host of incentives and continuous training on financial literacy, we are empowering our Adhikaris to further their businesses with zeal and dignity. When they engage with customers, they further spread the knowledge they have access to, igniting a chain reaction that gradually brings members of their communities under the ambit of formal financial services with ease.

Adhikaris – our core strength

Our Adhikaris provide assisted services to our customers to meet their banking and payment needs by facilitating services like Money Transfer, AePS, Bill Payment services, cash withdrawal and deposit, loans, insurance, etc. Anybody can become an Adhikari and we have successfully inducted a diverse body of people for this role – local youth, persons with disabilities and women looking to secure financial stability.

We have a simple approach wherein Adhikaris put in capital to begin their journey, enable us to marry cash in with cash out services for our customers and then begin generating return on their capital from within the ecosystem. They are not required to make any investments in cash logistics and the subscription fees have also been made free to further simplify the model. We also conduct sufficient background checks before beginning the onboarding process. The presence of Adhikaris across the rural belts help solve the problem of access in remote areas.

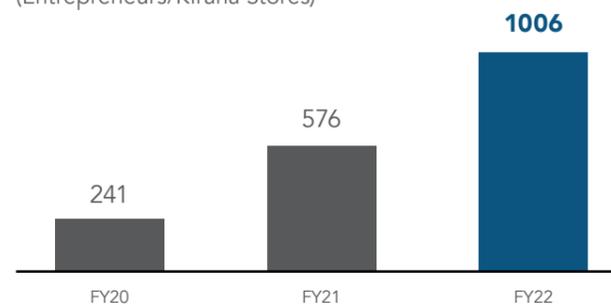
1 million

Adhikaris in 2 lakhs+ villages with plans to increase the number to 10 million in the near future

₹ 140,000 crore

GTV – growth from ₹ 82,000 Crore in FY21 with a positive bottom line

Spice Money Adhikaris '000
(Entrepreneurs/Kirana Stores)



Adhikari Training and Engagement



Spice Money Academy

With the aim to develop and further train our Adhikaris on a regular basis, we started the Spice Money Academy. Through our engagements, we provide in-depth knowledge and guidance regarding our list of offerings. Distributors at block level educate Adhikaris. Subsequently, Adhikaris organise eChauhals at the village level to educate and guide people regarding our platforms and services.



Spice Money Panchayat

We organised a digital event where all our partners and Adhikaris were encouraged to participate in a forum, where they could talk to our founder Dilip Modi and brand ambassador Sonu Sood. These precious associations through the Panchayat platform accelerated our progress in creating momentum within our Adhikaris.



Spice Money Adda

Focusing on the rural sector, we then adopted a new form the networking platform 'Adda', set up solely for the growth of our Adhikaris. Through Adda best practices across Adhikari network can be shared to better business practise overall in the Adhikari community.

Mission Shakti

Women are often the most marginalised of sections within the rural populace in terms of financial access and independence. Through Mission Shakti, we aim to empower women by making them self-reliant and financially independent. To help women realise their true potential, we encourage them to become a part of our platform to carve a career for themselves. By participating economically and socially, they can lead a dignified life without being dependent on anyone for their sustenance. We truly believe that a country can only develop when we develop the potential of our women and Spice Money is fully committed to realising this agenda.

2,000+

Women Self-Help Groups benefitted

Success stories

Our success is deeply intertwined with the success of our Adhikaris. Their achievements are a testament to our vision of creating inclusive growth and shared value for all.

Before becoming an Adhikari, I did not even comprehend that I would be able to help my customers in this way and keep earning alongside. Today I deal with a lot of work like transferring customers' money from my own shop - something they used to wander around trying to get done earlier.

Sanjay Kumar

Everyone earns money, but being a Spice Money Adhikari, I also receive blessings along with earnings. It feels good when I can help people from wandering around for important documents like PAN card. And now, I can get their PAN card made without any hassle.

Aurobindo Ghosh

Being a woman, you cannot get a proper job in the village". I was tired of hearing this and eventually I started accepting this. That's when I got an opportunity to become a Spice Money Adhikari. Now I tell others, how to earn their own livelihood, here in the village.

Preeti Shinde

Platform

Innovating tomorrow's tech today

As we are making great strides in improving accessibility to banking and financial services, we have also continued increasing our services to meet with the needs to rural consumers. To this end, we have developed a Super App which provides access to different services through a single application spanning E-commerce, Entertainment, Payments, Utility, Travel and more.

We have identified eight broad areas of services, of which four are live. From offering basic banking and payments services, we have added travel solutions and are venturing into financial services in the current year. We are building

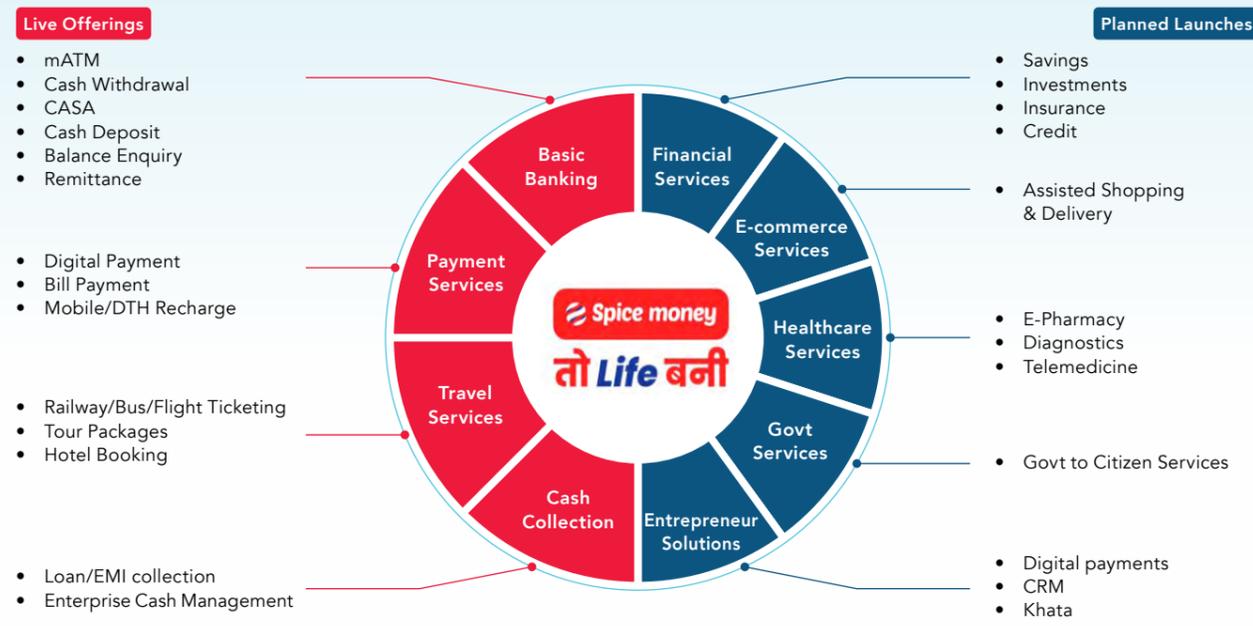
customised product, focusing on helping people with direct transfers and instant credit. We are doing pilots for different use cases in, which will get commercialised over the next few years.

To achieve the scope and scale of Super App, we plan to make investments in the areas of distribution, technology, product platforms, and marketing activities. We believe with the right strategies and appropriate partnerships, we have the ability to serve a billion people through this app.

Data-led model

Backed by a team of expert data scientists, we have adopted a data led model which comprises of external data along with data from ground. Our advanced data analytics will help us mitigate risks, identify the lucrative products to add to the platform and increase our avenues of monetisation. Currently 90% of the revenue is derived from payments. With the piloting of new initiatives and consistent investments on new products, we plan to transition into a revenue model where payments only form 50-60% of the share in the next three years.

Building the Super App for Bharat



Tech & Data Enabled Platform Leveraging Adhikari Network

Initiatives undertaken in FY 2021-22

Cash Management (CMS)

A major issue faced by enterprises like NBFCs and logistics companies was the smooth collection of cash in rural areas. Their representatives had to travel all the way to remote areas and then return with the cash by the end of the day to deposit it in time. After the representatives arrived with the cash, branch managers had to deposit the money to the Bank Branch. The whole endeavour posed various threats to efficient management of cash, made worse by the limited banking hours available in a day.

With the introduction of Spice Money Smart Banking points in several rural areas throughout the country, cash management system has become smoother and swifter. The representative can now deposit the money with the help of our Spice Money Adhikaris at the village location, without having to worry about carrying the cash all the way back to the city within a short amount of time. This helps Enterprises get near real time credit while the Adhikaris use this cash to serve customers with cash withdrawal services.

Performance

CMS - GTV (₹ in crores)



Travel Union (India's first Rural Travel Super Aggregator)

Key Proposition

- Zero Investment
- Competitive Fares
- Instant Refunds
- Multilingual platform
- Direct Supplier Integration
- 24x7 customer care support

Performance

Travel - GTV (₹ in crores)



Chairman's Message

Accelerating rural financial inclusion

Dear Shareholders,

It's a pleasure to once again get an opportunity to share with you my thoughts on our company and its underlying business. Before I start, I hope all of you have been keeping well and have settled down in the new normal post the Pandemic.



The vaccination drive throughout the country has been an inspiring one and operating in rural India, we have observed this drive and its impact closely on the ground. I would like to thank everyone who has been a part of this massive drive to vaccinate over a billion people. We are all grateful for the hard work and commitment shown by the entire execution machinery comprising the government officials, healthcare workers and volunteers who made this happen and have helped build the resilience of our nation towards this crisis.

Coming to our business Digispice Technologies, as most of you are aware, comprises two segments, a legacy telco VAS vertical and the new rural fintech vertical that resides in the subsidiary Spice Money. In the annual consolidated accounts, they are reported as the Digital Technology services segment and the Financial Technologies segment respectively to make it easy for you to review their individual performance.

Our legacy telco VAS business has been in a decline over the last few years, as the services offered have become redundant with the internet on mobile becoming pervasive. Our efforts to reverse the decline by focusing on still relevant segments and entering new adjacent areas have not been enough to compensate for the decline in overall business. As can be gleaned from the accounts, this year, the revenues from this Digital Technologies segment remained flat at around ₹ 133 cr. Our new bets like Korero that I talked about last year are yet to show results as we continue to explore a product market fit for them. But we remain hopeful to turn around the business, and believe in the capabilities of the management team, most of whom have been with

the business for a long time. I will keep you informed as we make progress on this effort.

Let us now turn to the cheery news from the Financial Technologies segment, that continues to surprise us, outperforming our expectations and further entrenching our belief that we can build a large and profitable business in the rural fintech domain.

Five years ago, we ran a small experimental project in DiGiSPICE that used the upcoming technology infrastructure of Aadhar Enabled Payment System (AePS) by National Payment Corporation of India (NPCI) to allow a bank account holder in the remotest part of the country to withdraw money from his account, at a nearby shop and aided by the shopkeeper, by simply using his Aadhaar number and thumbprint. This freed him from travelling large distances, and in many cases multiple times for the simple task of getting access to money in his bank account that belongs to him.

At that point in time, we could not understand the implication of this small experiment on us, on the people living in the rural and semi urban parts of the country and on the way digital services need to be structured so that each and every citizen of the country can enjoy the same level of efficiency, convenience and access as the digitally savvy consumers do.

Today that small experiment we ran and the allied services it has allowed us to spawn, has helped us serve, in the last 3 years, over 10 cr. rural households, who have used our platform to withdraw, deposit and transfer cash and purchase services worth over ₹ 1.52 lac cr. In the process, we have created livelihood for more than a million

nanopreneurs in rural and semi urban India, whom we call as Spice Money Adhikari ('SMA') and who act as the point of interface between the rural consumer and the digital services we offer.

Using this network of over a million of Spice Money Adhikaris running the Spice Money app on their smartphones, we provide the following suite of services to consumers who otherwise lack the familiarity or the tools to access these:

- Cash withdrawal from their bank accounts, and account balance check;
- Money transfer to any bank account or any person across the country;
- Bill payment, phone recharge and EMI payments;
- Travel booking and related services; and
- Cash management for enterprise customers.

We believe we have both contributed to, and profited from the growth in the rural economy which constitutes over 65% of the country's citizens, over 46% of the GDP, and has strong tailwinds and a long runway.

There are clear insights that the characteristics of rural markets and consumers are quite different from the urban. Besides the fact that the ticket sizes of products and services needed are sachet size (as demonstrated by FMCG industry), the trust (and hence choice of brands and products) is driven far more by word of mouth than advertising. The relationship with local retailers is community driven and inter-generational, compared to footfall and transaction led relationships in urban markets. Lack of service infrastructure and lack of digital and financial literacy in rural areas are well established problems. Therefore, it is clear that the approach needed to win rural markets has to be specific to rural - products and services need to be developed grounds up, and the business model needs to ensure bridging the trust gap, and a viable service delivery framework. Spice Money's business model is built on these fundamentals. We enable local rural youth entrepreneurs to be the digital and financial evangelists, using an existing retail infrastructure, thereby enabling low cost and visible service delivery.

Our growth model is simple. We intend to grow our network of SMAs to serve an ever increasing number of rural consumers, and to increase the number of products and services we offer to them over this network. In the last year, we have made significant progress in this direction, and yet, as is evident in the numbers below, we believe we have just started:

Our Adhikari (SMA) numbers grew over 75% in FY22 to over a million. This is on the back of over 100% growth in FY21. We cover about 94% of pincodes across the country, an increase from 77% last year.

- Our customer GTV (value of all end customer transactions on our platform) grew over 81% to ₹ 83,513 cr, after a growth of over 108% in FY21.
- AePS, our prime vertical that allows a rural consumer to withdraw cash from his bank account, grew 59% over

last year to a GTV of about ₹ 49,184 cr. We increased our market share in this segment to 16.4% from 13.7% last year.

- Our new verticals of Cash Management Services for Enterprises, Travel booking services and Bill Payment Services grew their GTV 26 times, 3 times and 2 times respectively over last year. Together they now contribute about 15% of our customer GTV from about 1% last year.
- We are continuously working on adding new products and services that will be relevant to the rural and semi urban consumer base. We currently have many such projects in various rollout/pilot stages. Not all these initiatives will succeed, but we hope to have one or two meaningful ones launched by the end of this financial year.

Our efforts have helped us earn a service fee revenue of ₹ 341 cr, an increase of 80% over last year, and EBITDA of ₹ 22 cr. This business segment today comprises ~90% of the revenues and all the profits of the combined Digispice entity, and is likely to remain the dominant vehicle of value creation in the near future.

This performance would not have been possible without the efforts of all our team members which is now over 1,400 people strong. As you would remember, we have over the last couple of years significantly invested in creating management capacity at the top as well as in the mid management levels, and this seems to have paid us rich dividends. With a strong team at helm, over a million digital entrepreneurs on board and over 200,000 villages and 6,000 small towns covered, the Spice Money platform has now reached a critical mass in terms of scale and density of coverage. This makes our platform relevant to many digital service providers across industries allowing them to offer their services to customers in rural and semi-urban India in an economically viable manner, something which was very hard to do thus far.

We are working on transforming our SMA points to function as Digital Banking Points for his village or town, a natural extension for us given the success we have had with enabling cash related services within the banking industry. In partnership with multiple financial services businesses, we are in the process of offering products like savings, investments, credit, insurance etc. Our platform today is ready to offer all banking products available at a bank branch, and analogically speaking, from one of the largest digital ATM network that we are today, we aspire to become the largest digital banking services delivery network in the country.

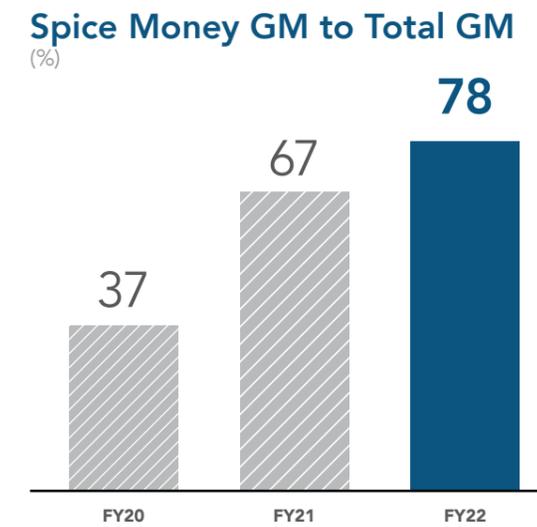
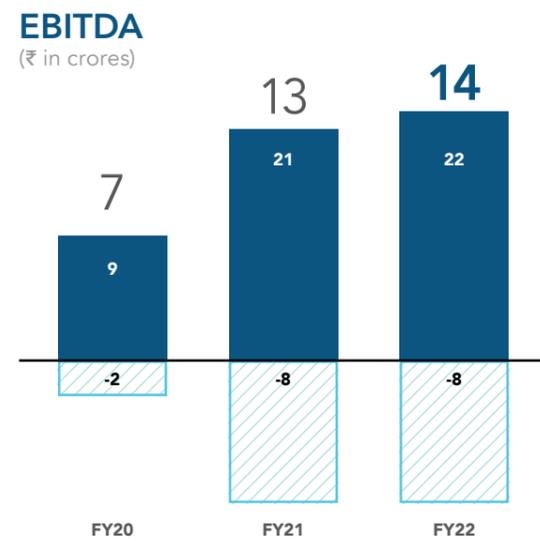
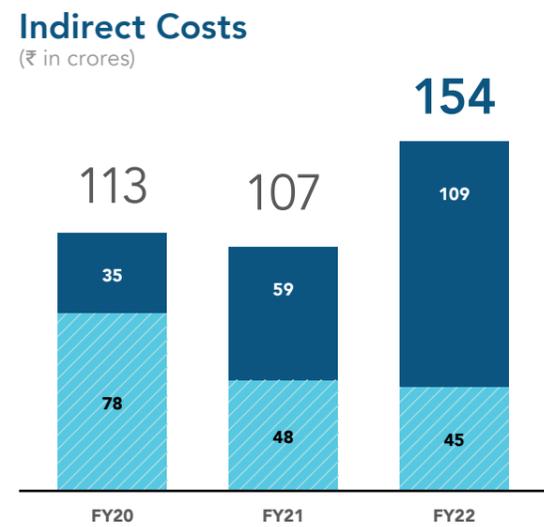
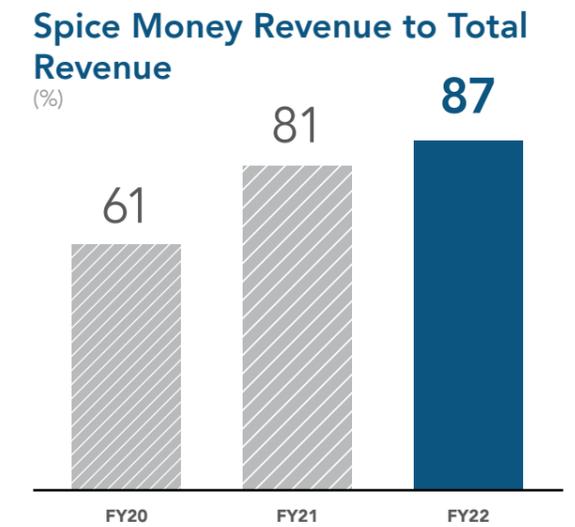
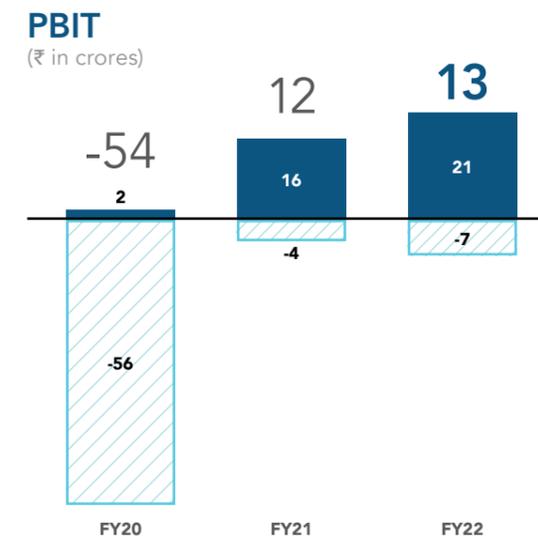
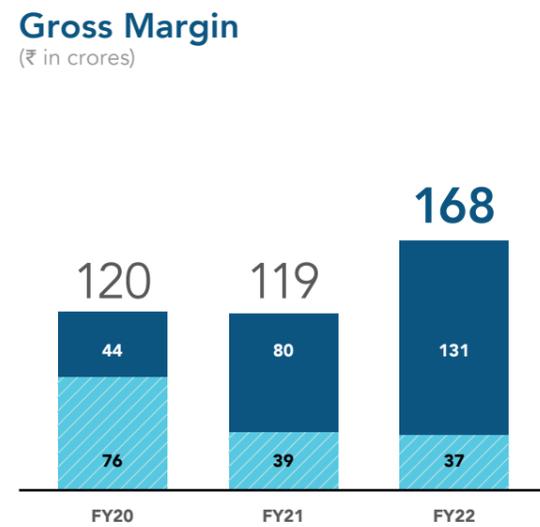
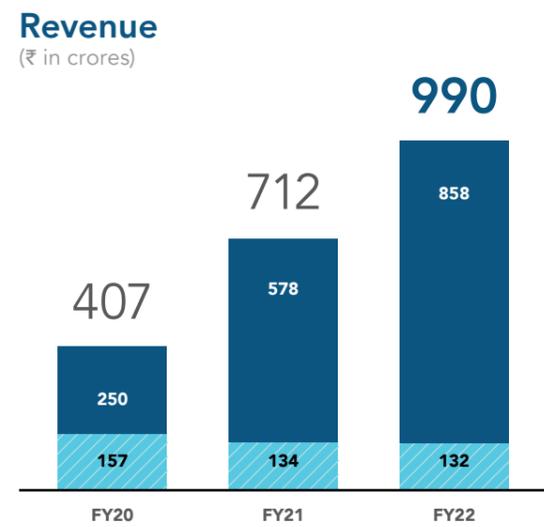
We believe we have all the components in place to help us realise our mission of uplifting lives across rural India using Digital platforms, and create significant value for all stakeholders in doing so. I thank you for all the help and support and hope all of you will continue to be a part of this exciting journey along with us.

With Best Wishes,

Dilip Modi
Chairman

Key Performance Indicators

DiGiSPICE Technologies – Consolidated Financials Summary:-



● Fintech segment (Spice Money) ● Other segments

Corporate Social Responsibility

Towards an equitable and holistic future

As a company, upliftment of the rural economy through digital transformation, in addition to generation of greater access, and facilitation of financial inclusion in the smaller pockets of the nation, steer our way forward. In keeping with these goals, we strive to design welfare initiatives and ventures, while ensuring that we create a positive impact on the lives of the entrepreneurs that we work with.

Ek Soch Foundation

Through 'Ek Soch Foundation,' we empower entrepreneurs working at the grass-root level, in the fields of agriculture, micro-entrepreneurship, sanitation, health and education.



Agriculture



Javik Kheti (organic farming)

To promote organic farming, we engage farmers in making low-cost bio-fertilisers, bio-pesticides and other bio-agents out of the resources that are locally and easily available to them. As a result, the cost of pesticides is reduced by 80% through natural pest management. We provide on-ground exposure and guidance through live demonstrations to farmers.



Empowering women farmers

Directed towards the welfare and emancipation of women farmers, dedicated groups are being formed, so that the women are equipped with the necessary skills and knowledge pertaining to organic farming. These groups help the women in discovering ways to have enhanced access to markets. In addition, training about the latest methods and ways in organic farming are imparted to these groups, powering them with the know-how of the best practices. This also helps in boosting the group's morale, while making women farmers market-ready and updated.



Promoting the system of rice intensification (SRI)

SRI is a low-water, labour-intensive farming practice that aids in increasing yields of rice. It promises to save 15-20 percent of ground water, and is beneficial for soil health, while being suitable for all types of soil. Farmers, however, may not be totally privy to the nitty-gritties of this technique. This is where we enter the scene, and guide farmer groups on the basics of SRI. We provide mechanisation assistance, by which, the cost of weeding can be reduced by 50%, by using hand-operated weeders. We continuously engage with farmers and help them in implementing SRI as per the standard practices, i.e., obtaining more outputs with fewer inputs.

Micro-entrepreneurship

Target groups

→ Artisans, vendors and other associated individuals

→ Women farmers

Providing an ecosystem

We are creating an ecosystem that allows for sharing, networking, collaborating and deliberating ideas with other catalysts. This also helps them in identifying synergies and exploring potential collaboration in the catalyst network.

Skill and leadership development

We empower women and youth with leadership and skill development that are necessary to manage their enterprises and become the change their community needs. We also strive to establish a platform of resources and mentorship to upskill local women and young business aspirants, to scale up their potential.

Technological interventions for better business

We provide necessary trainings to entrepreneurs on technology and its use, so they can drive their enterprises. We grant funds to the most competitive and committed entrepreneurs, in addition to guiding them to get funding from banks and financial institutions through various government schemes.

Providing market exposure

Rural entrepreneurs lack exposure to markets. Thus, we thoroughly explore market opportunities and create linkages. We remain focused on helping entrepreneurs to collaborate with a network, so that they can make their enterprises thrive.

COVREG

COVREG was an initiative by Spice Money wherein we received ASP license from Co-Win to assist rural citizens to register for vaccination through our app and portal. In addition to assisted registration, our Adhikaris also assisted rural citizens with slot booking and vaccination appointment, certificate download etc. The entire program was supported with high level awareness initiatives so that more and more people in the country can be vaccinated against Covid.



Board of Directors

Powered by Visionaries



Mr. Dilip Modi
Non-Executive Chairman

Mr. Dilip Modi was appointed to the Board on 21st August 2006 as Director and has been Chairman of the Company since 18th February 2014, and was redesignated as Non-Executive Chairman w.e.f. 1st October 2019. Mr. Modi is one of India's most successful second generation entrepreneurs and has pioneered several new technologies in the mobility and technology sector in India. Mr. Modi is passionate about creating usable and affordable technologies that can help improve lives of people. Driven by his firm belief that technology can become a key enabler for achieving inclusive growth in the country, his group's current business interests in the digital technologies, fintech and mobility spaces exemplify this vision by furthering the digital and financial inclusion goals.

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

As Chairman of DiGiSPICE, Mr. Modi leads the Group's businesses spread across Asia and Africa in the mobility and digital technologies space. Mr. Modi has also been closely involved in industry forums and has held the position of Chairman of the Cellular Operators Association of India (COAI), and has also had the honour of being the youngest ever President of ASSOCHAM (Associated Chambers of Commerce), working on key industry programs such as 'Making Inclusive Transformation Happen.' His efforts in the industry were duly recognised as he was conferred the 'Youth Icon Award' by the Gujarat Chamber of Commerce and Industry.

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



Mr. Rohit Ahuja
Executive Director

Mr. Rohit Ahuja was appointed to the Board on 5th May 2020 as an Executive Director. He has been an Entrepreneur, strategic Advisor and perpetual Investor helping Technology - first companies grow and scale. During his entrepreneurial journey of 20+ years, he has been the Founder of many successful businesses and carries hands-on experience in setting up and managing all aspects of the business (operations, sales, finance and people management), acquiring, turning around and managing / running multiple companies across various sectors.

He became the Founder and Managing Director of a Manufacturing Facility, Menthol India, for mint-based products and aromatic chemicals, and had setup a state-of-the-art manufacturing facility for mint products with Sulzer, Germany. He also represented Indian Menthol Exporters in prestigious IFEAT conferences. Mr. Ahuja also served as a Managing Director of Non-Banking Finance Company, Trozen Finance and Securities Pvt. Ltd., which specialised in real estate finance and investments. He has been the Founder and CEO of an IATA accredited travel and tourism company, Odyssey World, which became the leading hospitality company in India serving judiciary, government officials and diplomats. He was also the Founder and Managing Director of Super Specialty Medical Centre, Empathy MedCare Pvt. Ltd., which had OPD, IPD by full time doctors from FORTIS Healthcare and Pathology Lab by Dr Lal Path Labs, providing full medical treatment.

Mr. Ahuja has been associated with the Company since 2015 and has been instrumental in defining strategy, growth and operational plans for strategic projects of various Group Companies. He plays a key role in business development in new geographies for the group and directly heads both the DiGiSPICE Businesses i.e., Digital Telco and Enterprise Business of the Company. Mr. Ahuja has completed his Bachelor's of Science in Accounting and Finance from USA in the year 1997.

Mr. Mayank Jain
Independent Director

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

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

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

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

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

Mr. Subramanian Murali
Non Executive Director

Mr. Subramanian Murali was appointed to the Board on 7th May 2015 as Non-Executive Director. He was associated with leading organisations such as A.F. Ferguson and HCL Group of companies in several senior positions.

Over more than 36 years of experience in industries like IT, Office automation, Telecom and Mobility, he has gained extensive knowledge and expertise in the areas of fund raising, M&As, Business restructuring, Process Re-engineering, Business turnarounds, Corporate Finance and Management.

Presently, Mr. Murali is Executive Director-Finance of Spice Connect Private Limited, Company's holding company and oversees the entire group's finance function. He has been associated with the group for 14 years and is actively involved in Shareholders value creation, Business planning, Corporate Finance, Capital allocation, Treasury management, Management review and overall productivity of all resources within the Spice Connect Group.

His association with the group helped in managing different business cycles ranging from startups, steady state growth, rapid and exponential growth, slowdowns and closures. Mr. Murali is a Fellow Member of the Institute of Chartered Accountants of India ("ICAI").

Dr. (Ms.) Rashmi Aggarwal
Independent Director

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

Before joining academics, she started her career as an advocate in the Punjab and Haryana High Court and Supreme Court of India. Dr. Aggarwal is presently a Professor at the Shiv Nadar University, Institution of Eminence (IoE), and Chairperson- Accreditation. Before joining Shiv Nadar University, she was a faculty of law at IMT Ghaziabad in Economics, Environment, and Policy for 15 years. She is a visiting faculty with IIMs and management Institutes in France and Dubai.

Dr. Aggarwal's research domains are predominately in the area of Corporate Laws, Corporate Governance, Cybercrimes, Labour Laws, and Intellectual Property Rights, with more than 80 reputed publications to her credit, including books, international research publications, book chapters, book reviews, and case studies. Dr. Aggarwal has presented her research work at national and international conferences in India and abroad. She has designed and delivered numerous executive programs as a facilitator and Program Director for In-company and Open Company and conducts workshops and training programs for Higher Education accreditation.

Dr. (Ms.) Rashmi Aggarwal is a Bachelor of Science, Law Graduate, Masters in Law, and Ph.D. (Patents Law) from the Law Department, Punjab University, Chandigarh. She was mentored by FICCI for the 'Women on Board Mentorship Program' by the Former Director, Department of Economic Affairs, Ministry of Finance. She is certified in Finance from the National University of Singapore (NUS) and business cases from China European International Business School, Shanghai, China.

Mr. Suman Ghose Hazra
Independent Director

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

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

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

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

He was a Legal Consultant and Senior Advisor to MAIT.

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

COMPANY INFORMATION

BOARD OF DIRECTORS

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

Company Secretary & Compliance Officer

Ms. Ruchi Mehta

KEY COMMITTEES OF THE BOARD

(I) Audit Committee

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

(II) Nomination and Remuneration Committee

Dr. (Ms.) Rashmi Aggarwal – Chairperson
 Mr. Subramanian Murali
 Mr. Suman Ghose Hazra

(III) Stakeholders Relationship Committee

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

(IV) Risk Management Committee

Mr. Rohit Ahuja – Chairman
 Mr. Mayank Jain
 Dr. (Ms.) Rashmi Aggarwal
 Ms. Ruchi Mehta
 Mr. Vinit Kishore

(V) Corporate Social Responsibility Committee

Mr. Dilip Modi – Chairman
 Mr. Subramanian Murali
 Mr. Suman Ghose Hazra

Chief Financial Officer

Mr. Vinit Kishore

CIN: L72900DL1986PLC330369

Registered Office

622, 6th Floor, DLF Tower A, Jasola Distt. Centre,
 New Delhi - 110 025

Phone: 011- 41251965

E-mail: complianceofficer@digispice.com

Website: www.digispice.com

Corporate Office

Spice Global Knowledge Park, 19A & 19B, Sector 125,
 Noida, District Gautam Budh Nagar, U.P.-201301

Phone: 0120-5029101

Statutory Auditors Singhi & Co.

Chartered Accountants
 Noida

Internal Auditors

G S A & Associates LLP
 Chartered Accountants
 New Delhi

Secretarial Auditors

Sanjay Grover & Associates
 Company Secretaries
 New Delhi

Registrar & Share Transfer Agent MAS Services Ltd.

T-34, 2nd Floor, Okhla Industrial Area,
 Phase-II, New Delhi - 110 020

Phone: 011-26387281/82/83

E-mail: investor@masserv.com

Bankers

IndusInd Bank Limited
 HDFC Bank Limited

Symbol/Scrip ID at NSE /BSE

BSE and NSE Symbol : DIGISPICE

BSE Scrip ID : 517214

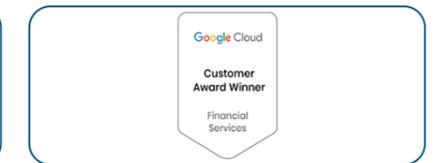
AWARDS AND ACCOLADES



Best Service provider in Rural Fintech



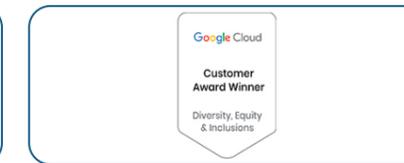
The Economics Times Future-Ready Organization - 2022



Google Customer Award for Financial Services - 2022



Google Customer Award for Social Impact - 2022



Google Customer Award for Diversity, Equity & Inclusions - 2022



Excellence in Business Growth (Fitech Start-UPS) Award - 2022



Brand Disruption Awards - 2022 for Travel Union launch campaign



BFSI Excellence Awards 2022 - Presented to Dilip Modi



Great Place to Work - 2021



Excellence in Neo Banking at the 2nd ASSOCHAM Annual Conclave FinTech & Digital Payments - 2021



The Economic Times - Best BFSI Brands 2021



BFSI Gamechanger Awards - 2021 Presented to Dilip Modi



Best Brand Building Campaign Spice Money toh Life Bani - 2021



Best Lead Generation Initiative Spice Money Zero Investment Campaign - 2021



Best Use of Celebrity in Digital Marketing for our Zero Investment Campaign - 2021



National Payment Excellence Awards For Best IMPS Service - 2016

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

Board's Report

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty Fourth Annual Report together with the Audited Financial Statements of the Company for the financial year ended on 31st March, 2022.

Financial Results

The consolidated and standalone financial performance of the Company for the financial year ended 31st March, 2022 is summarized below:-

Particulars	For the Financial Year ended 31.03.2022		For the Financial Year ended 31.03.2021	
	Consolidated	Standalone	Consolidated	Standalone
Total revenue from continuing operations	1,01,130.76	12,060.02	73,663.35	13,039.45
Earnings before finance costs, tax, depreciation & amortization and exceptional items from continuing operation	3,532.74	34.63	3731.05	642.75
Share of (profit)/loss of associates and a joint venture	(10.81)	-	(64.49)	-
Depreciation and amortization expense	1,989.95	257.00	2266.35	751.43
Finance costs	117.82	94.01	159.75	124.50
Exceptional items	100	-	-	(49.88)
Profit/(Loss) before tax from continuing operations	1,314.16	(316.38)	1,240.46	(283.06)
Tax expenses				
Current Income Tax	492.50	10.25	611.32	49.16
Income Tax adjustment for earlier years (net)	(84.57)	58.39	(30.54)	91.13
Deferred tax charge/ (credit)	266.02	-	62.17	(20.69)
Profit/(Loss) for the year from continuing operation	640.21	(385.02)	597.51	(402.66)
Profit/(Loss) for the year from discontinued operation	29.77	-	(38.64)	-
Total Profit/ (Loss) for the year	669.98	(385.02)	558.87	(402.66)
Other comprehensive income for the year	(80.05)	27.73	112.62	2.72
Total comprehensive income for the year	589.93	(357.29)	671.48	(399.94)
Share of Minority in profits / (losses)	67.91	-	(558.65)	-
Profit / (Loss) for the year attributable to equity shareholders	522.02	(357.29)	1,230.13	(399.94)

Performance Review and State of the Company Affairs

The Company is primarily engaged into the Information and Communication Technology business providing Technology solutions and communication platform to the domestic/international Telecom Operators and Enterprises. The Company, through its material subsidiary 'Spice Money Limited' is engaged in providing financial technologies services, through Tech enabled platform accessed by merchants, including Domestic Money Transfer ('DMT') services, Aadhar enabled Payment Services ('AePS'), Mini ATM services, Enterprise cash drop services, Bharat Bill Payment System ('BBPS') and other related services.

The Company, at the consolidated level, achieved a total income of ₹ 1,01,130.76 Lakhs for the year ended 31st March, 2022 as against ₹ 73,663.35 Lakhs for the previous year ended 31st March, 2021. The profit after tax at the consolidated level from continuing operations for the year ended 31st March, 2022 is ₹ 640.21 Lakhs as against profit after tax of ₹ 597.51 Lakhs in the previous year ended 31st March, 2021.

The Company, at the standalone level, has earned a total income of ₹ 12,060.02 Lakhs for the year ended 31st March, 2022 as against ₹ 13,039.45 Lakhs for the previous year ended 31st March, 2021. The Company has incurred a loss of ₹ (385.02) Lakhs for the year ended 31st March, 2022 as against a loss of ₹ (402.66) Lakhs in the previous year ended 31st March, 2021.

Analysis of performance of the Company is provided in the Management Discussion and Analysis Report.

Update on Covid-19 Pandemic

In the financial year 2021-22, the Covid-19 pandemic, continued to cause significant disruption globally with new and highly infectious variants like Omicron and Delta spreading at unprecedented rates in second wave and third wave. The Company has closely monitored the Covid-19 situation as it evolves and makes necessary adaptation to ensure minimal impact on services while maintaining health and safety of its employees.

The work from home policy continued during the year for all employees with the exception of some essential roles

that need to be conducted from an office or on location for critical network maintenance, for which all necessary arrangements were made to ensure their safety and protection. The Company continued to prioritize virtual meetings and events even while global businesses gradually opened. The meetings, including Annual General Meeting ('AGM'), Investors Calls, communication within organization or with external Stakeholders, as far as possible, were organized in virtual mode.

During the intense phase of Covid-19, the Company collected vaccination status and Covid test reports of employees from time to time to ensure safety. The Company also organised testing for employees physically attending the office premises.

During the year, the Company has put in place the mandatory protocols and Standard Operating Procedures (SOPs) for all its employees such as submission of self declaration forms, thermal screening, sanitization and maintaining social distancing among others as per the Guidelines stipulated by the Ministry of Home Affairs of the Government of India and Guidelines of the respective State Governments.

During this financial year impact of Covid-19 was very minimal on business of the Company and its subsidiaries.

Highlights of Performance of Subsidiaries, Associates and Joint Ventures

The Company, as of 31st March, 2022 has total 25 subsidiaries i.e. (8 direct subsidiaries including material subsidiaries and 17 step down subsidiaries) and 2 associates. The performance highlights of the direct/material subsidiaries are given below:

(a) Spice Money Limited

Spice Money Limited ('SML') is one of the India's largest tech-enabled Hyper Local payments Network offering various services like Cash Deposits, Cash Withdrawal, Balance Inquiry, Bill Payments, Aadhaar Enabled Services, Airtime Recharge, POS Services, Railway Ticketing Services, Cash Management Services etc. through its authorized agents.

It achieved total income of ₹ 86,840.89 Lakhs for the year ended 31st March, 2022 (31st March, 2021: ₹ 58,442.88 Lakhs). It reported a net profit of ₹ 1,230.21 Lakhs (31st March, 2021: ₹ 1070.28 Lakhs).

(b) S Global Services Pte. Ltd.

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

It achieved consolidated revenue of ₹ 2,283.61 Lakhs for the year ended 31st March, 2022 (31st March, 2021: ₹ 3,084.80 Lakhs). The Consolidated profit after tax for the year ended 31st March, 2022 is ₹ 55.59 Lakhs (31st March, 2021: profit of ₹ 633.87 Lakhs).

The salient feature of the performance and financial position of each of the subsidiaries and associate companies are given in Form AOC-1 attached to the Consolidated Financial Statements for the year ended 31st March, 2022 and forms an integral part of the Annual Report.

Subsidiary Companies, Joint Ventures or Associate Companies

In order to meet the requirement of Net worth as prescribed by Reserve Bank of India, SML issued and allotted 5% Cumulative Compulsory Convertible Preference Shares ('CCCPs') of ₹ 10/- each, aggregating to ₹ 33 crores, to the Company.

The Company along with its material subsidiary, SML acquired 15,000 equity shares of E-Arth Travel Solutions Private Limited ('ETSPL') in ratio of 2:1. Consequently, ETSPL became a Subsidiary of the Company with effect from 6th August, 2021.

The Company has executed a Shareholders' Agreement to form a Joint Venture with Tarya Fintech Holdings Limited ('Tarya'), a part of Israel's leading fintech group, for 'Lending Technology Platform' and other Technology Services business. In accordance with the said agreement, Vikasni Fintech Private Limited ('Vikasni') has been incorporated on 1st November, 2021. The Company, along with its subsidiary SML, holds entire share Capital of Vikasni.

Digispice Ghana Ltd., a step-down subsidiary of the Company, in order to meet the requirement of 30% Ghanaian Ownership for grant of VAS License as required under the applicable laws of that country, has allotted additional 32,200 shares to a Ghanaian citizen. The Company, through Spice VAS (Africa) Pte. Ltd., ('SVA'), another step down subsidiary company, continues to hold 70% shares in Digispice Ghana Ltd.

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

The Financial Statements of Subsidiary Companies has been uploaded on the website of the Company, www.digispice.com.

After closure of the financial year 2021-22, Hindustan Retail Private Limited ('HRPL'), a direct wholly owned subsidiary of the Company, has acquired from New Spice Sales Solutions Limited ('NSSSL'), a direct wholly owned subsidiary of HRPL, 100% equity stake in Cellucom Retail India Private Limited ('CRPL'). Consequent to above, CRPL has become a direct wholly owned subsidiary of HRPL, and continues to be indirect wholly owned subsidiary of the Company.

After closure of the financial year 2021-22, S Mobility Pte. Ltd., a step down subsidiary Company, registered in Singapore, has been struck off from the Register of Accounting and Corporate Regulatory Authority, Singapore and ceased to exist.

Holding Company

As on 31st March, 2022, Spice Connect Private Limited, the holding company, holds 73.37% of the issued, subscribed and paid up share capital of the Company.

Cash Flow Statement

In conformity with the provisions of the Companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations'), the Cash Flow Statement for the year ended on 31st March, 2022 as prepared under the provisions of

Indian Accounting Standard - 7 as notified under Section 133 of the Companies Act, 2013 is attached as a part of the Financial Statements of the Company.

Share Capital

As on 31st March, 2022, the authorized capital of the Company stood at ₹ 12,405 Lakhs divided into 41,35,00,000 equity shares of ₹ 3/- each.

During the year under review, the Company has issued and allotted 25,38,227 equity shares of ₹ 3/- each under DTL Employees Stock Option Plan-2018 (Erstwhile 'SML Employees Stock Option Plan-2018'). Consequently, as on 31st March, 2022, paid-up equity share capital of the Company was ₹ 6,928.04 Lakhs (divided into 23,09,34,606 fully paid-up equity shares of ₹ 3/- each).

After closure of the financial year, the Company has allotted 1,66,800 equity shares of ₹ 3/- each under DTL Employees Stock Option Plan-2018, till the date of this report. Consequently, the paid-up equity share capital of the Company has increased to ₹ 6,933.04 Lakhs (divided into 23,11,01,406 fully paid-up equity shares of ₹ 3/- each).

Listing of Securities

The Equity Shares of the Company are presently listed on BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE'). The Annual Listing Fee for the financial year 2022-23 has been paid to both the Stock Exchanges.

Transfer of amount to Reserves

The Company has not transferred any amount to the Reserves during the financial year ended 31st March, 2022.

Dividend

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

In terms of the Regulation 43A of the Listing Regulations, the Company has adopted 'Dividend Distribution Policy' and the same is available on the Company's website at link https://investorrelations.digispice.com/articles/845005173_Dividend%20Distribution%20Policy.pdf

Transfer of Unclaimed Dividend and Shares to Investor Education and Protection Fund

In terms of Section 124 of the Companies Act, 2013 dividend which remains unpaid/unclaimed for a period of seven years from the date of its transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund ('IEPF') Authority established by the Government of India. Accordingly, during the financial year ended 31st March, 2022, the Company had transferred the unpaid/unclaimed dividend, pertaining to the dividend declared for the financial year 2012-13 amounting to ₹ 16.17 Lakhs to the IEPF Account.

Further, pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules') from time to time, all shares in respect of which dividend has not been encashed or claimed by the shareholders for seven consecutive years or more from the date of declaration are

liable to be transferred to the IEPF Authority established by the Central Government. The Company has transferred 60,086 equity shares of ₹ 3/- each, to the IEPF for the unpaid/unclaimed dividend pertaining to the financial year 2012-13 along with a statement containing the details as prescribed under the Companies Act, 2013 and rules made thereunder.

The shareholders whose dividends /shares which have been transferred to IEPF Authority, may claim the dividends /shares from IEPF Authority by submitting an online application in the prescribed 'Web Form IEPF 5' available on the website, www.iepf.gov.in and also send duly signed physical copy, to the Company, along with requisite documents as prescribed in the 'Web Form IEPF 5' and the IEPF Rules.

Auditors and Auditors' Report

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

The Auditors' Reports for the financial year 2021-22 does not contain any qualification, reservation, adverse remark or disclaimer. The report is enclosed with the Financial Statements.

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

Secretarial Audit

As required under Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended and Regulation 24A of the Listing Regulations, the Company has appointed M/s. Sanjay Grover & Associates, Company Secretaries, to conduct the Secretarial Audit for the financial year 2021-22. The Secretarial Audit Report received from them forms part of the Annual Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Pursuant to Regulation 24A of the Listing Regulations, every listed company is required to annex with its annual report the Secretarial Audit Report of its material subsidiaries incorporated in India. In compliance with the said requirement, the Secretarial Audit Report for the financial year 2021-22 of SML, a material subsidiary of the Company, forms part of the Annual Report.

Internal Auditors

The Board, on the recommendation of Audit Committee, in its meeting held on 10th August, 2022 has re-appointed M/s. GSA & Associates LLP, Chartered Accountants, to act as Internal Auditors of the Company for the financial year 2022-23. The Internal Auditors directly report to the Audit Committee.

Number of Board Meetings

During the financial year ended 31st March, 2022, eight (8) meetings of the Board of Directors were held on 30th April, 2021, 9th June, 2021, 30th July 2021, 6th August, 2021, 30th August, 2021, 12th November, 2021, 4th February 2022 and 24th March, 2022. The details of attendance of the Directors in the meetings of the Board are given in Corporate Governance Report.

Directors and Key Managerial Personnel

During the year under review, there was no change in the Composition of the Board of Directors and Key Managerial Personnel ('KMP').

Mr. Rohit Ahuja (DIN: 00065417), Executive Director of the Company, whose office is liable to retire by rotation at the ensuing AGM and, being eligible, offer himself for the re-appointment.

Pursuant to provisions of Sections 196, 197, 198, 203 and all other applicable provisions, if any of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and applicable regulations of Listing Regulations and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on 10th August, 2022, approved the reappointment of Mr. Rohit Ahuja as an Executive Director of the Company for another term of three years with effect from 5th May, 2023, subject to approval of the shareholders at the forthcoming 34th AGM.

As required under Regulation 36 of the Listing Regulations, the relevant provisions of the Companies Act, 2013 and the Secretarial Standard on General Meetings, a brief resume, nature of expertise / details of experience and other Directorships/ Committee memberships/Chairmanships held by Mr. Ahuja in other Companies etc., forms part of the Notice convening the 34th AGM.

Pursuant to the Regulation 34 read with Schedule V of the Listing Regulations, the Company has obtained a certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority, forms a part of this annual report.

Subsequent to financial year 2021-22, Ms. Ruchi Mehta has been appointed as the Company Secretary and Compliance Officer w.e.f. 15th April, 2022 and designated as KMP, in place of Mr. M. R. Bothra who resigned from the office of Company Secretary and Compliance Officer from the close of business hours of 14th April, 2022, and ceased to be a KMP of the Company.

At present in compliance of the provisions of Section 203 of the Companies Act, 2013, Mr. Rohit Ahuja, Executive Director, Mr. Vinit Kishore, Chief Financial Officer and Ms. Ruchi Mehta, Company Secretary and Compliance Officer are designated as the KMP of the Company.

Independent Directors

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013, as amended.

In accordance with the requirements of Regulation 25 of the Listing Regulations, the Independent Directors have also confirmed that they meet the criteria of independence as provided in the Regulation 16(1)(b) of the Listing Regulations and are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

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

In terms of Section 150 of the Companies Act, 2013 read with rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have confirmed that they have registered themselves with the Independent Directors Databank as maintained by the Indian Institute of Corporate Affairs, Manesar ('IICA'). The Independent Directors are also required to undertake online proficiency self-assessment test conducted by IICA within a period of 2 (two) years from the date of inclusion of their names in the data bank, unless they meet the criteria specified for exemption.

Mr. Suman Ghose Hazra and Dr. (Ms.) Rashmi Aggarwal, Independent Directors of the Company are exempted from the requirement to undertake online proficiency self-assessment test and Mr. Mayank Jain has successfully completed the test.

Meeting of Independent Directors

A separate meeting of the Independent Directors was held on 31st March, 2022, without the presence of Non-Independent Directors and the members of management. Independent Directors have discussed, inter-alia, the performance of Non-Executive Non-Independent Directors including, the Chairman of the Company, Executive Director and the Board as a whole, after taking into consideration, the views of Executive and Non-Executive Directors. The Independent Directors gave their detailed feedback on the Board evaluation and performance of the directors evaluated by them and made suggestions for further improvement. The same was communicated to the concerned directors and the Board.

Committees of the Board of Directors

As on 31st March, 2022, the Board has five (5) Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee.

The details of the terms of reference, meetings held during the year under review, attendance of directors/members and other matters of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee are provided in Corporate Governance Report, which forms part of the Annual Report.

The Board Finance Committee was dispensed with during the year under review. The Board from time to time, constitutes other Committee(ies) to perform such functions as assigned by the Board.

Audit Committee

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

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

During the financial year 2021-22, the Audit Committee has made several recommendations including quarterly Financial Results and Statements, appointment of Internal Auditors, Investment related matters and other statutory matters etc. and the Board accepted all the recommendations made by the Audit Committee.

Risk management Committee and Risk Management Policy

The Board of Directors formed a Risk Management Committee for monitoring and reviewing the risk management plan and ensuring its effectiveness. In compliance with the relevant provisions of the Companies Act, 2013 and Regulation 21 of the Listing Regulations, the Board of Directors at its meeting held on 9th June, 2021 constituted the Risk Management Committee. The Risk Management Committee comprises of the following members:

1. Mr. Rohit Ahuja - Chairman
2. Mr. Mayank Jain - Member
3. Dr. (Ms.) Rashmi Aggarwal - Member
4. Mr. M. R. Bothra (till 14th April, 2022) - Member
5. Mr. Vinit Kishore - Member
6. Ms. Ruchi Mehta (w.e.f. 15th April, 2022) - Member

The Company has a Risk Management Policy in place, which establishes a structured and disciplined approach to risk management, in order to guide management on risk related issues. The policy lays down the principles and procedures to identify, evaluate, monitor and minimize the risk associated with the business of the Company. As a good practice, the management regularly identifies the risks associated with different businesses of the Company and implements the risk control system and processes. The Board of Directors, on recommendation of the Audit and Risk Management Committee(s), reviews the major risks associated with the business of the Company and ensures that appropriate systems / frameworks for risk management are in place.

The Risk Management Committee has been entrusted with responsibility of monitoring and reviewing the Risk Management Policy and framework, ensuring that appropriate methodologies, processes and systems are in place and recommend to the Board any amendments or modifications thereof.

The Audit Committee also evaluates and oversees risk management framework relating to financial reporting process, disclosures of financial information, internal controls, compliance, financial and risk management policies.

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

Corporate Social Responsibility

As required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Annual Report on the Corporate Social Responsibility ('CSR') activities in the prescribed format, consisting *inter-alia*, the composition of CSR Committee and web link of the CSR policy, is provided in Annexure – 1 of this report.

The CSR Committee has been entrusted with the responsibility of monitoring the implementation of the framework of the CSR Policy, recommending to the Board the amount of expenditure to be incurred on CSR activities and ensuring that the implementation of the projects and programs is in compliance with the CSR Policy of the Company.

During the year under review, the CSR Committee met once i.e. on 30th August, 2021. All members attended the meeting.

Performance Evaluation of the Board, its Committees and Individual Directors

As per the relevant regulations of the Listing Regulations and provisions of the Companies Act, 2013, the Nomination and Remuneration Committee ('NRC') formulate the criteria and the manner for effective evaluation of performance of the entire Board and its Committee and individual Directors and decided that it will be done by the Board itself internally.

The Committee reviews its implementation and ensures the compliances thereof.

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

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

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

Directors' Responsibility Statement

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

- (i) in the preparation of annual accounts for the financial year ended 31st March, 2022, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company as at 31st March, 2022 and of the profit / loss of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down proper internal financial controls to be followed by the Company and such internal financial control are adequate and were operating effectively; and
- (vi) they have devised proper system to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 read with Rule made thereunder.

These affirmations are based on the system of the Company on internal control and compliance, the report of internal, statutory and secretarial auditors, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee.

Management Discussion and Analysis Report

In terms of the Regulation 34 of the Listing Regulations, Management Discussion and Analysis (MDA) Report forms an integral part of this Report.

Business Responsibility Report

The Business Responsibility Report, describing the initiatives taken by the Company from an Environmental, Social and Governance (ESG) perspective in terms of the Regulation 34(2)(f) of the Listing Regulations forms part of the Annual report.

Corporate Governance Report

A separate report on Corporate Governance is enclosed as part of this Annual Report.

Details in respect of adequacy of Internal Financial Controls with reference to the Financial Statements

The Company has in place an established internal financial control system designed to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances. Self-certification exercise is also conducted

by which senior management certifies effectiveness of the internal control system of the Company. Findings of the Internal Audit Report are reviewed by the top management and by the Audit Committee invariably and proper follow up actions are ensured, wherever required.

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

The Company had appointed an external agency to conduct review, testing and verify the prevalent internal financial control and risk management system. The Audit Committee ensures that the Company maintains effective risk management and internal control systems and processes. It provides its feedback and recommendation on the relevant matters to the Board.

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

Annual Return

In accordance with the provisions of Sections 92(3) and 134 (3)(a) of the Companies Act, 2013, the Annual Return (Form MGT-7) for the financial year 2021-22, is available on the Company's website at link <https://investorrelations.digispice.com/files/Annual-Return-2021-22.pdf>

Particulars of Loans, Guarantees or Investments

The details of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013 are provided in the Note no. 43 of the Standalone Financial Statements.

Maintenance of Cost Records

Business activities of the Company are not covered under the ambit of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, thus the Company is not required to maintain cost records as specified by the Central Government under above said provisions.

Public Deposits

During the year under review, the Company has neither accepted nor renewed any deposits in terms of Chapter V of the Companies Act, 2013 and no amount of interest or principal was outstanding as on 31st March, 2022.

Particular of Contracts or Arrangements with Related Parties

All related party transactions, undertaken during the year under review, are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. Further, no contracts, arrangements or transactions entered into during the reporting year required approval from Shareholders.

All related party transactions are placed before the Audit Committee for its approval. The disclosures of transactions with related parties are made to the Audit Committee quarterly for its review. As required under the Regulation 23 of Listing Regulations, the Audit Committee has granted Omnibus approval for related party transactions which are repetitive in nature and fall within the criteria laid down for the purpose.

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

There were no related party transactions entered into by the Company with Directors, KMPs or other related parties which may have a potential conflict with the interest of the Company.

During the reporting period:

- All contracts / arrangements / transactions with related parties were at arm's length basis and all contracts / arrangements with related parties were in the ordinary course of business;
- No material contracts / arrangements / transactions were entered into with related parties exceeding 10% of the annual consolidated turnover as per the last audited financial statements.

The disclosure of material related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to the Company for the year ended 31st March, 2022 and hence does not form part of this report.

The details of the transactions with related parties are provided in Note no. 36 of standalone financial statements and Note no. 41 of the consolidated financial statements.

Vigil Mechanism

Pursuant to the Section 177 of the Companies Act, 2013, Regulation 22 of the Listing Regulations and Regulation 9A(6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has established 'Vigil Mechanism / Whistle Blower Policy' for Directors and Employees and other stakeholders.

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

This Policy also provides for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in

exceptional cases. The Audit Committee is authorized to oversee the Vigil Mechanism/ Whistle Blower Policy in the Company. The Company has not received any concerns/ grievances under the said policy during the year under review.

The Vigil mechanism/Whistle Blower Policy is available on the Company's website at the link <https://investorrelations.digispice.com/files/SML-WBP-01-04-2019.pdf>.

Remuneration Policy

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee of the Company, had framed a Policy for nomination and appointment of Directors. As required under Section 178(3) of the Companies Act, 2013 and Regulation 19 read with Schedule II of the Listing Regulations, the Nomination and Remuneration Committee also recommended to the Board the policy on remuneration, including stock options to Directors (excluding Independent Directors), Key Managerial Personnel and Senior Management Personnel and other employees of the Company, which was duly approved by the Board. The Remuneration Policy of the Company is available at https://investorrelations.digispice.com/Rem_Policy.pdf.

The Board on the recommendation of the Nomination and Remuneration Committee appoints the Senior Management Personnel from time to time.

Employees Stock Option Plan

The Nomination and Remuneration Committee in its meetings held on 18th September, 2018, 5th February, 2019 and 1st August, 2022 had granted Options under DTL Employees Stock Option Scheme - 2018 (Erstwhile 'SML Employees Stock Options Scheme- 2018') ('ESOP Scheme') to eligible employees. No Options under ESOP Scheme were granted during the year under review.

The Certificate from the Secretarial Auditors of the Company as required under Regulation 13 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, (Erstwhile SEBI (Share based Employee Benefits) Regulations, 2014 and referred to hereinafter as 'SBEBSE Regulations') confirming that the ESOP Scheme has been implemented in accordance with the SBEBSE Regulations and the resolutions passed by the members, would be made available at the AGM for inspection by members.

During the year under review, there has been no change in the ESOP Scheme of the Company. The applicable disclosures as on 31st March, 2022, as stipulated under the SBEBSE Regulations, with regard to the ESOP Scheme of the Company are available on the website of the Company at <https://investorrelations.digispice.com/files/ESOP-Disclosure-2022.pdf>.

Subsequent to financial year 2021-22, the Nomination and Remuneration Committee had approved the change in title of the policy from 'SML Employees Stock Options Scheme - 2018' to 'DTL Employees Stock Options Scheme - 2018'.

Particulars of Employees

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, the details of remuneration and other details of the Directors, KMP and employees covered as mentioned under the said Rules is annexed as Annexure - 2 which forms part of this report.

Policy on Prevention of Sexual Harassment

The Company has consistently been putting its effort to create a safe working environment for every employee particularly women employees. Towards this effort and as per requirement under the Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013, as amended, the Company has put in place a Policy on 'Prevention of Sexual Harassment at Workplace'. The Company has complied with the provisions relating to the constitution of Internal Committee.

The statement of compliant filed, disposed of and pending as on 31st March, 2022 is provided in the Corporate Governance Report.

Significant and Material Orders Passed by the Regulators, Courts or Tribunal

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

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information pursuant to provisions of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, as amended, related to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is given as Annexure - 3.

Compliance with Secretarial Standards

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

Material Changes and Commitments, if any, affecting the Financial Position of the Company

There have been no material changes and commitments which affect the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this report.

Proceeding Pending Under the Insolvency and Bankruptcy Code, 2016 (31 of 2016)

There is no proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016.

Acknowledgements

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

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

Date: 30th August, 2022
Place: Noida

Dilip Modi
Chairman

Management Discussion and Analysis

The world is at an inflection point, carving newer pathways of innovation with digital revolution. The transformation has been radical, and impactful, especially in the fringes of India, with significant internet and smartphone penetration, rollout of 4G networks, the government’s push towards digitisation, and the concerted efforts of the government and socially responsible organisations to facilitate financial inclusion in semi-urban and rural India.

In order to provide hassle-free and seamless digital experiences to end users, digital telcos are reinventing themselves, while sharpening their digital-and-analytics DNA.

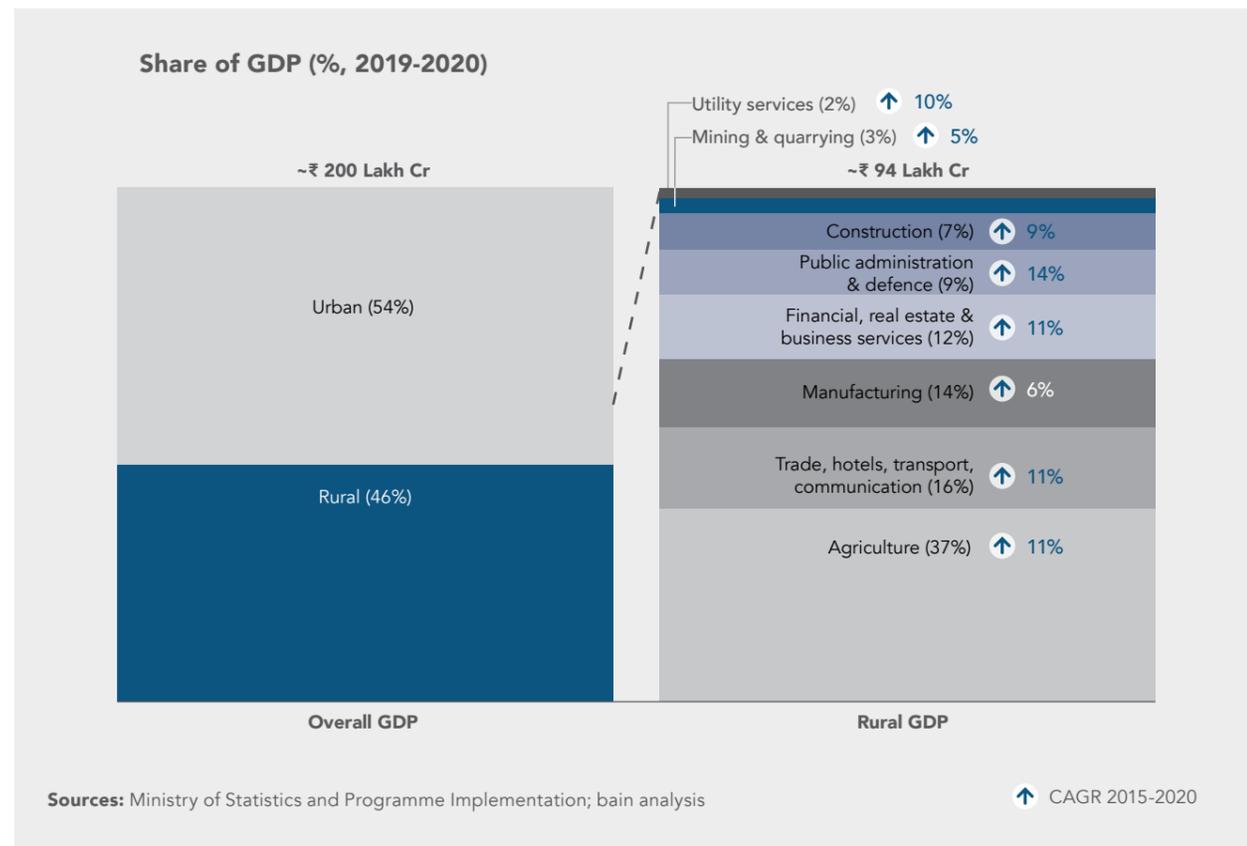
The Company’s business activities fall into two primary segments, Digital Financial Services & Digital Technology Services.

Financial Technology Services (Spice Money): Spice Money, a material subsidiary of ‘DiGiSPICE Technologies Limited’ is India’s leading rural Fintech organisation offering digital financial and e-retail services, primarily to underserved citizens from Semi Urban and Rural India who have limited or no access to banking services, in a technology enabled assisted model.

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

Overview

India’s rural economy has been a significant contributor to the country’s rapid economic growth, accounting for around 46% of GDP and providing employment to around 350 million people (68% of total workforce) across a range of industry sectors.



The rise of Rural India

Increased literacy, growing internet access and smartphone penetration, and improved access to formal banking and financial services are changing the face of the nation’s hinterlands. Further, digital technologies are playing a key role in ensuring last mile delivery of government schemes to the intended beneficiaries, while bridging the gaps in the process.

73.5%

Literacy rate in rural India

Source: MOSPI

336 million

Internet subscribers

Source: Bain & Co.

30%

5-year CAGR in smartphone penetration

Source: Bain & Co.

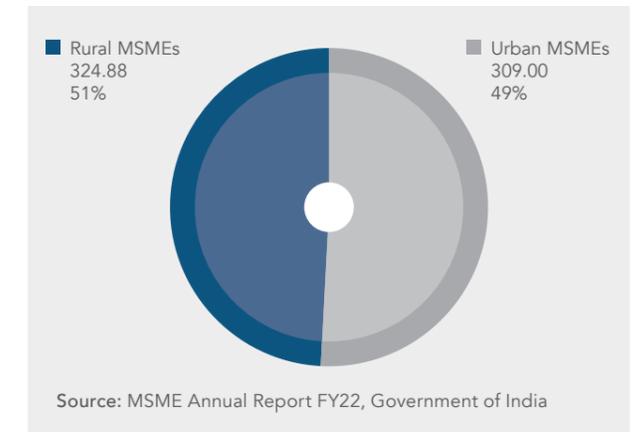
The gap and the opportunity

India’s access to financial services has improved significantly in the past three years, with the adult population having bank accounts rising from 53% (as per Global Findex Database 2014) to 80% (in 2017). This has been enabled due to concentrated efforts from the government, such as the JAM Trinity (Jan Dhan, Aadhaar and Mobile) to integrate people’s identities and mobile infrastructure with banking and payments ecosystems, thus providing easy access to banking facilities. JAM also aimed at enhancing the ability to digitise transactions and constructing a robust infrastructure around financial inclusion for rural and semi-urban India. This expanded use of digital payments by the government for welfare, also served as the biggest launchpad for Direct Benefit Transfer (DBT).

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

Further, India is home to around 63.4 million MSMEs that contribute about 30% to the country’s GDP. More than 50% of India’s MSMEs, employing about 50 million people, are in the rural pockets of the country, and are considered to be one of the key economic growth engines.

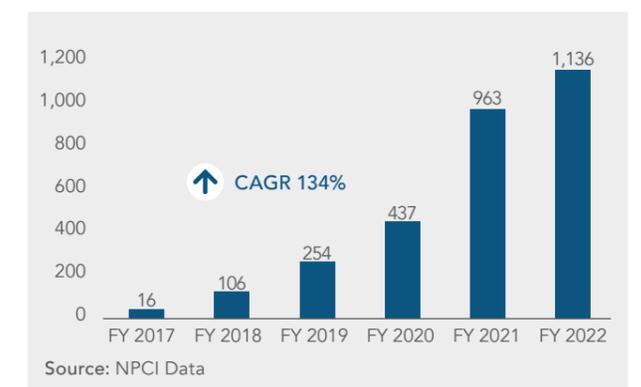
Percentage Share of Rural and Urban MSMEs in the Country (number in Lakh)



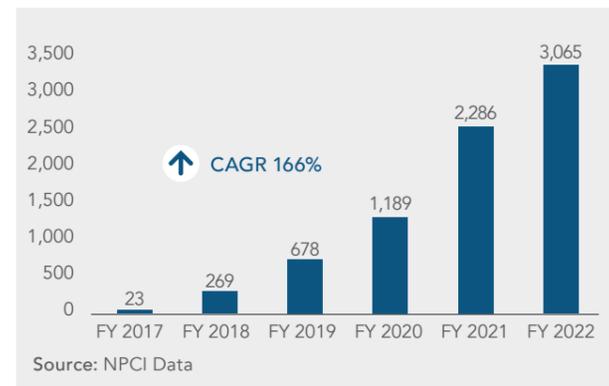
third-party application providers on the UPI platform, has furthered the adoption of digital payments in India.

One of the major growth drivers for digital payment in rural India is AePS which has seen a strong growth in its transaction volume and value in recent years. The onset of the COVID-19 resulted in a spike in usage, indicating the increasing convenience of this channel as well as the pandemic-induced change in consumer behaviour.

AEPS Transaction Volume (in Million)



AEPS Transaction Value (in Billion)

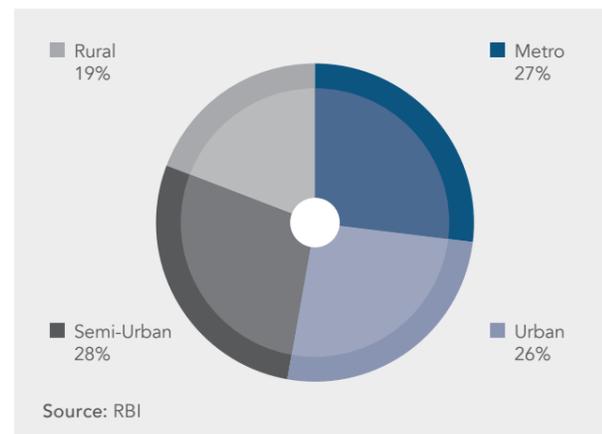


Payment banks and fintechs have been growing their presence and reach by increasing touch points through retail outlets, which have a widespread presence in India. For large swathes of the Indian population, particularly amongst lower income group customers and customers from the semi-urban and rural areas, small mom-and-pop stores remain the primary outlet for retail spending. There's a great unexplored fintech market in this segment, as there is a gap between the supply and demand of financial services, indicating huge room for better financial inclusion

and penetration of banking services, thus offering untapped opportunities for payment banks and fintechs.

As the country is steadily inching towards better digital infrastructure and enhanced banking services, there is enormous scope to improve the last mile banking infrastructure, as also to create a robust platform for banks, along with a network of digital entrepreneurs, which we have launched and are capitalising on, for accelerated growth.

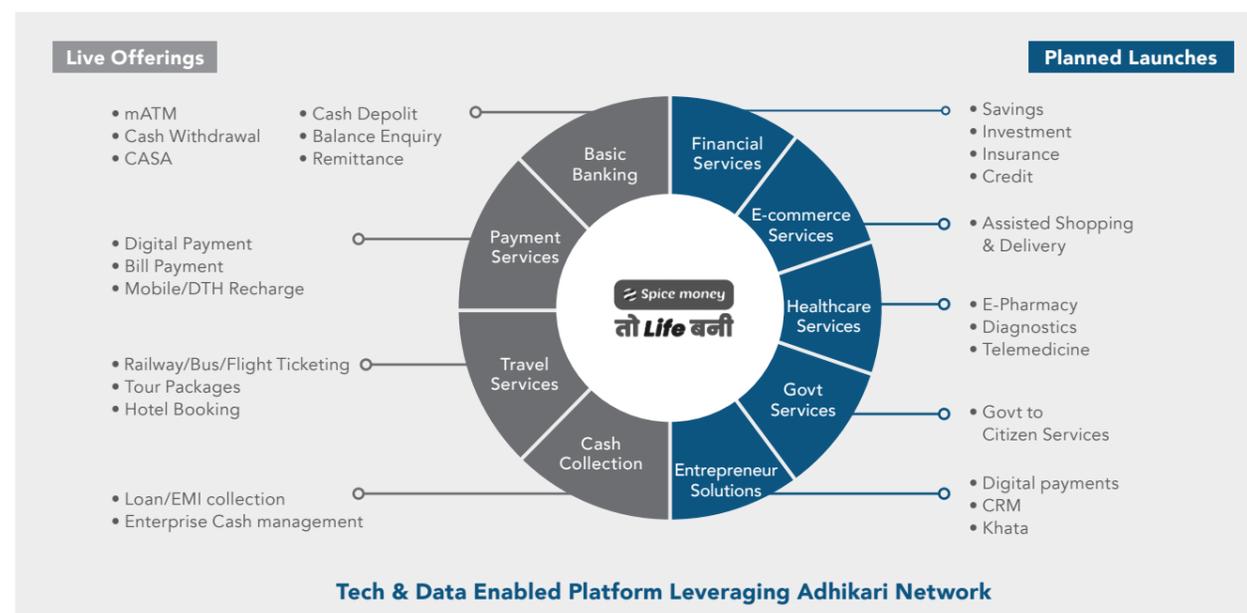
Region-wise deployment of ATMs



Spice Money: Enabling last-mile access of financial services

Spice Money is India's leading rural fintech revolutionising the way Bharat Banks, with over 1 million Adhikaris (nanopreneurs) offering cash deposit, Aadhar enabled payment system for cash withdrawal, mini ATM, insurance, loans, bill payments, cash collection centres for customer/ agents/ representatives of NBFC/Banks, airtime recharge, tours & travel, online shopping, Pan Card and mPoS services. Spice Money is a subsidiary of DiGiSPICE Technologies. The vast Adhikari network covers 95% of India's rural pin codes and serves over 20 million customers every month. Spice Money services are available through Spice Money App (Adhikari App) and web portal. The user-friendly interface and superior technology platform have earned the app a 4.4-star rating, best in industry, on Google Play Store. Spice Money through its cutting-edge technology and wide network of Spice Money Adhikaris is bridging the gaps in access to various financial services for the masses across the length and breadth of India.

Super App for Bharat



Key Focus Areas

- Provide access of services to citizens in semi-urban and rural India.
- Establish presence in every block and village. Currently established presence in 2 lakh+ villages and 6,000 blocks.
- Create products and solutions relevant for rural citizens.
- Having created a scalable business model in basic banking and payments, focus is now on enabling relevant financial services like Collections, Savings, Investments, Credit and Insurance.

- Enabling provision of access to digital services like Travel and Government services and exploring business models for enabling rural commerce and rural healthcare.
- Surplus margins from core business are being invested in organisation, technology and brand building.
- Building micro-services and open API architecture-based tech platform.
- Data-driven credit scores, risk management, product development and decision making.
- Creating a customer-first, employee-first and purpose-driven organisation, with core values of integrity, intensity and innovation.



- The Company achieved an important milestone of 1 million Adhikari base in FY 22.
- New Initiatives have begun to show traction:
 - Enterprise (microfinance NBFCs, logistics companies in semi-urban and rural) representatives, who collect cash from the rural citizens, can now deposit it at a nearby Spice Money Adhikari in the village. This way, the enterprises get near real time credit and the Adhikaris can use this cash to serve customers with cash withdrawal services.

- Launched India's first rural travel super aggregator-Travel Union, in August 2021. This enabled train, flight, bus and hotel bookings through a multilingual platform, having direct supplier integration, offering competitive fares with zero investment, 24x7 customer support and instant refunds.

CMS - GTV ₹ Cr



Travel - GTV ₹ Cr



- Removed entry barriers (e.g., zero entry fee, and zero rental since February 2021) with a focus on long-term transactions, revenue growth, and expanding geographical reach.

Spice Money holds the following licenses and approvals:

Licenses	Regulator	Licenses utility
PPI	RBI	Enables Spice Money to issue and operate semi-closed prepaid payment instruments (PPI) in India.
Bharat Bill Payment	RBI and NPCI	Enables Spice Money to operate as Bharat Bill Payment Operating Unit (BBPOU) under Bharat Bill Payment System (BBPS) in India.
IRCTC Principal Agency	IRCTC	Enables Spice Money to act as Principal Service Provider (PSP) of Indian Railway Catering and Tourism Corporation Limited (IRCTC) for bookings of railway e- tickets, for travel in trains of Indian Railways.
GSP	GSTN Central Government Entity	Enables Spice Money access to GST APIs through a secured network for providing GSP services to the taxpayer/s, directly by itself or indirectly through any third party appointed by it.
Corporate Agency License	IRDA	Enables Spice Money to act as a corporate agent (composite) for solicitation and servicing of insurance business in India.

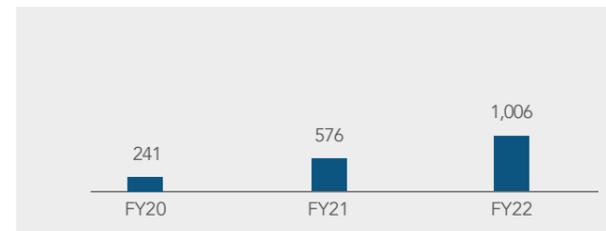
Business Performance and Outlook

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

- Registered customer service points have had a towering CAGR of 104% in the last two years.

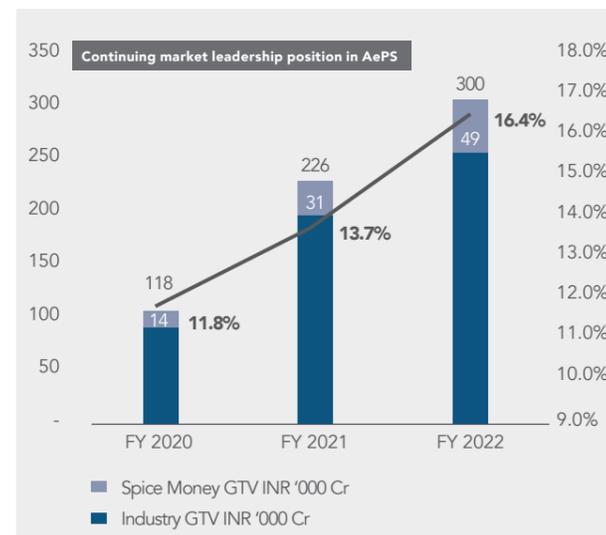
Spice Money Adhikaris '000

(Entrepreneurs/Kirana Stores)



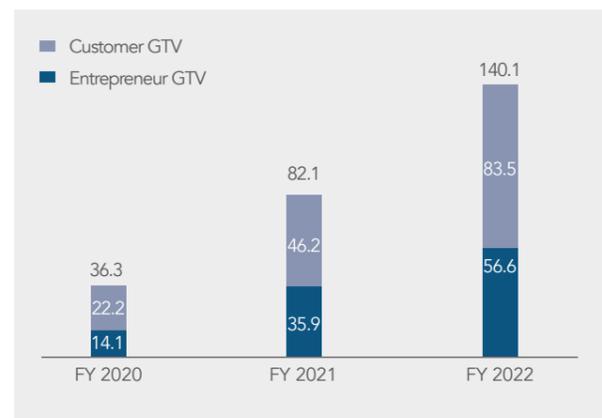
- AePS market share increased from 11.8% in FY20 to 13.7% in FY21, to 16.4% in FY22.

AePS Market Share* (%)



- Our growing SMA network is a benchmark of customers' growing trust in Spice Money, which is also evident from the increase in GTV at a CAGR of 96% in the last two years.

Gross Transaction Value (INR '000 Cr)



*in ₹ cr (GTV)

Year	2019-20			
Period	Q1	Q2	Q3	Q4
Total GTV	7,480	8,661	9,393	10,696

*in ₹ cr (GTV)

Year	2020-21			
Period	Q1	Q2	Q3	Q4
Total GTV	18,824	19,213	21,069	23,005

*in ₹ cr (GTV)

Year	2021-22			
Period	Q1	Q2	Q3	Q4
Total GTV	31,116	32,495	36,338	40,081

Digital Telco: Industry Highlights

- 4.6 billion people used internet globally at the start of 2022, with internet penetration now standing at 62.5% of the world's total population. In India, there will be 840 million internet users by 2022. The average global internet user spends almost 7 hours online, each day. (Source- <https://www.cisco.com/>)
- Global Revenue in the video-on-demand segment is projected to reach US\$ 94.88 billion in 2022. This is expected to show an annual growth rate (CAGR 2022-2027) of 10.72%, resulting in a projected market volume of USD 157.90 billion by 2027. The Average Revenue per User ('ARPU') in the video-on-demand segment is projected to amount to USD 63.92 in 2022. In the video-on-demand segment, the number of users is expected to amount to 1,924.4 million by 2027. User penetration will be 19% in 2022 and is expected to hit 24% by 2027. (Source <https://www.statista.com/>)
- The global mobile application market size amounted to USD 206.73 billion in 2022 and is projected to grow at a Compounded Annual Growth Rate ('CAGR') of 13.4% from 2022 to 2030. The revenue forecast is USD 565.40 billion (Source <https://www.grandviewresearch.com/>)
- In 2021, world's smartphone users downloaded 230 billion mobile applications spending over USD 170 billion on apps and app-related purchases. (Source <https://mindsea.com/app-stats/>)

DiGiSPICE: Making strides on the back of meticulous strategising

The Digital Telco business is divided into two verticals: **Telco Business Unit** and **Enterprise Business Unit**.

Telco Business Unit:

Over the last few years, telcos across the globe have witnessed a huge surge in data traffic, driven by a plethora of services like video streaming, social media, web-based conferencing, massification of digital payments, e-commerce, GPS-based services, music streaming OTTs, online gaming, voice traffic on data network, etc. Telcos are no longer content being just a conduit of voice and data services, but **participate as a Digital Lifestyle Partner of the end consumer**.

There is considerable proliferation of digital services across categories that the telcos are participating in, like audio and video streaming, music, news and media, e-learning, e-commerce, mobile fintech services, etc. On the other hand, there is also an **effort of consolidation and monetisation of these services in a single telco-owned super app that provides all these services, either white labelled and directly operated, or as partnered services, in one place**. In addition to ensuring **customer engagement and retention**, while also further **driving data usage, a share of the digital transactions done on this super app** would also serve to improve the ARPU.

Strategy:

DiGiSPICE has aligned its strategy in line with the emerging global trends to be a part of the digital revolution and also to **pioneer the solutions and services in some specific areas**.

- Product focus:** We continue to strengthen our Apps and Portals portfolio with relevant local and international content across genres and categories like audio music, video-on-demand, games, karaoke, lifestyle-related multimedia content etc.
We are building a super app from scratch, for one of the leading telecom operators in South Asia. Going forward, we plan to take similar products to other operators across geographies.
- Geography focus:** From the geographical standpoint, our focus has been to drive the adoption of digital services product portfolio in Africa, South East Asia and Middle East, which is fast transitioning from the legacy VAS services to digital services. Other focus areas are the Indian sub-continent and Indonesia, with a view to expanding our digital services.
- Digital Platform - USSD**, Unstructured Supplementary Service Data is a communications protocol used by GSM cellular telephones to communicate with the mobile network operator's devices. It supports both pull and push notifications, supports micro-segmentation and can be used for an integrated data analysis and an advanced reporting tool. The service is highly scalable and reliable with a multi-deployment option both on premise and on cloud.

The focus in FY 2021-22 and ahead, will be towards Digital VAS services, which have grown by 133% in FY 2021-22 from the last fiscal.

Enterprise Business Unit:

Our focus is to offer customised solutions to our enterprise customers through the features of **Korero – DiGiSPICE's in-house omni channel CPaaS platform**.

Communication platform as a service: Industry highlights

- The global communications platform-as-a-service market was valued at USD 4.54 billion in 2020. It is expected to reach USD 26.03 billion by 2026, registering a CAGR of 34.30% during the forecast period (2021 - 2026) (Source: <https://www.mordorintelligence.com/>)
- SMS had over 95% of the CPaaS revenue share in 2020. However, as alternative rich media messaging solutions gain traction, the SMS share will drop to 70% by 2025.
- The global marketing automation market size has grown from USD 3.3 billion in 2019 to USD 4.5 billion in 2021, and is expected to grow to USD 12.2 billion by 2030 at CAGR of 21.1%. (Source : <https://www.globenewswire.com/>).

Strategy:

Being customer-centric

At the Enterprise Business Unit, we enable our enterprise customers to improve their customers' experience through **'Korero'**, a CPaaS platform that serves brands by enabling contextual conversations between enterprises and their stakeholders through the use of powerful and relevant AI technology. This makes both, the campaign and customer engagement, **effective and insightful at every stage of the customer journey, while being cost effective** for our enterprise customer.

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

Servicing wide range of customers:

- Large enterprises: On premises or cloud-based customer communication platform, with omni-channel capabilities
- MSMEs: Accelerate their digital transformation journey
- We serve 3 out of the top 5 in Fortune India 500 companies (2021 list)
- We have more than 70 live clients across BFSI, utilities and other industries

Our Digital Enterprise Unit revenue grew 152% in FY 2021-22 as compared to FY 2020-21.

Financial Ratios

Digispice Consolidated

Key Ratios	Units	FY 2022	FY 2021	YOY change %
Debtor Turnover (1)	Times	15.58	10.80	44%
Interest Coverage Ratio (2)	Times	13.26	8.52	56%
Current ratio	Times	1.10	1.16	(6)%
Debt Equity Ratio (3)	Times	-	-	-
Operating Profit Margin (%) (4)	%	1.58%	1.91%	(18)%
Net Profit Margin (%) (5)	%	1.43%	1.74%	(18)%
Return on Net Worth (6)	%	3.04%	2.32%	31%

1. Debtors includes billed and unbilled amount.
2. Interest coverage Ratio: EBIT/ Finance Cost. (EBIT defined as Earning before interest, tax and exceptional items)
3. The Company is debt-free, only cash credit facilities taken to manage treasury funds
4. Operating profit Margin: EBIT/ Revenue
5. Net Profit Margin: Net profit from continuing operations before exceptional items/ Revenue
6. Return on Net worth: Net profits before exceptional items/ (Equity including minority interest)

Internal Control Systems & their adequacy

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

Financial Performance:

DiGiSPICE Consolidated Financials

Consolidated revenue from continuing operations is ₹ 990.60 Crore for the financial year 2021-22 as against ₹ 712.10 Crore of the financial year 2020-21, a growth of 39% approx.

Company's Net profit for the financial year ended 31st March, 2022 is ₹ 6.70 Crore as against ₹ 5.59 Crore of the previous financial year 2020-21.

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

The Company has appointed internal auditors to ensure that the internal control processes are evaluated for adherence and submit their reports directly to the Audit Committee with management responses, with special focus on key controls identified as part of the IFC process and their continued relevance & effectiveness. Independent directors are given complete visibility on the operational details and one separate meeting is held once in a year between all independent directors to review the performance of the Board and feedback given.

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

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

Material Developments in Human Resources

The Company has always been committed towards investing prudently in human capital, and hiring the right talent. Recruiting and nurturing a promising workforce has always been a top priority and will continue to be so for the organisation. The Company continuously invests in the development of future leaders, while having a robust

learning and development, and succession plan at the senior levels.

At the same time, the Company has also enabled a flat reporting structure to support faster decision making and enabling the rapid growth. Through the Company's well-defined growth path, the emerging best leaders are assigned larger roles with more responsibilities and a lot of emphasis is given on continuous training and development. The Company, with its 'people first' philosophy, continuously invests in people, to be future-ready, and emerge as a great place to work.

With more focus on innovation, we have also set up a dedicated workplace, where all inventive and transformative work will happen.

Customer Service

Spice Money offers 24 x 7 customer care services to its entire business network. The partners can use Voice (in 8 languages), Email, WhatsApp Chat modes to get their queries and complaints addressed. The Customer Service ecosystem has integration with the business database as well as partner web and mobile application, to ensure real-time support. Largely focussed around automations and self-care to provision ease of use, the partners can use help options on their web and mobile application platform and raise a complaint from there as well. A comprehensive WhatsApp bot is also available for partners. The CRM supports adherence to time-bound escalation metrics and real-time monitoring of customer care. Customer service also acts as an enabler for the enhancement of service propositions to the end customers / Adhikaris.

Health and Safety Measures

The Company continues to focus on the health and safety of its staff. It adheres to all necessary safety measures to prevent any untoward incidents and is very conscious of the overall well-being and health of its employees. Regular awareness workshops on safety, outside and at workplace, are conducted. We have also invested in Group Medclaim, Group Term Insurance and Accidental Insurance Policy for the employees. Considering all aspects of health at the body, mind and soul levels, apart from physical well-being, a dedicated team of 'We care for You' professionals, also addresses matters of mental hygiene and wellness, in addition to making yoga and meditation integral to our training programs.

Risk Factors

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

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

Regulatory: Since the business is operated under licenses given by RBI, UIDAI, IRCTC, GSTN and banks under the banking correspondence arrangement, and is subject to the rules and regulations of the Reserve Bank of India, any regulatory changes involving introduction and/or modifying

existing rules governing, or new compliance requirements, etc. may have an impact on the business. Also, there could be changes in KYC norms, interchange fee, etc.

Technological: The implementation of technology has certain inherent risks due to software and network driven concerns like data security, data access, firewall penetration and several others.

Financial: Large numbers of financial transactions are often exposed to risks, such as cyber fraud, although they are safeguarded through insurance, KYC norms, and standardised processes.

Competition: New players entering the fintech space with high capital, leading to higher costs of acquisition, and reduced margins.

Partners: We have joined forces with banks as BC partners, and settlement is not real time, so bank sustainability risks have an impact on our operations and services.

The Digital Technology Business deals with platform, contents and communication. This business is inherently vulnerable to any IT and IP risks, associated with IT and platform companies in general and in particular, the following specific risks as well :

Traditional Vas Revenue Declining: With the drive towards digitalisation, availability of cheaper internet and new technologies like 4G and 5G, the ecosystem has posed uncertainties in terms of behaviours of subscribers. The legacy VAS business is on decline globally.

Tech Resource acquisition & retention cost: During Covid 19 open & remote working became the norm and demand for Tech resources increased manifold. Due to this surge in demand combined with shift towards digital, the acquisition and retention of Tech Resources became a challenge. The company's ability to attract, develop, motivate, and retain talent is critical to business success. The Company continuously takes necessary steps to reduce acquisition cycle time and retain resources, including hybrid work environment, increased engagement etc..

Money repatriation from international markets: As the company is also operating in international markets which have a risk of currency devaluation and repatriation restrictions, it may result in lesser realisation of receivable and long delays to get the money repatriated.

Cautionary Statement

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

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

Business Responsibility Report

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

DiGiSPICE Technologies Limited ('DTL or the 'Company') is committed to the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG – SEERB), as revised vide, National Guidelines on Responsible Business, and reports on the nine principles of the guidelines in its Business Responsibility Report, forms part of the Annual Report.

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

Section A: General information about the Company

1	Corporate Identity Number (CIN) of the Company	L72900DL1986PLC330369
2	Name of the Company	DiGiSPICE Technologies Limited
3	Registered address	622, 6 th Floor, DLF Tower A, Jasola Distt. Centre, New Delhi 110025, India
4	Website	https://www.digispice.com/
5	E-mail id	investors@digispice.com
6	Financial Year reported	1 st April, 2021 to 31 st March, 2022
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Other Information Technology and computer service activities NIC code of the product / service: 62099
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	The Company is providing following services: - 1 Communication Platform as a Service 2 Marketing Automation 3 Digital Entertainment Platform
9	Total number of locations where business activity is undertaken by the Company a. Number of International Locations (Provide details of major 5) b. Number of National Locations	Total Location 14 1 International: -12 Locations. Out of which major five location are as below:- a. Ghana b. Kenya c. Indonesia d. Zambia e. Singapore 2 India: 2 Locations
10	Markets served by the Company – Local/State/ National/International	1 India 2 Africa 3 Middle East 4 South Asia

Section B: Financial Details of the Company

1	Paid up Capital (INR)	6928.04 Lakhs
2	Total Turnover (INR)	11,252.30 Lakhs
3	Total profit after taxes (INR)	Loss : ₹ 357.29 Lakhs
4	Total Spending on Corporate Social Responsibility ('CSR') as percentage of profit after tax (%)	N.A.
5	List of activities in which expenditure in 4 above has been incurred	N.A.

Section C: Other Details

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

Section D: BR Information

1. Details of Director/Directors responsible for BR

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

- DIN Number: 00065417
- Name: Mr. Rohit Ahuja
- Designation: Executive Director

(b) Details of the BR head

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

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

(a) Details of compliance (Reply in Y/N)

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy being formulated in Consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (Please refer note no. 1)	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? (Please refer note no. 2)	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
6	Indicate the link for the policy to be viewed online?	Please refer note no. 3								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
8	Does the company have in-house Structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	N	N	N	N	N	N.A.	N	Y

Note 1:
Vigil Mechanism / Whistle Blower Policy, Code of Conduct and Corporate Social Responsibility Policy are in line with the provisions of the applicable Laws.

Note 2:
Board of Directors, on recommendation of the respective Committees, through functional heads, oversees the implementation of these policies, in a phased manner.

Note 3:
Website links to our policies

Principle 1: Vigil Mechanism /Whistle Blower Policy Link: https://investorrelations.digispice.com/files/SML-WBP-01-04-2019.pdf	Principle 5: Human Right Policy Link: https://investorrelations.digispice.com/articles/812576315_human_right_policy.pdf
Code of conduct: Link: https://investorrelations.digispice.com/files/Code%20of%20Conduct%20%282%29.pdf	Principle 6: Employment Health and Safety Policy Link: https://investorrelations.digispice.com/articles/1673429710_EHSP_Policy.pdf
Principle 2: Sustainability Policy Link: https://investorrelations.digispice.com/articles/1982488288_Sustainability_Policy.pdf	Principle 7: There is no distinct policy on public advocacy. Please refer to the details given under Principle 7 of this Report for details of our advocacy and outreach engagements.
Principle 3: Employee Wellbeing policy Link: https://investorrelations.digispice.com/articles/153128418_Employee_wellbeing_Policy.pdf	Principle 8: Corporate Social Responsibility Policy Link: https://investorrelations.digispice.com/files/CSR_Policy.pdf
Principle 4: Corporate Social Responsibility Policy Link: https://investorrelations.digispice.com/files/CSR_Policy.pdf	Principle 9: Code of conduct Link: https://investorrelations.digispice.com/files/Code%20of%20Conduct%20%282%29.pdf
Stakeholder Policy Link: https://investorrelations.digispice.com/articles/1028021381_Stakeholder_Policy.pdf	

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 Months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)							✓		

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

3. Governance related to BR

Sr. No.	Description	Response
a	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The Company has initiated the process of reviewing it every quarter in phase manner.
b	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The BRR for the financial year 2020-21 has been uploaded on the website of the Company at web link https://investorrelations.digispice.com/documents/1555751291_Annual-Report_BRR.PDF . The BRR for the financial year 2021-22 forms part of the Annual Report and the same is available on the website of the Company at web link https://investorrelations.digispice.com/files/Business-Responsibility-Report-2021-22.pdf . The frequency of publishing BRR is Yearly.

Section E: Principle-Wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1.1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs /Others?	No. The Company is a strong endorser of ethics and has stringent, 'zero tolerance' stance towards lack of integrity. Our policy is all pervasive, across locations and units. The policies and code of conduct have very specific regulations applicable to all the decision making personnel. The whistle blower / vigil mechanism policy is extended to cover all stakeholders including employees of company, employees of agencies deployed, contractors, vendors, suppliers and business partners.
1.2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company has received no complaint pursuant to vigil mechanism / whistle blower policy during the year. Company has received 3 (three) complaints from shareholders during the year and same has been resolved.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

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

Principle 3: Businesses should promote the well-being of all employees

3.1	Please indicate the Total number of employees	Our employee count stands at 173 as on 31 st March, 2022		
3.2	Please indicate the Total number of employees hired on temporary/contractual/casual basis	5 (These are included in the above number at 3.1)		
3.3	Please indicate the number of permanent women employees	22		
3.4	Please indicate the number of permanent employees with disabilities	Nil		
3.5	Do you have an employee association that is recognized by management	No		
3.6	What percentage of your permanent employees is members of this recognized employee association?	N.A.		
3.7	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Sr. No.	Category	No of complaints filed during the financial year
		1	Child labour/forced labour/ involuntary labour	Nil
		2	Sexual harassment	Nil
		3	Discriminatory employment	Nil
3.8	What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year? (a) Permanent Employees (b) Permanent Women Employees (c) Casual/Temporary/Contractual Employees (d) Employees with Disabilities	The Company was working in hybrid mode i.e. work from home/ office during the last financial year. The Company has arranged various health, fitness, safety and soft skill upgradation training programs online/physical for employees and has been sending communication to the employees from time to time.		

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

4.1	Has the company mapped its internal and external stakeholders	Yes
4.2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders	Yes
4.3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	The Company along with its material subsidiary, SML is engaged in skill development program for the weaker/ marginalized section of the society.

Principle 5: Businesses should respect and promote human rights

5.1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	The Policy extends to all the employees (both permanent and contractual) across the Company and its subsidiaries. The policy further extends to third party vendors, suppliers, contractors, NGOs as well as all the affiliates.
5.2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Company has received no complaint from employees during the year. Company has received 3 (three) complaints from shareholders and same has been resolved.

Principle 6: Business should respect, protect, and make efforts to restore the environment

6.1	Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures /Suppliers /Contractors / NGOs /others	Yes, our Environmental Health and Safety ('EHS') policy covers all our locations and all our people- permanent and contractual employees and other stakeholders.
6.2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, The Company has framed the EHS policy to address the global environmental issues, including climate change, plastic pollution, Global Warming, Waste disposal etc. and same is always kept in mind while doing business.
6.3	Does the company identify and assess potential environmental risks? Y/N	Yes, our operations, including new developments and new / modified activities, products and services, do not have any negative impact on the surrounding environment. Our approach while undertaking any business activity is to minimize the negative impact on environment. Some of the top environmental risks identified are in the areas of energy, water, climate change, and waste.
6.4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No, Not applicable
6.5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	No

6.6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	The Company complies with all applicable environmental legislations in the locations it operates from. All applicable parameters as defined by CPCB or SPCBs are monitored, tracked and maintained within norms.
6.7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year	Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

7.1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	Yes, we are part of various associations. We work with following industrial bodies for the betterment of business/ industry at large. 1 The Associated Chambers of Commerce and Industry of India (ASSOCHAM) 2 Banking Correspondence Federation of India (BCFI) 3 Payment Council of India (PCI) 4 Fintech Association for Consumer Empowerment (FACE)
7.2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes, for financial Inclusion.

Principle 8: Businesses should support inclusive growth and equitable development

8.1	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Our Corporate Social Responsibility initiatives at group level, supports inclusive growth not only of communities in the locations where we operate but also encompasses the overall development of societies and human capabilities. The Company endeavors the wellbeing of the poorest sections of society and focuses on Environmental, Agriculture Sustainability and Skill Development Program.
8.2	Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organization?	Our material subsidiary, SML works internally and also with external NGO's.
8.3	Have you done any impact assessment of your initiative?	Our material subsidiary, SML get impact assessment report from NGO's with whom we undertake these projects.
8.4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	Our material subsidiary, SML has contributed ₹ 48 Lakhs (Rupees Forty Eight Lakhs) in Environmental and agricultural sustainability and Skill development program.
8.5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Our material subsidiary, SML get impact assessment report from NGO's with whom we undertake these projects. Further, CSR committee monitors and reviews the project undertaken.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

9.1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Currently, the Company has a mechanism where other stakeholders can also raise complaint. However, the Company is in B2B business and provide services to corporates which is on the basis of SLA, which requires continuous engagement , thus in this mechanism we continuously solve customer queries and complaints. Our material subsidiary SML has the 3.5% of pending complaints beyond TAT on monthly run rate, from customer as on 31 st March, 2022.
9.2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks(additional information).	Since, the Company is into service industry this requirement does not strictly apply to the Company. The Company makes necessary disclosures about the services being developed for its clients as per its contractual obligations.
9.3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
9.4	Did your company carry out any consumer survey/ consumer satisfaction trend	Digital Enterprise business is done with regular interaction with clients and all products are developed jointly taking into consideration inputs from client. SML, a material subsidiary conducts regular and periodic consumer survey for all its service users.

Corporate Governance Report

1. Company's Philosophy on Corporate Governance

Corporate Governance is an integral element of value system, management ethos and business practices of DiGiSPICE Technologies Limited (the 'Company'). The Company has adopted well-defined policies and processes with respect to Corporate Governance which are reviewed continuously to ensure strategic and operational excellence in the overall interest of its all stakeholders.

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

The Company is in compliance with the Corporate Governance norms and disclosures requirements specified under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') during the period from 1st April, 2021 to 31st March, 2022 ('the Year'). The Company believes that Corporate Governance is a tool to generate long term wealth and create values for all its stakeholders. The Company follows highest standards of Corporate Governance Practices which are driven by timely disclosures, transparent corporate policies and high levels of integrity in decision making.

2. Board of Directors

a) Board's Composition

During the year, the Composition of Board of Directors of the Company has been in conformity with the requirements of Regulation 17 of the Listing Regulations. The Chairman of the Board is a Non-Executive Director and as on 31st March, 2022, the Board consisted of one (1) Executive Director and five (5) Non-Executive Directors (including three (3) Independent Directors). The Independence of a Director is determined by the criteria stipulated under Regulation 16 of the

Listing Regulations and also under Section 149 of the Companies Act, 2013. The Executive, Non-Executive and Independent Directors are eminent professionals, with expertise in business, finance, law, technology and other key functional areas and play a critical role in maintaining balance to the Board processes. The Board represents an optimal mix of professionalism, knowledge and experience.

b) Board Meetings, Other Directorship and Attendance of Directors

During the year, the Board of Directors of the Company met eight (8) times on 30th April, 2021, 9th June, 2021, 30th July, 2021, 6th August, 2021, 30th August, 2021, 12th November, 2021, 4th February, 2022 and 24th March, 2022. The intervening period between the Board Meetings were within the maximum time gap prescribed under the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

The necessary disclosures regarding Directorship and Committee positions in other companies as on 31st March, 2022 have been made by the Directors. As per the disclosures received from them, none of the directors of the Company is a member of more than ten Committees across all public limited companies or Chairperson of more than five Committees across all listed Companies in which he / she is a Director.

None of the Directors is holding directorship or serve as an independent director in more than seven listed Companies.

Mr. Dilip Modi, Non-Executive Chairman of the Company, does not serve as an Independent Director in any listed entity. As on 31st March, 2022, only Dr. (Ms.) Rashmi Aggarwal, Independent Director of the Company, held directorship as an Independent Director in one other listed entity viz. Dish TV India Limited.

The composition of the Board during the year under review and position held by Directors on the Board / Committees of Public Limited companies as on 31st March, 2022 along with their attendance at Board Meetings and ('AGM') of the Company during the year under review are given below:

Name of Directors	Category of Director	No. of Positions held as on 31 st March, 2022 @			No. of equity shares held by Non-Executive Director	Attendance at Board Meetings held during the year	Attendance at last AGM (30.09.2021)
		No. of other Directorship	Committee @@ (including the Company)				
			Membership	Chairmanship			
Mr. Dilip Modi	Non-Executive Chairman	2	Nil	Nil	10,12,395	7	Yes
Mr. Rohit Ahuja	Executive	Nil	Nil	Nil	Nil	7	Yes
Mr. Subramanian Murali	Non-Executive	1	3	1	4,25,140	8	Yes
Mr. Mayank Jain	Non-Executive - Independent	Nil	Nil	Nil	Nil	8	Yes
Dr. (Ms.) Rashmi Aggarwal	Non-Executive - Independent	4	6	2	Nil	8	Yes

Name of Directors	Category of Director	No. of Positions held as on 31 st March, 2022 @			No. of equity shares held by Non-Executive Director	Attendance at Board Meetings held during the year	Attendance at last AGM (30.09.2021)
		No. of other Directorship	Committee @@ (including the Company)				
			Membership	Chairmanship			
Mr. Suman Ghose Hazra	Non-Executive - Independent	1	3	2	Nil	8	Yes

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

@@ For the purpose of determination of the limits of the Board committees, Chairmanship and Membership of the Audit Committee and Stakeholders' Relationship Committee only has been considered as per Regulation 26(1) of Listing Regulations.

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

investorrelations.digispice.com/articles/1291033824_DTL-Familiarization%20Programme_2022.pdf

c) Familiarisation Programme for Independent Directors

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

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

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

The detail of familiarization programme as required under Listing Regulations is available at <https://>

d) Information supplied to the Board

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

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

As required under Regulation 36(3) of the Listing Regulations, the relevant provisions of the Companies Act, 2013 and Secretarial Standard on General Meetings, the required information regarding the details of Mr. Rohit Ahuja, Executive Director seeking re-appointment is set out in the Annexure-I to the Notice.

f) Skill matrix of the Board

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

Core Skills/ Expertise/ Competencies	Mr. Dilip Modi	Mr. Rohit Ahuja	Mr. Subramanian Murali	Mr. Mayank Jain	Dr. (Ms.) Rashmi Aggarwal	Mr. Suman Ghose Hazra
	Strategic Skills					
Guiding the Executive Management in formulation and implementation of the major goals and initiative of the Company	✓	✓	✓	✓	✓	✓
Leadership Skills						
Appreciation of long-term trends, identifying future leaders, developing a robust succession plan and experience in guiding and leading management teams to make decisions in all environments.	✓	✓	✓	✓	✓	✓

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

g) Confirmation as regards independence of Independent Directors

During the year under review, all Independent Directors have confirmed and submitted declaration to the effect that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

Independent Directors have also submitted declarations for the financial year 2022-23 confirming that they continue to meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties, with an objective independent judgment and without any external influence. The Board has taken on record the declarations and confirmation submitted by the Independent Directors. After due assessment of the veracity of the same, in the opinion of the Board, the Independent Directors fulfill the conditions specified under the Companies Act, 2013 and the Listing Regulations, as amended, and they are independent of the management.

h) Detailed reasons for resignation of Independent Directors

None of the Independent Directors resigned during the year.

3. Audit Committee

As required under Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations and as a measure to good Corporate Governance and to provide assistance to the Board of Directors

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

The Board has also authorized the Audit Committee to review the compliances with the provisions of the Securities and Exchange Board of India (Prohibition of

Insider Trading) Regulations, 2015, as amended and to verify the systems for internal control adopted by the Company are adequate and are operating efficiently.

As on 31st March, 2022, the Audit Committee comprised of three Directors out of which two are Independent Directors. The Chairman of the Committee is an Independent Director. All members are financially literate and majority members of the Committee have accounting and financial management expertise.

During the year, the Members of the Audit Committee met seven (7) times on 9th June, 2021, 30th July, 2021, 06th August, 2021, 30th August, 2021, 12th November, 2021, 4th February, 2022 and 24th March, 2022. The intervening period between Audit Committee Meetings was within the maximum time gap prescribed under Regulation 18 of Listing Regulations. The attendance of each member at the meetings held during the year under review are as follows:

Name of Directors	Designation	Category	Attendance at the meetings held during the financial year ended 31 st March, 2022
Mr. Suman Ghose Hazra	Chairman	Non-Executive - Independent	7
Dr. (Ms.) Rashmi Aggarwal	Member	Non-Executive - Independent	7
Mr. Subramanian Murali	Member	Non-Executive	7

The Company Secretary acts as the Secretary to the Committee.

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

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

4. Nomination and Remuneration Committee

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

- Formulation of the criteria for the appointment of Directors and Senior Management.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management.

- Recommend to the Board, appointment and removal of the Directors and Senior Management Personnel.
- Formulation of criteria for evaluation of performance of Independent Directors, Executive, Non – Executive Director and the Board.
- Recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees of the Company.
- Devise a policy on Board diversity.
- Formulate the criteria for determining qualifications, positive attributes and independence of the Directors.
- For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board for appointment of Independent Director and on the basis of such evaluation, prepare a description of the role and capabilities required for an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description.

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

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

During the year, NRC met nine (9) times on 21st May, 2021, 07th July, 2021, 23rd August, 2021, 05th October, 2021, 18th November, 2021, 27th December, 2021, 28th January, 2022, 11th March 2022 and 22nd March, 2022. The composition of Committee as on 31st March, 2022 and attendance of each member at the meetings held during the year under review are as follows:

Name of Directors	Designation	Category	Attendance at the meetings held during the financial year ended 31 st March, 2022
Dr. (Ms.) Rashmi Aggarwal	Chairperson	Non-Executive - Independent	9
Mr. Subramanian Murali	Member	Non-Executive	9
Mr. Suman Ghose Hazra	Member	Non-Executive – Independent	9

The Company Secretary acts as Secretary to this Committee.

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

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

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

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

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

5. Remuneration of Directors

The remuneration payable to the Executive Directors, subject to the approval of the shareholders, is decided by the Board on the recommendation of Nomination and Remuneration Committee and is determined on the basis of the experience and expertise of the candidate concerned and prevailing market trend. The Non-Executive and Non-Independent Directors are not paid any remuneration for attending Board and its various Committees meetings and performing their duties, as director. The Independent Directors are paid a sitting fee for attending the Board and its various Committee meetings within the limit prescribed under the applicable laws as determined by the Board from time to time.

Remuneration / Sitting fee paid to Director(s) for the financial year ended 31st March, 2022 is given below.

a) Executive Director

Mr. Rohit Ahuja, Executive Director of the Company has been granted 5,00,000 Options on 18th September, 2018 and 2,00,000 Options on 1st August, 2022 by the Nomination and Remuneration Committee in pursuance to 'DTL Employees Stock Option Plan – 2018' (Erstwhile 'SML Employees Stock Option Plan -2018') (the 'ESOP Plan') at an Exercise Price of ₹ 13.25 per option and ₹ 29 per option respectively or such other price as may be approved by the Nomination and Remuneration Committee from time to time and exercisable as per the ESOP Plan over a period of five years from the date of respective vesting in the ratio of 40:30:30 at the end of 1st, 2nd and 3rd year of date of respective grant. Appointment of Mr. Rohit Ahuja is contractual. There is no provision for payment of any severance fee to him. The notice period from either side is one month or salary in lieu thereof.

The details of the remuneration paid to the Executive Director of the Company during the financial year ended 31st March, 2022 is as under:

(₹ in Lakhs)	
Particulars	Mr. Rohit Ahuja
Salary and Allowances	80,87,775
Perquisites / Bonus	Nil
Stock Options	Nil
Provident Fund	21,600
Total	81,09,375

b) Non-Executive Non-Independent Directors

During the financial year ended 31st March, 2022, no remuneration was paid to any Non-Executive Non-Independent Director. During the Year Mr. Subramanian Murali, Non-executive Non-Independent Director on the Board of the Company was allotted 2,25,000 equity shares of the Company, pursuant to exercise of Options granted to him, the details of which are appearing in Note no. 36 of the standalone financial statements of the Company.

c) Independent Directors

The Independent Directors were paid a sitting fee of ₹ 50,000/- per meeting for attending meeting of the Board of Directors and a sitting fees of ₹ 25,000/- per meeting for attending the meetings of the Committees of the Board of Directors.

The details of sitting fee paid to the independent directors during the financial year ended 31st March, 2022 is as under:

Name of Directors	Sitting Fees (₹ in Lakhs)
Mr. Mayank Jain	4.50
Dr. (Ms.) Rashmi Aggarwal	9.25
Mr. Suman Ghose Hazra	9.00

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

6. Stakeholders' Relationship Committee

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

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

The terms of reference and role of the Stakeholders' Relationship Committee, includes:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Committee approves transfer / transmission of shares issued by the Company, issue of duplicate certificates and certificates after split /consolidation/ rematerialisation. The Stakeholders' Relationship Committee regularly reports to the Board on various developments taking place in the investor's relations and action taken by it. During the financial year ended 31st March, 2022 the Company has received Three (3) complaints which were properly attended and resolved to the satisfaction of the shareholders. There is no pending complaint at the end of 31st March, 2022.

During the year, the Committee met three (3) times on 27th April, 2021, 20th July, 2021 and 8th October, 2021. The composition of the Stakeholders' Relationship Committee as on 31st March, 2022 and the attendance of each member at the meetings held during the year under review are as follows:

Name of Directors	Designation	Category	Attendance at the meetings held during the financial year ended 31 st March, 2022
Mr. Subramanian Murali	Chairman	Non – Executive	3
Dr. (Ms.) Rashmi Aggarwal	Member	Non-Executive - Independent	3
Mr. Suman Ghose Hazra	Member	Non-Executive - Independent	3

Ms. Ruchi Mehta, Company Secretary, acts as secretary and is designated as Compliance Officer of the Company with effect from 15th April, 2022 in place of Mr. M.R. Bothra, who resigned from the close of business hours of 14th April, 2022 from the position of the Company Secretary and Compliance Officer.

The Chairman of the Stakeholders' Relationship Committee was present at the last AGM of the Company.

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

In compliance with the aforesaid provisions the Company has transferred to the IEPF, during the year, 60,086 equity shares of ₹ 3/- each, pertaining to the financial year ended 31st March, 2013, whose dividend remained unpaid/unclaimed.

7. Risk Management Committee

The Company has constituted the Risk Management Committee in compliance of Regulation 21 of the Listing Regulations.

The terms of reference and role the Risk Management Committee, includes:

- To formulate a detailed risk management policy, which shall includes:
 - A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
 - Measures for risk mitigation including systems and processes for internal control of identified risks;
 - Business continuity plan;

- b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- f) To review the appointment, removal and terms of remuneration of the Chief Risk Officer, if any;
- g) To review and recommend Risk Assessment Report and Risk Management Report for approval of the Board; and
- h) To carry out such functions and responsibilities as may be assigned to it by the Board from time to time.

During the year, Risk Management Committee met two (2) times on 25th August, 2021 and 2nd February, 2022. The composition of the Risk Management Committee

as on 31st March, 2022 and the attendance of each member at the meetings held during the year under review are as follows:

Name	Designation	Category	Attendance at the meetings held during the financial year ended 31 st March, 2022
Mr. Rohit Ahuja	Chairman	Executive Director	2
Dr. (Ms.) Rashmi Aggarwal	Member	Independent Director	2
Mr. Mayank Jain	Member	Independent Director	2
Mr. M.R. Bothra*	Member	Vice President- Corporate Affairs Company Secretary	2
Mr. Vinit Kishore	Member	Chief Financial Officer	2

*Mr. M.R. Bothra has resigned from the close of business hours of 14th April, 2022 and Ms. Ruchi Mehta appointed as Member of the Committee w.e.f. 15th April, 2022.

Mr. Sunil Kapoor, Group Head – Finance, Risk & Compliance is permanent invitee to the meetings of Risk Management Committee.

8. General Body Meetings

I. Meeting details

Location and time where last three AGMs were held:

Year	Location	Day/Date	Time
2021	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	Thursday 30 th September, 2021	10:15 A. M.
2020	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	Tuesday 15 th December, 2020	11:00 A.M.
2019	The Executive Club Resort, Dolly Farms and Resorts Pvt. Ltd, 439, Shahoorpur, Fatehpurberi, New Delhi –110074	Friday 27 th September, 2019	3:15 P.M.

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

AGM held on 30th September, 2021:

No Special Resolution was passed in the AGM held on 30th September, 2021.

AGM held on 15th December, 2020

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

AGM held on 27th September, 2019

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

II. Postal Ballot

- a) During the financial year ended 31st March, 2022, No resolution/special resolution was passed through Postal Ballot.
- b) None of the businesses proposed to be conducted at the ensuing AGM requires passing of resolution through Postal Ballot.

9. Means of Communication

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

All material information about the Company and its business and relating to subsidiary companies are promptly communicated to BSE Limited ('BSE') and

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

The Company has made a presentation to the shareholders in the 33rd Annual General Meeting held on 30th September, 2021 which was shared to the Stock Exchanges and was also uploaded on the website of the Company.

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

Presentations made during the quarterly Investors/Analyst calls: The meetings scheduled with analysts and detailed presentations made to analysts are disseminated to stock exchanges and are also displayed on the Company's website at www.digispice.com. The management participates in the analyst/earnings call every quarter, after the announcement of results. The transcript of analyst calls and video recording (from quarter ended 31st March, 2022) are posted on the Company's website and on respective Stock Exchanges.

10. General Shareholder Information

a) Annual General Meeting

- Date :** 29th September, 2022
Time : 12.00 noon
Venue : Through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM')

BSE Limited (BSE) (Face Value ₹ 3/- per share)

Month	BSE Prices		BSE SENSEX	
	High Price (₹)	Low Price (₹)	High	Low
April, 2021	50.20	30.45	50375.77	47204.50
May, 2021	47.75	30.00	52013.22	48028.07
June, 2021	60.95	40.40	53126.73	51450.58
July, 2021	75.80	39.90	53290.81	51802.73
August, 2021	84.25	51.55	57625.26	52804.08
September, 2021	60.20	45.00	60412.32	57263.90
October, 2021	50.95	40.40	62245.43	58551.14
November, 2021	48.90	38.00	61036.56	56382.93
December, 2021	52.70	36.20	59203.37	55132.68
January, 2022	50.15	40.65	61475.15	56409.63
February, 2022	45.75	31.80	59618.51	54383.20
March, 2022	39.70	30.20	58890.92	52260.82

(source: www.bseindia.com)

- b) **Financial Year :** April, 2021 – March, 2022
c) **Dividend Payout Date :** N.A.

d) Listing at Stock Exchanges

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

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra(E), Mumbai-400 051

Annual listing fee to both the Stock Exchanges have been paid for the financial year 2021-22 and 2022-23.

e) Scrip Code/Scrip Symbol of the Company as on 31st March, 2022:

BSE Limited

Security ID DIGISPICE
Scrip code 517214

National Stock Exchange of India Limited

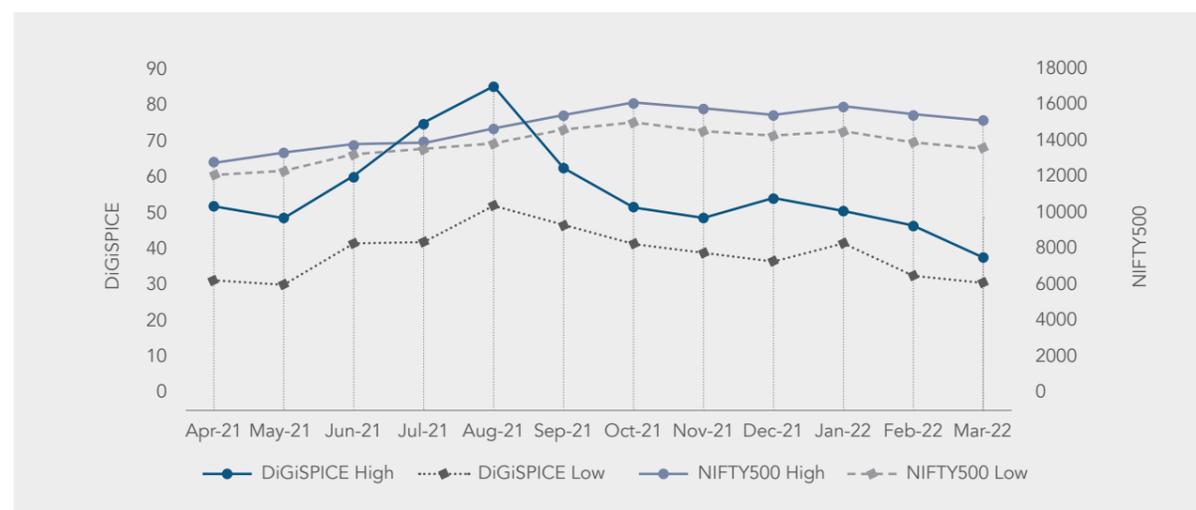
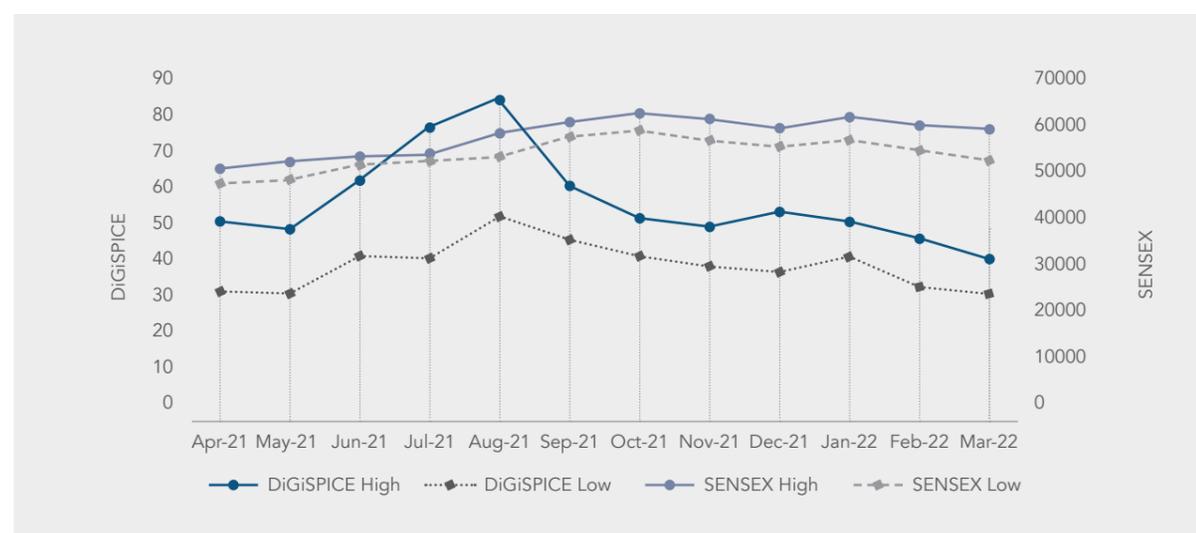
Scrip Symbol DIGISPICE

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

The details of monthly high and low of the price of equity shares of the Company during each calendar month at the Stock Exchanges where the equity shares of the Company are listed and the relevant Index of the respective Stock Exchanges during the financial year ended 31st March, 2022 are as under:

**National Stock Exchange of India Limited (NSE)
(Face Value ₹ 3/- per share)**

Month	NSE Prices		NIFTY500	
	High Price (₹)	Low Price (₹)	High	Low
April, 2021	50.50	30.40	12659.40	11923.20
May, 2021	47.75	30.10	13244.40	12210.55
June, 2021	60.70	41.05	13634.35	13155.55
July, 2021	75.00	41.15	13761.10	13409.10
August, 2021	84.50	51.25	14571.80	13716.70
September, 2021	60.40	45.80	15305.20	14527.05
October, 2021	50.90	40.50	16004.45	14932.75
November, 2021	48.00	38.05	15664.45	14402.10
December, 2021	53.85	36.00	15280.00	14128.15
January, 2022	49.80	41.00	15834.20	14410.90
February, 2022	45.90	31.65	15304.60	13747.45
March, 2022	37.00	30.05	14963.40	13423.55

(source: www.nseindia.com)
Performance of the share price of the Company in comparison to BSE Sensex and Nifty.


g) **There was no suspension of trading in securities of the Company during the year under review.**

h) **Registrar and Transfer Agents ('RTA')**

MAS Services Limited

T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110 020

Tel: (011) 26387281/82/83; Fax: (011) 26387384

E-mail: investor@masserv.com,

Contact person - Mr. Sharwan Mangla, General Manager

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

The Securities and Exchange Board of India vide its Circular dated 3rd November, 2021 and clarification Circular dated 14th December, 2021 has prescribed common and simplified norms for processing Investors Service Request by RTA and norms for furnishing PAN, KYC details and Nomination. In compliance with the said requirement, the Company and its RTA has uploaded prescribed forms for availing investor services on their respective website(s) i.e. www.digispice.com and www.masserv.com.

i) **Share Transfer System**

No transfers of shares in physical form took place during the year except in case of transmission. The documents received for transmission, etc. are registered and sent

j) **Distribution of Shareholding as on 31st March, 2022**

Share Holding of Nominal Value of ₹ 3/- each	Number of Shareholders	% to Total No. of Shareholders	No. of Shares Held	Amount in Rupees	% to Total Paid-up Capital
1 TO 1500	28261	85.321	3449683	10349049	1.494
1501 TO 3000	2350	7.095	1932565	5797695	0.837
3001 TO 6000	1210	3.653	1859527	5578581	0.805
6001 TO 9000	421	1.271	1084714	3254142	0.470
9001 TO 12000	201	0.607	726180	2178540	0.314
12001 TO 15000	153	0.462	723431	2170293	0.313
15001 TO 30000	270	0.815	2048303	6144909	0.887
30001 AND above	256	0.773	219110203	657330609	94.880
Total	33122	100	230934606	692803818	100

k) **Dematerialization of shares and Liquidity**

As per notification issued by SEBI, the trading in equity shares of the Company is permitted compulsorily in dematerialized mode w.e.f. 29th January, 2001. The International Securities Identification Number ('ISIN') of the Company, as allotted by National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') is INE927C01020. As on 31st March, 2022, 99.59% of the Share Capital of the Company is held in dematerialized form with NSDL and CDSL. The Equity shares of the Company are regularly traded on the Stock Exchanges and any person interested in the shares of the Company can deal in the same as per the applicable Rules and Regulations.

back within the stipulated time limit from the date of their lodgment, subject to the documents being valid and complete in all respects. The Stakeholders' Relationship Committee looks into the issues relating to Share Transfers and Investor Grievances.

As per Regulation 39(2) of the Listing Regulations, the listed entity shall effect issuance of certificates or receipts or advices, as applicable, of subdivision, split, consolidation, renewal, exchanges, endorsements, issuance of duplicates thereof or issuance of new certificates or receipts or advices, as applicable, in cases of loss or old decrepit or worn out certificates or receipts or advices, as applicable in dematerialized form within a period of thirty days from the date of such lodgment.

In accordance with Regulation 40 of the Listing Regulations, request for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with the depositories.

Further, with effect from 24th January, 2022, the SEBI has mandated that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.

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

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

There are no outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments as on 31st March, 2022, which are likely to have an impact on the equity of the Company.

m) **Commodity price risk or foreign exchange risk and hedging activities**

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated 15th November, 2018 is not required to be given. The Company follows prudent risk management policies, the details of foreign currency exposure have been

disclosed in the Note no. 40(a) to the standalone financial statements and Note no. 49(a) of the consolidated financial statements. The Company's net exposure to foreign currency was not significant and mostly it was at receipt side, hence, there were no hedging activities.

n) Plant Location: N.A.

o) Address for correspondence

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

Corporate Office:	Registered Office:
Spice Global Knowledge Park, 19A & 19B, Sector-125, Noida (U.P.) – 201 301 Tel : (0120) 5029101	622, 6 th Floor, DLF Tower A, Jasola Distt. Centre, New Delhi -110025 Tel : (011) 41251965

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

p) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad

Not applicable as the Company has not issued any debt instruments, any fixed deposit programme or any scheme or proposal involving mobilization of funds whether in India or abroad.

11. Other Disclosures

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

The Company has not entered into any transaction of material nature with the subsidiaries, Directors or the management or their relatives during the year under review that have potential conflict with the interest of the Company. Statements in summary form of the transactions with related parties both under Companies Act, 2013 and under Indian Accounting Standards – 24 are placed periodically before the Audit Committee. Further, the details of the related party transactions of the Company during the financial year ended 31st March, 2022 are given in Note no. 36 of the standalone financial statements and Note no. 41 of the consolidated financial statements forming part of Annual Report.

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

The Company has adopted a 'Policy on Related Party Transactions' upon the recommendation of Audit Committee and the said Policy includes the material threshold and the manner of dealing with Related Party Transactions. The Audit Committee has laid down the criteria for granting the omnibus approval in the said

Policy and grants omnibus approvals from time to time for the transactions which are frequent/ regular/ repetitive and are in the normal course of business. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties.

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

b) Details of non-compliance by the Company

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

c) Vigil Mechanism/Whistle Blower Policy

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

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

d) Details of Compliance with mandatory requirements

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

e) Details of adoption of discretionary requirements

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

- The Chairman of the Company is a Non-Executive Director. A separate office is maintained for the Chairman at the Company's expenses and he is

also allowed reimbursement of expenses, if any, incurred in performance of his duties.

- The Reports of auditors on the financial statements of the Company are unmodified audit opinion.
- The position of Chairman and Executive Director are separate. Mr. Dilip Modi is a Non-Executive Director designated as the Chairman of the Company and not related to Mr. Rohit Ahuja who is the Executive Director of the Company as per the definition of the term "relative" as provided under the Companies Act, 2013.
- The Internal Auditors directly report to the Audit Committee.

f) Policy for Determining Material Subsidiaries of the Company

The Company, on the recommendation of the Audit Committee, has formulated a 'Policy for determining Material Subsidiaries' and it provides governance framework for Material Subsidiaries subsidiaries.

The said policy is disclosed on the website of the Company at https://investorrelations.digispice.com/files/Policy_on_Material_Subsubsidiaries.pdf

Pursuant to the said policy, the Company monitors performance of material subsidiary companies by reviewing on quarterly basis, the Financial Statements, Minutes and Significant Transactions entered into by those companies. Further, one of the Independent Directors of the Company has been appointed on the Board of all the material subsidiaries of the Company whether incorporated in India or Foreign Country/ Overseas.

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

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

h) Certificate of non-disqualification of Directors

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

i) Recommendation of the Board Committees

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

j) Total fees paid to the Statutory Auditors

Details of total fees for all services paid by the Company and its subsidiaries during the financial year ended 31st March, 2022, on a consolidated basis, to M/s. Singhi & Co., Chartered Accountants, the Statutory Auditors of the Company and all entities in the network firm/

network entity of which the Statutory Auditor is a part is as follows:

Particulars	Amount (₹ in Lakhs)
Statutory Audit Fees	14.75
Limited Review Fees	10.50
Tax Audit Fees	4.00
Other Services (Certification and Special Audit)	2.95
Reimbursements	0.33
Total	32.53

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

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

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

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

l) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount'

The details of Loan and Advances in the nature of Loans to firms/companies in which Directors are interested are specifically provided in the Note no. 57 of the consolidated financial statements.

m) Disclosures with respect to demat suspense account/ unclaimed Suspense Account

There are no instances with respect to Demat suspense account/unclaimed suspense account.

12. The Company has complied with the requirement of Corporate Governance report of sub-paras (2) to (10) of Schedule V of the Listing Regulations.

13. Detail of Compliance with the Corporate Governance requirements specified in Regulations 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of Listing Regulations

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

The Company has appointed M/s. Sanjay Grover & Associates, Company Secretaries, to conduct the Corporate Governance Audit of the Company in compliance with the Listing Regulations. The certificate issued by them is annexed to the Report.

14. Code of Conduct

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

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

15. Code of Conduct for Prevention of Insider Trading

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

and other Connected Persons as defined thereunder who may have access to Unpublished Price Sensitive Information ('UPSI').

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

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

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

16. Executive Director and Chief Financial Officer ('CFO') Certification

As required under Regulation 17(8) of the Listing Regulations, the Executive Director and CFO certification for the financial year ended on 31st March, 2022 is enclosed at the end of this Report.

The above Report has been placed before the Board at its meeting held on 26th May, 2022 and the same was approved.

Corporate Governance Certificate

To
The Members
Digispice Technologies Limited

We have examined the compliance of conditions of Corporate Governance by Digispice Technologies Limited ("the Company"), for the financial year ended 31st March, 2022, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").

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

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

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

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

Vijay K. Singhal
Partner

M. No. 21089

CP No. 10385

UDIN: A021089D000781420

10th August, 2022
New Delhi

Date: 26th May, 2022

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

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

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

- A. We have reviewed financial statements and the cash flow statement for the financial year ended on 31st March, 2022 and that to the best of our knowledge and belief:
 - 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Company's Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Company's Auditors and the Audit Committee that:
 - 1) There is no significant changes in internal control over financial reporting during the year;
 - 2) There is no significant changes in accounting policies during the year; and
 - 3) There is no instances of significant fraud of which we have become aware.

(Rohit Ahuja)
 Executive Director

(Vinit Kishore)
 CFO

Declaration regarding Compliance with the Code of Conduct

It is hereby declared that the Company has received affirmation from the Board Members and the Senior Management Personnel with regard to compliance of the Code of Conduct for Directors and Senior Management Personnel, in respect of the financial year ended on 31st March, 2022.

For **DiGiSPICE Technologies Limited**

Rohit Ahuja
 Executive Director

Place: Noida
 Date: 10th August, 2022

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C Sub-clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

1. That the equity shares of Digispice Technologies Limited (herein after referred as the 'Company') are listed on BSE Limited and National Stock Exchange of India Limited.
2. We have examined the relevant disclosures received from the Directors, registers, records, forms, and returns maintained by the Company and produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. In our opinion and to the best of our information and according to the verifications and examination of the disclosures under Sections 184, 189, 170, 164, 149 of the Companies Act, 2013 ('the Act') and Director Identification Number ('DIN') status at MCA portal, www.mca.gov.in, and explanations furnished to us by the Company and its officers, we certify that none of the below named Directors on the Board of the Company as on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority:

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

4. Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company and our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
5. This certificate is based on the information and records available up to this date and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

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

Devesh Kumar Vasisht
 Partner

CP No.: 13700 / Mem. No. F8488
 UDIN: F008488D000781425

Date: 10th August, 2022
 Place: New Delhi

Secretarial Audit Report

For the financial year ended 31st March, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

We report that-

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management Representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021/ Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (f) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
 - (h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **[Not applicable during the audit period]**
 - (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **[Not applicable during the audit period]** and

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

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

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

- (vi) During the audit period, the Company is primarily engaged into the business of Information and Communication Technology providing Value Added Services and Mobile Content services to the domestic/international Telecom Operators and CPaaS Platform services to enterprises and the Company has complied with the following laws specifically applicable on it
 - a) Regulations issued by Telecom Regulatory Authority of India ('TRAI');
 - b) Telecom Commercial Communication Customer Preference, Regulation 2018 ('TCCCPR'); and
 - c) Guidelines issued by Department of Telecommunication ('DoT')

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance

New Delhi
10th August, 2022

of specifically applicable laws and this verification was done on test basis. On the basis of our check on test basis, recording in the minutes of Board of Directors and management representation, we are of the view that the Company has ensured the compliance of laws specifically applicable on it.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. There has been no change in the composition of the Board of Directors during the audit period.

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

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

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

We further report that during the audit period the Company has allotted 25,38,227 equity shares of ₹ 3/- each pursuant to the exercise of the stock option granted to the employees of the company under SML Employees Stock Option Plan-2018.

For **Sanjay Grover & Associates**

Company Secretaries
Firm Registration No.: P2001DE052900

Vijay K. Singhal

Partner
CP No.:10385
M. No. 21089

UDIN: A021089D000771509

Secretarial Audit Report

For the financial year ended 31st March, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent based on the management representation letter/confirmation, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company only for the financial year ended on 31st March, 2022, according to the provisions of:

- (1) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (2) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (3) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (4) Other laws applicable specifically to the Company: The Company is a tech-enabled Hyper Local Payments Network offering various services like Cash Deposit, Cash Withdrawal, Balance Enquiry, Bill Payments, Aadhaar Enabled Services, Air Time Recharge, PoS Services, Railway Ticketing Services etc. through its authorized agents.

As informed by the management, following are some of the laws/rules/orders which are specifically applicable to the Company viz.:

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

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

- i. Applicable Labour Laws;
- ii. Applicable direct and indirect tax laws;
- iii. Prevention of Money Laundering Act 2002.

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

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

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

1. Reserve Bank of India vide Order bearing No. CO.DPSS.OVRST. No. S1073/ 06-08-019/ 2021-22 dated 07th December, 2021 has imposed penalty upon the Company for non-compliance of Payment and Settlement Systems Order, 2007.
2. Reserve Bank of India vide Order bearing No CO.DPSS.OVRST.No.S526/06-07-004/2021-2022 dated September 9,2021 has imposed a penalty upon the Company for short fall in escrow account.

We further report that:

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

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

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

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

We further report, to the best of our knowledge and understanding, that during the audit period apart from aforesaid events/actions, there were no specific events/

actions having a major bearing on the Company's Affairs in pursuance of the above referred laws, rules, regulations and guidelines.

We further report that during the audit period the company has allotted 3,30,00,000 Cumulative Compulsory Convertible Preference shares (CCCPS) at par having face value of ₹ 10 per share aggregating to ₹ 3,300 Lakhs on right issue basis to DigiSpice Technologies Ltd on May 25,2021. Consequent to the above allotment, DigiSpice Technologies

Ltd become a preference shareholder holding 3,30,00,000 Preference shares (CCCPS).

Also, during the year under review, the Company made allotment of 551,500 shares to Mr. Saket Aggarwal under SDL ESOP Plan 2015

This report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this Report.

For **NSP & Associates**
Company Secretaries

(Proprietor)

UDIN: F009028D000763584

FCS No.: 9028

C P No.: 10937

Place: Noida, UP

Date: 8th August, 2022

"Annexure 1"

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

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and Financial Statement for the Financial Year ended 31st March, 2022.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **NSP & Associates**
Company Secretaries

(Proprietor)

UDIN: F009028D000763584

FCS No.: 9028

C P No.: 10937

Place: Noida, UP

Date: 8th August, 2022

Annexure - 1

Corporate Social Responsibility (CSR) activities for the financial year 2021-22

1. Brief outline on CSR Policy of the Company: The detailed CSR policy of the Company is available at https://investorrelations.digispice.com/files/CSR_Policy.pdf. As per the policy, the Company can undertake any one or more of the following activities prescribed under Schedule VII of the Act:

- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga;
- rural development projects.

The CSR activities shall be undertaken by the Company as projects, programs or activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company. The CSR projects or programs or activities that benefit only the employees of the Company and their families, and contribution of any amount (directly or indirectly) to any political party, shall not be considered as CSR activities under this CSR Policy.

2. Composition of CSR Committee:

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

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

Composition of the Committee is available at web link <https://investorrelations.digispice.com/information.php?page=composition-board-committees> and CSR policy is available at web link https://investorrelations.digispice.com/files/CSR_Policy.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not applicable

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

6. Average net loss of the company as per section 135(5): ₹ 59,12,249/-

- Two percent of average net profit of the company as per section 135(5): NIL
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- Amount required to be set off for the financial year, if any: NIL
- Total CSR obligation for the financial year (7a+7b-7c): NIL

- CSR amount spent or unspent for the financial year: NIL
- Details of CSR amount spent against ongoing projects for the financial year: Not applicable
- Details of CSR amount spent against other than ongoing projects for the financial year: Not applicable
- Amount spent in Administrative Overheads: Not applicable
- Amount spent on Impact Assessment, if applicable: Not applicable
- Total amount spent for the Financial Year (8b+8c+8d+8e): NIL
- Excess amount for set off, if any: Not applicable

- Details of Unspent CSR amount for the preceding three financial years: Not applicable
- Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable

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

- Date of creation or acquisition of the capital asset(s): Not applicable
- Amount of CSR spent for creation or acquisition of capital asset: Not applicable
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not applicable
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not applicable

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

For **DiGiSPICE Technologies Limited**

Subramanian Murali

Director

DIN: 00041261

Dilip Modi

Chairman – CSR Committee

DIN: 00029062

Date: 30th August, 2022

Annexure - 2

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

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of Director	Ratio to Median Remuneration
Mr. Rohit Ahuja	9.28

The Company has not paid remuneration to any other director during the year 2021-22 except sitting fees to Independent directors for attending the meeting of the Board and Committees of the Board.

2. The percentage increase in remuneration of each Director, Chief Financial Officer ('CFO'), Chief Executive Officer ('CEO') Company Secretary ('CS') or Manager, if any, in the financial year:

There was no increase in the remuneration of Executive Director, CFO and CS during the year 2021-22. No other Director was paid any remuneration except that Independent Directors were paid sitting fees at the rate of ₹ 25,000 per Committee Meeting and ₹ 50,000 per Board Meeting.

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

The percentage increase in the median remuneration of employees for the current financial year i.e. 2021-22 was 13%.

4. The number of permanent employees on the rolls of Company:

There were 148 permanent employees on the rolls of the Company as on 31st March, 2022.

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

Average percentile increase in the salaries of employees other than the managerial employees (i.e. Directors, CEO, CFO and CS) was 6%. There was no increase in the managerial remuneration during the year.

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

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

7. Statement showing the particulars of employees, for the financial year 2021-22, in accordance with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, as amended.

Sr. No.	Name	Designation	Remuneration received (01.04.2021 - 31.03.2022) (Amount in ₹)	Nature of Employment (Contractual or otherwise)	Qualifications and experience of the employee	Date of commencement of employment	Age of employee (Completed year as on 31.03.2022)	Last employment held before joining the Company
1	Meghraj Bothra	Vice President - Corporate Affairs & Company Secretary	1,64,27,936#	Permanent	FCS, ACMA, M.Com and B. Com.	12.08.2010	53 Years	DCM Shriram Consolidated Limited
2	Rohit Ahuja	Executive Director	81,09,375	Permanent	Bachelor of Science in Accounting and Finance, USA.	14.12.2015	46 years	Self Occupied Business
3	R.P. Goyal	Vice President - Taxation	74,03,677#	Permanent	CA, B.Com	01.12.2017	63 Years	Avon Mercantile Ltd.
4	Anuj Malhotra*	Chief Business Officer - Enterprise Business	63,72,086	Permanent	MBA & B. E. Computer	28.09.2020	43 Years	Infobip

Sr. No.	Name	Designation	Remuneration received (01.04.2021 - 31.03.2022) (Amount in ₹)	Nature of Employment (Contractual or otherwise)	Qualifications and experience of the employee	Date of commencement of employment	Age of employee (Completed year as on 31.03.2022)	Last employment held before joining the Company
5	Vishal Gupta*	Chief Business Officer-Telco Business	49,61,610	Permanent	B. E. Telecom	20.10.2020	44 Years	Comviva Technologies Ltd.
6	Vinit Kishore	Chief Financial Officer	47,86,341	Permanent	CA & Bachelor of Science	06.01.2021	46 Years	Wipro Ltd.
7	Raghuvendra Kumar	Senior General Manager	44,99,770#	Permanent	B. Tech in Computer Science & Engg.	09.06.2008	40 Years	Bharti Telesoft Ltd.
8	Prashant Hansraj	Vice President	43,80,794	Permanent	MCA & BCA	23.01.2017	42 Years	Loyalty Solutions & Research Pvt. Ltd.
9	Sandeep Kaushal	Senior General Manager	39,51,438#	Permanent	MCA & BSC	08.11.2007	43 Years	Altruist Technologies Pvt. Ltd.
10	Mrinal Seth*	Associate Vice President	32,45,542#	Permanent	MBA and Bachelor of Science	01.07.2014	43 Years	U2OPIA Mobile Pvt. Ltd.

* Employee for a part of the year and accordingly remuneration shown is only for that part for which they were in the employment of the Company.

Includes perquisite value of ESOPs exercised during the financial year under review.

None of the above employee is a relative of any Director of the Company.

Annexure - 3

Details of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

(A) Conservation of Energy

- I. **The Steps Taken or Impact on conservation of Energy:** The operations of the Company involve low energy consumption. Adequate measures have, however, been taken to conserve energy. The continued work from home is also helping in conservation of energy.
- II. **The Steps taken by the Company for utilizing alternate sources of energy:** Nil
- III. **The Capital Investment on Energy conservation equipment :** Nil

(B) Technology Absorption

- I. **The effort made towards technology absorption:** We at DiGiSPICE, are well aware of latest technology being available in our field of operation. Necessary training is imparted to the relevant people from time to time to make them well acquainted with the latest technology.
- II. **The benefit derived like product improvement, cost reduction, product development or import substitution:** We are able to provide latest products available in the market and maintain higher standard of quality.
- III. **In case of imported technology (import during the last three years reckoned from the beginning of the financial year)**
 - a) **the details of the technology imported:** Nil
 - b) **the year of import:** N.A.
 - c) **whether the technology been fully absorbed:** N.A.
 - d) **if not fully absorbed, areas where absorption has not taken place, and the reason thereof; and:** N.A.
- IV. **The expenditure incurred on Research and Development:** ₹ 2.14 crore
(Expenditure incurred during the year towards development of CPaaS Platform).

(C) Foreign exchange earnings and outgo during the year

- I. **Foreign Exchange earned in term of actual inflows:** ₹ 835.58 Lakhs.
- II. **Foreign Exchange outgo in term of actual outflows:** ₹ 63.91 Lakhs.

Independent Auditor's Report

To the Members of DiGiSpice Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of DiGiSpice Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31 2022, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Change in Equity, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss including the other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. N.	Key Audit Matter	Our Audit Approach
1.	Revenue Recognition For the financial year ended March 31, 2022, the Company has recorded revenue of ₹ 11,252.30 Lakhs. The accounting policies for revenue recognition are set out in Note 2.4 (d) and the different revenue streams of the Company have been disclosed in Note 21 to the standalone financial statements. It involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Revenue recognition is susceptible to the higher risk that the revenue is recognized when performance obligation has not been completed. This was an area of focus for our audit and the area where significant audit effort was directed.	Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: <ul style="list-style-type: none"> • Selected samples of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. • Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording revenue. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to determine the transaction price. • Samples in respect of revenue recorded for time and material contracts were tested using a combination of customer acceptances, subsequent invoicing and historical trend of collections and disputes. • Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. We found the Company's revenue recognition to be consistent with its accounting policy. We are satisfied that the Company's revenue has been appropriately recognized and disclosure in the relevant accounting period.

S. N.	Key Audit Matter	Our Audit Approach
2	<p>Current Taxes and Deferred Taxes</p> <p>The company has carried current tax assets of ₹ 2716.47 Lakhs and deferred tax assets of 1,643.22 Lakhs as at March 31, 2022. The accounting policies for current and deferred tax recognition are set out in Note 2.4 (E) and the breakup of deferred tax have been disclosed in Note 14 to the standalone financial statements. Also refer note no. 32, 35C of standalone financial statements. There is significant judgement involved in accounting for taxes, particularly given jurisdiction in which the Company operates and exposures to income tax laws in India. This gives rise to complexity and uncertainty in respect of the calculation of income taxes, and deferred tax positions. Due to significance to the standalone financial statements as a whole, combined with the judgement and estimation required to determine their values, the evaluation of current tax and deferred tax assets is considered to be a key audit matter.</p>	<p>We assessed the adequate implementation of the policies and controls regarding current and deferred tax. We evaluated the design and implementation of controls in respect of provisions for current tax and the recognition and recoverability of deferred tax assets. We examined the procedures in place for the current and deferred tax calculations for completeness and valuation and audited the related tax computations and estimates in the light of our knowledge of the tax circumstances. We performed an assessment of the major items impacting the Company's tax expense, balances and exposures. In respect of deferred tax assets, we assessed the appropriateness of management's assumptions and estimates, including the likelihood of generating sufficient future taxable income to support deferred tax assets on tax losses carried forward and MAT credit entitlement, which shall be available for utilization in future. We found that tax provision and deferred tax assets are appropriately recognized and disclosed in the standalone financial statement.</p>
3	<p>Valuation of trade receivables</p> <p>We refer to Note 9 and Note 2.4 (Q) to the standalone financial statements.</p> <p>As disclosed in Notes to the standalone financial statements, the Company assesses periodically and at each reporting date, the expected credit loss associated with its receivables. When there is expected credit impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics. The carrying amount of trade receivables of the company was ₹ 3027.72 Lakhs as at March 31, 2022. We focused on this area because of its significance and the degree of judgement required to estimate the expected credit loss and determining the carrying amount of trade receivables as at the reporting date.</p>	<p>We obtained an understanding of the Company's credit policy for trade receivables, process of approvals and terms and conditions and evaluated the process for identifying impairment indicators. We have reviewed and tested the ageing of trade receivables and management's assessment on the credit worthiness of selected customers for trade receivables. We further discussed with the key management on the adequacy of the allowance for credit losses recorded by the Company and reviewed the supporting documents provided by management in relation to their assessment. We have also reviewed adequacy and appropriateness of allowance for credit impairment based on available information. Based on our audit procedures performed, we found management's assessment of the recoverability of trade receivables to be reasonable and the disclosures to be appropriate.</p>

Other Information

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Responsibilities of Management for the Standalone Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other comprehensive Income, Statement of change in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting

Standards (Ind AS) specified under Section 133 of the Act;

- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (g) In our opinion and to the best of our information and according to the explanations given to us, during the year the Company has paid/provided for remuneration to its directors which is in accordance with the provisions of section 197 of the Companies Act, 2013.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35C to the financial statements;
 - The Company did not have material foreseeable losses in long-term contracts including derivative contracts;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
 - a. The management has represented that, to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"),

with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- The management has represented, that, to the best of its knowledge and belief no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to us notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v. The Company has not declared any dividend during the year, therefore reporting regarding compliance of section 123 of the Companies Act, 2013 is not applicable.

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

Bimal Kumar Sipani
Partner
Membership No.088926
UDIN: 22088926AJQEOV6410

Place: Noida (Delhi-NCR)
Date: May 26, 2022

Annexure 'A' to Independent Auditor's Report of even date to members of DiGiSpice Technologies Limited on the financial statements as of and for the year ended March 31, 2022 (Referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements)

- a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment and relevant details of Right-of-use Assets.
B) The Company has maintained proper records showing full particulars of Intangible Assets.
 - b) The Company has a planned programme of physical verification of its Property, Plant and Equipment by which all its Property, Plant and Equipment are physically verified once in three years. In our opinion, this periodicity of physical verification is not reasonable having regard to size of the Company and nature of its assets. In accordance with this programme, computer, office equipment and furniture & fixtures were physically verified during the year and no material discrepancies were noticed.
 - c) The title deed of immovable properties included in Property, Plant and Equipment, Right of Use Assets and Investments Property are held in the name of the Company except Land & Building having carrying value of ₹ 266.84 Lakhs and Building having carrying value of ₹ 230.19 Lakhs as on March 31, 2022 acquired in the financial year 2018-19 pursuant the Scheme of Arrangement is yet to be transferred in the name of the Company and title deeds continue in the name of subsidiary company Spice Digital Limited (now known as Spice Money Limited) (refer note no. 38 of standalone financial statements).
 - d) On the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and Intangible Assets during the year. Therefore, provisions of clause 3(i)(d) of the Order are not applicable to the Company.
 - e) According to the information and explanations given to us, no proceeding has been initiated or is pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and the rules made thereunder. Therefore, provisions of clause 3(i)(e) of the Order are not applicable to the Company.
- a) The Company has no inventory as on March 31, 2022. Therefore, provisions of clause 3(ii)(a) of the Order are not applicable to the Company.
 - b) The Company has been sanctioned working capital limit from a bank on the basis of security of current assets. There is no difference between books of
- a) account and quarterly returns/ statements filed by the Company with the bank. During the year, no working capital limited has been sanctioned by any financial institution to the Company.
 - (a) Based on the books of account examined by us and according to information and explanation given to us, the Company has not granted any loan or provided any advance in the nature of loan, or stood guarantee, or provided security during the year to any company, firm, limited liability partnership or any other entity.
 - (b) In our opinion and according to the information and explanations given to us, the investments made during the year are not prejudicial to the interest of the Company. The Company has not granted any loan, advances in nature of loan and not provided any guarantee during the year.
 - (c) The Company has granted a loan of ₹ 300.00 Lakhs to a subsidiary company in earlier year for which repayment of principal and payment of interest thereon has been stipulated. The Company has acquired loans and advance in nature of loan aggregating ₹ 6084.46 Lakhs pursuant to Scheme of Arrangement in earlier year, for which repayment of principal and payment of interest thereon are on demand. Repayment of principal of above loans and payment of interest is not regular therefore, the Company has considered these loans and interest thereon to the extent accounted for as doubtful and same have been fully provided in books of account in earlier years.
 - (d) Based on the books of account and other relevant records examined by us, there is no amount of principal and interest considered good for recovery were due for payment during the year. In the following cases repayment of principal and payment of interest thereon to the extent accounted for in the books of account and considered doubtful were overdue for more than 90 days.

Particulars	₹ In Lakhs
Aggregated loan/advance in nature of loan to Related Parties	1439.32
Aggregated interest on above	-
Loan/Advance in nature of loan to Others	4945.14
Aggregated interest on above	-
Total	6384.46
Less: Provision for bad and doubtful balances	6384.46
Net Carrying value	-

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loans granted has fallen due during the year, which has been renewed or extended or fresh loans given to settle the overdue of existing loans given to the same parties.
- (f) Following loans and advances in nature loan, fully provided in the books of account, were repayable on demand or without specifying any terms or period of repayment:

Particulars	₹ In Lakhs		
	All other Parties	Promoters	Related parties
Aggregate amount of loan/advances in nature of loans			
-Repayable on demand (A)	4945.14	-	1139.32
-Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	4945.14	-	1439.32
Percentage of loans/advances in nature of loans to the total loans/advances in nature of loans	77%	-	22%

- (iv) According to information and explanations given by the Company and based on audit procedure performed by us, during the year, there is no loan granted or guarantee or security provided under section 185 and section 186

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

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

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

- (viii) According to the information and explanations given to us, there are no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.
- (ix) (a) The Company has not defaulted in repayment of loans and payment of interest thereon to any lender during the year. Therefore, the provisions

of the Companies Act, 2013. The Company has made investment during the year which is in compliance with section 186 of the Companies Act, 2013.

- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Therefore, provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) According to the information and explanations given to us, the maintenance of cost records prescribed under the section 148 (1) of the Companies Act 2013 read with Companies (Cost Records and Audit) Rules, 2014 was not applicable to the Company. Therefore, provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) According to the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value Added tax, Cess and other statutory dues as applicable to the Company, with the appropriate authorities. There were no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and as per the records of the Company examined by us, there were no statutory dues referred to in sub-clause (a) on account of any dispute remained unpaid except following:-

of clause 3(ix)(a) of the Order are not applicable to the Company.

- (b) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender. Therefore, the provisions of clause 3(ix)(b) of the Order are not applicable to the Company.
- (c) Based on the books of account examined by us, no term loans were obtained during the year. Therefore, the provisions of clause 3(ix)(c) of the Order are not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis during the year have been used for long-term purposes by the Company.

- (e) According to the information and explanations given to us, the Company has not taken any fund from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Therefore, the provisions of clause 3(ix)(e) of the Order are not applicable to the Company.
- (f) According to the information and explanations given to us and books of accounts examined by us, the Company has not raised any loan during the year on pledge of securities held in its subsidiaries, joint ventures or associates. Therefore, the provisions of clause 3(ix)(f) of the Order are not applicable to the Company.
- (x) (a) During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Therefore provisions of clause 3(x) of the Order are not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.
- (xi) (a) Based upon the audit procedures performed and considering the principles of materiality outlined in Standards on Auditing, for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year nor have we been informed of any such case by the management during the course of the audit.
- (b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanation given to us, no whistle blower complaints received by the Company during the year.

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

(xiii) According to the information and explanations given by the management, and as per records of the Company examined by us, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and details for the same have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, internal audit reports for the period under audit issued to the Company till the date.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Companies Act 2013. Therefore, the provisions of clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) 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. Therefore, the provisions of clause 3(xvi)(a) of the Order are not applicable to the Company.

(b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the provisions of clause 3(xvi)(b) of the Order are not applicable to the Company.

(c) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company.

(d) According to the representations given by the management, there is no CIC as part of the Group.

(xvii) The Company has not incurred any cash loss during the year but has incurred cash loss of ₹ 74.53 Lakhs during immediately preceding financial year.

(xviii) There has been no resignation of statutory auditor during the year. Therefore, the provisions of clause 3(xviii) of the Order are not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee

nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has no unspent amount relating to CSR activity, which is required to be transferred to a fund specified in Schedule VII to the Companies Act 2013. Therefore, the provisions of clause 3(xx) of the Order are not applicable to the Company.

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

Bimal Kumar Sipani
Partner
Membership No.088926
UDIN: 22088926AJQEOV6410

Place: Noida (Delhi-NCR)
Date: May 26, 2022

Annexure B

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

We have audited the internal financial controls with reference to standalone financial statements of DiGispice Technologies Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022 based on the internal control over the financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Bimal Kumar Sipani
Partner
Membership No.088926
UDIN: 22088926AJQEOV6410

Place: Noida (Delhi-NCR)
Date: May 26, 2022

Standalone Balance Sheet

As at 31st March 2022

Particulars	Notes	(Amount in ₹ Lakhs)	
		As at 31st March 2022	As at 31st March 2021
Assets			
Non-current assets			
Property, plant and equipment	3	518.28	593.61
Capital work in progress	3	-	-
Right of Use Assets	3A	114.27	118.53
Investment property	4	1,380.68	1,477.01
Other intangible assets	5	490.13	139.47
Intangible assets under development	5	11.85	164.96
Financial assets			
(i) Investments	6	11,580.55	8,281.49
(ii) Loans	7	1.08	2,127.00
(iii) Other financial assets	8	1,904.19	358.21
Deferred tax assets (Net)	14	1,643.22	1,643.22
Non current tax assets (Net)	12	2,716.47	4,614.64
Other Non current assets	13	0.41	4.12
Total non-current assets		20,361.13	19,522.26
Current assets			
Financial assets			
(i) Investments	6	-	-
(ii) Trade receivables	9	3,027.72	4,113.90
(iii) Cash and cash equivalents	10	1,323.17	1,095.67
(iv) Bank balance other than (iii) above	11	2,015.77	2,812.04
(v) Loans	7	1.62	4.99
(vi) Other financial assets	8	244.43	498.88
Other current assets	13	67.99	131.04
Total current assets		6,680.70	8,656.53
Total assets		27,041.83	28,178.79
Equity and liabilities			
Equity			
Equity share capital	15	6,146.00	6,069.85
Other equity	15A	15,741.46	15,861.17
Total equity		21,887.46	21,931.02
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16	-	-
(ii) Other financial liabilities	18	13.13	10.47
Provisions	19	297.65	365.18
Other Non Current liabilities	20	-	16.40
Total non-current liabilities		310.78	392.05
Current liabilities			
Financial liabilities			
(i) Borrowings	16	-	1,329.58
(ii) Trade payables	17	-	-
- total outstanding dues of micro and small enterprises		2.79	4.90
- total outstanding dues of creditors other than micro and small enterprises		4,305.71	3,914.83
(iii) Other financial liabilities	18	349.56	314.53
Provisions	19	31.24	67.90
Other Current liabilities	20	154.29	223.98
Total current liabilities		4,843.59	5,855.72
Total equity and liabilities		27,041.83	28,178.79
Summary of significant accounting policies	2		

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

As per our report of even date attached
For **Singhi & Co.**
Chartered Accountants
Firm registration number: 302049E

For and on behalf of the board of directors

Bimal Kumar Sipani
Partner
Membership no.: 088926

Rohit Ahuja
Executive Director
DIN : 00065417

Subramanian Murali
Director
DIN : 00041261

Place: Noida
Date: 26th May, 2022

Vinit Kishore
Chief Financial Officer

Ruchi Mehta
Vice President- Legal, Corporate
Affairs and Company Secretary

Standalone Statement of Profit and Loss

For the year ended 31st March 2022

Particulars	Notes	(Amount in ₹ Lakhs)	
		For the year ended 31st March 2022	For the year ended 31st March 2021
Income			
I. Revenue from services	21	11,252.30	11,122.80
II. Other income	22	807.72	1,916.65
III. Total Income (I+II)		12,060.02	13,039.45
IV. Expenses			
Cost of goods and services procured	23	121.41	233.78
Cost of services rendered	24	8,683.81	8,338.53
Employee benefits expense	25	1,812.38	2,228.35
Finance costs	26	94.01	124.50
Depreciation and amortisation expense	27	257.00	751.43
Other expenses	28	1,407.79	1,596.04
Total expenses (IV)		12,376.40	13,272.63
V. Profit/(loss) before exceptional items and tax (III-IV)		(316.38)	(233.18)
VI. Exceptional items	30	-	(49.88)
VII. Profit/(loss) before tax (V+VI)		(316.38)	(283.06)
VIII. Tax expense:			
(1) Current tax	32	-	-
-for current year		10.25	49.16
- for earlier years		58.39	91.13
(2) Deferred tax credit	32	-	(20.69)
Total Income tax expense (VIII)		68.64	119.60
IX. Profit/(loss) for the year (VII-VIII)		(385.02)	(402.66)
X. Other comprehensive income			
Items that will not be reclassified to profit or loss	31		
Remeasurement gain/(loss) of defined benefit plan		27.73	2.72
Income tax impact on above item		-	-
Other comprehensive income for the year (X)		27.73	2.72
XI. Total comprehensive income for the year (IX+X) Comprising Profit/(Loss) and Other Comprehensive income for the period)		(357.29)	(399.94)
(Loss) for the year		(385.02)	(402.66)
Attributable to:			
Equity holders of the Company		(385.02)	(402.66)
Non-controlling interests		-	-
Other comprehensive income for the year		27.73	2.72
Attributable to:			
Equity holders of the Company		27.73	2.72
Non-controlling interests		-	-
Total comprehensive income for the year		(357.29)	(399.94)
Attributable to:			
Equity holders of the Company		(357.29)	(399.94)
Non-controlling interests		-	-
XII. Earnings per share (attributable to equity holders of the Company) (nominal value of share ₹ 3)	33		
Basic and Diluted (in ₹)		(0.17)	(0.18)
Diluted, computed on the basis of profit/(loss) from operations (₹)		(0.17)	(0.18)
Summary of significant accounting policies	2		

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

As per our report of even date attached
For **Singhi & Co.**
Chartered Accountants
Firm registration number: 302049E

For and on behalf of the board of directors

Bimal Kumar Sipani
Partner
Membership no.: 088926

Rohit Ahuja
Executive Director
DIN : 00065417

Subramanian Murali
Director
DIN : 00041261

Place: Noida
Date: 26th May, 2022

Vinit Kishore
Chief Financial Officer

Ruchi Mehta
Vice President- Legal, Corporate
Affairs and Company Secretary

Standalone Cash Flows Statement

For the year ended 31st March, 2022

	Notes	(Amount in ₹ Lakhs)	
		For the year ended 31st March 2022	For the year ended 31st March 2021
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES			
Profit/(Loss) before tax		(316.38)	(283.06)
Adjustments for :			
Exceptional items			
Provision for diminution in the value of Investments		-	49.88
Depreciation and amortisation expense		257.00	751.43
(Profit)/Loss on disposal of property, plant and equipment (net)		39.28	(355.13)
Employee ESOP Compensation		(27.36)	31.46
Interest income		(466.53)	(701.31)
Net gain on sale of current investments in mutual fund units measured at FVTPL		-	-
Unclaimed balances written back (net)		(153.86)	(128.09)
Net Rental (Income)/Expense on investment properties		(187.32)	(165.50)
Interest expense		94.01	124.50
Bad debts written off		400.31	155.36
Provision for doubtful rent and other receivables		40.94	91.71
Reversal of provision for loss allowances		(195.56)	(521.59)
Operating (loss) before working capital changes		(515.47)	(950.34)
Movements in working capital:			
(Increase)/Decrease in trade receivables		881.43	1,790.55
(Increase)/Decrease in other receivables		260.96	1,196.64
Increase/(Decrease) in trade payables		541.88	(1,439.67)
Increase/(Decrease) in other payable		(32.22)	(137.47)
(Decrease) in provisions		(76.44)	(349.87)
Cash (used in) operations		1,060.14	109.84
Net Direct taxes (Refund)		2,147.17	(82.80)
Net cash (used in) operating activities	(A)	3,207.31	27.04
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Purchase of property, plant and equipment (including capital work in progress and capital advances)		(76.30)	(10.15)
Purchase of intangible assets (Including intangible assets under development)		(243.20)	(172.46)
Proceeds from disposal of property, plant and equipment		2.20	578.75
Investment in subsidiaries		(1,320.93)	-
Loans repaid by a body corporate		142.65	(21.29)
Change in loan/money receivable from a subsidiary company		-	797.88
Rental Income/(Expense) on investment property		187.32	165.50
Interest received		305.32	231.86
(Increases)/Decreases in Fixed deposits		(896.94)	(1,179.22)
Net cash from investing activities	(B)	(1,899.88)	390.87

Standalone Cash Flows Statement

For the year ended 31st March, 2022

	Notes	(Amount in ₹ Lakhs)	
		For the year ended 31st March 2022	For the year ended 31st March 2021
CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES			
Proceeds/(repayment) from current borrowings (net)		(1,064.73)	168.22
Proceeds from share capital issued under ESOP		76.15	14.83
Securities premium received on share capital issued Under ESOP		260.17	50.67
Interest paid		(94.01)	(124.50)
Share Application Money received		7.34	-
Net cash from financing activities	(C)	(815.08)	109.22
Net Increase/(decrease) in cash and cash equivalents (A + B + C)		492.35	527.13
Cash and cash equivalents at the beginning of the year		830.82	303.69
Cash and cash equivalents at the end of the year		1,323.17	830.82
(i) Components of cash and cash equivalents:			
Cash on hand		1.53	1.53
Cheques/ drafts on hand			
With banks			
- on current accounts		1,321.64	1,094.14
- Deposits with original maturity of less than three months		-	-
Bank overdrafts			(264.85)
Total cash and cash equivalents (Note no. 10 and 16)		1,323.17	830.82

(Amount in ₹ Lakhs)				
ii) Movement in financial liabilities	Current borrowings	Non-current borrowings	Interest expense on financial liabilities	Total
As at 1 st April 2021	1,064.74	-	-	1,064.74
Cash flows	(1,064.74)	-	-	(1,064.74)
Interest expenses	-	-	94.01	94.01
Interest paid	-	-	(94.01)	(94.01)
As at 31st March 2022	-	-	-	-
As at 1 st April 2020	896.52	-	-	896.52
Cash flows	168.22	-	-	168.22
Interest expenses	-	-	124.50	124.50
Interest paid	-	-	(124.50)	(124.50)
As at 31st March 2021	1,064.74	-	-	1,064.74
Summary of significant accounting policies		2		

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS – 7 "Statement of Cash Flows" The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached
For **Singhi & Co.**
Chartered Accountants
Firm registration number: 302049E

For and on behalf of the board of directors

Bimal Kumar Sipani
Partner
Membership no.: 088926

Rohit Ahuja
Executive Director
DIN : 00065417

Subramanian Murali
Director
DIN : 00041261

Place: Noida
Date: 26th May, 2022

Vinit Kishore
Chief Financial Officer

Ruchi Mehta
Vice President- Legal, Corporate
Affairs and Company Secretary

Standalone Statement of Changes in Equity

For the year ended 31st March 2022

A: Equity share capital

	Number of shares	(Amount in ₹ Lakhs)
Balance as at 1st April 2020*	20,18,34,222	6,055.02
Change in equity share capital during the year		
Add: Shares issued under ESOP 2018 Scheme	4,94,314	14.83
Balance as at 31st March 2021	20,23,28,536	6,069.85
Change in equity share capital during the year		
Add: Shares issued under ESOP 2018 Scheme	25,38,227	76.15
Balance as at 31st March 2022*	20,48,66,763	6,146.00

* Equity shares are net off 26,067,843 equity shares as on 31st March, 2022, (26,067,843 Equity shares are net off 26,067,843 equity shares as on 31st March, 2021 and 26,067,843 equity share as on 1st April, 2020) held by Employee benefit Trust and Independent Non Promoter Trust. (refer note no. 42)

B: Other equity

For the year ended 31st March 2022

Particulars	Trust Shares (Refer note 42)	Reserves and Surplus						Other Comprehensive Income	Total
		Capital reserve (i)	Share Based Payment Reserve (ii)	Capital Redemption Reserve (iii)	General Reserve (iv)	Security Premium (v)	Retained Earnings (v)		
As at 1st April, 2021	161.19	429.35	659.60	306.66	6,101.11	83.94	8,119.32	-	15,861.17
Profit/(Loss) for the year	-	-	-	-	-	-	(385.02)	-	(385.02)
Other comprehensive income (net of tax)	-	-	-	-	-	-	27.73	-	27.73
Total Comprehensive Income for the year	-	-	-	-	-	-	(357.29)	-	(357.29)
Transfer on issue of shares under ESOP Scheme 2018 (refer note no.38)	-	-	(170.34)	-	-	170.34	-	-	-
Shares issued under ESOP 2018 Scheme (refer note no.38)	-	-	-	-	-	260.15	-	-	260.15
Share based payment to employees of the Group	-	-	(14.65)	-	-	-	(15.25)	-	(29.90)
Shares application money received during the year	-	-	-	-	-	-	-	7.33	7.33
As at 31st March, 2022	161.19	429.35	476.61	306.66	6,101.11	514.43	7,746.78	7.33	15,741.46

Standalone Statement of Changes in Equity

For the year ended 31st March 2022

For the year ended 31st March 2021

Particulars	Trust Shares (Refer note 42)	Reserves and Surplus						Other Comprehensive Income	Total
		Capital reserve (i)	Share Based Payment Reserve (ii)	Capital Redemption Reserve (iii)	General Reserve (iv)	Security Premium (v)	Retained Earnings (v)		
As at 1st April, 2020	161.19	429.36	602.57	306.66	6,101.11	-	8,576.00	-	16,176.89
Profit/(Loss) for the year	-	-	-	-	-	-	(402.66)	-	(402.66)
Other comprehensive income (net of tax)	-	-	-	-	-	-	2.72	-	2.72
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	(399.94)
Transfer on issue of shares under ESOP Scheme 2018 (refer note no.38)	-	-	(33.27)	-	-	33.27	-	-	-
Shares issued under ESOP 2018 Scheme (refer note no.38)	-	-	-	-	-	50.67	-	-	50.67
Share based payment to employees of the Group#	-	-	90.30	-	-	-	(56.74)	-	33.56
As at 31st March, 2021	161.19	429.36	659.60	306.66	6,101.11	83.94	8,119.32	-	15,861.18

₹ 15.25 Lakhs (Previous year-₹ 56.74 Lakhs) represents value of stock options granted to employees of Holding Company under "Employee Stock Option Plan 2018", refer note 38.

Notes:

- Capital reserve represent reserve created pursuant to scheme of arrangement and can be utilized in accordance with the provisions of the Companies Act, 2013.
- Share based payment reserve relates to stock options granted to employees (including employees of holding company and Subsidiary companies) under "Employee Stock Option Plan 2018" and shall be transferred to securities premium account/retained earnings on exercise/cancellation of options.
- Capital redemption reserve represents amount created upon cancellation of shares pursuant to buy back of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.
- General reserve represents free reserve amount appropriated out of retained earnings.
- This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.
- Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.
- Share application money pending for allotment represent money received against the shares to be issued and it will be adjusted against the money received on issue of shares.

As per our report of even date attached

For **Singhi & Co.**

Chartered Accountants

Firm registration number: 302049E

Bimal Kumar Sipani

Partner

Membership no.: 088926

Place: Noida

Date: 26th May, 2022

For and on behalf of the board of directors

Rohit Ahuja

Executive Director

DIN : 00065417

Vinit Kishore

Chief Financial Officer

Subramanian Murali

Director

DIN : 00041261

Ruchi Mehta

Vice President- Legal, Corporate Affairs and Company Secretary

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

1. Corporate information

The Standalone financial statements comprise financial statements of Digispice Technologies Limited ("the Company") for the year ended 31st March 2022.

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

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

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

These financial statements were approved for issue by Board of Directors of Company in their meeting held on 26th May, 2022.

2. Summary of Significant accounting policies

2.1 Status of Compliance:-

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

2.2 Basis of preparation

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

- Non-current borrowings and lease liabilities are initially measured at amortised cost.
- Current investments are measured at fair value at each reporting date.
- Defined benefit plans and other long-term employee benefits are measured at fair value at each reporting date.
- These financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all periods presented in the financial statements.
- The financial statements are presented in ₹ Lakhs and all values are rounded upto two decimal places, except when otherwise indicated.

2.3 Functional and Presentation Currency

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

2.4 Summary of significant accounting policies

A. Current and non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

B. Foreign currencies

Transactions and balances

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

Foreign-currency denominated monetary assets and liabilities are translated into the relevant

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss.

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

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

C. Fair value measurement

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

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

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

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

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

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

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

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

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

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

D. Revenue recognition

Sale of goods

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

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue represents net value of goods and services provided to customers after deducting

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

for certain incentives including, but not limited to discounts, volume rebates, etc. The Company considers shipping and handling activities as costs to fulfil the promise to transfer the related products and the customer payments for shipping and handling costs are recorded as a component of revenue.

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

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

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

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

Income from services

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

Interest income

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

Dividends

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

Rental income

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

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

E. Taxes

Current tax

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

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

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

Deferred tax

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

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

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

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

F. Property, plant and equipment (PPE)

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

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

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

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

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on Derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

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

G. Investment properties

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

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

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

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

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

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

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

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

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

H. Intangible assets

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

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

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

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

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

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

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

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

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

I. Investment in subsidiaries, associates and joint ventures

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

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

J. Borrowing costs

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

K. Leases

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

Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all

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

Company as a lessor

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

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term. If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

Lease Liability

The lease payments that are not paid at the commencement date, are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are presented as a separate line in the Balance Sheet and details of assets are given ROU note under "Notes forming part of the Financial Statement".

The Company applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified

impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

L. Inventories

Inventories comprise of traded goods which are valued at the lower of cost and net realisable value.

Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

M. Impairment of non-financial assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

N. Provisions, Contingent Liabilities and Contingent Assets

Based on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date. A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

O. Retirement and other long term employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Company operates a defined benefit plan i.e. gratuity plan. The liability as at the year end represents the actuarial valuation of the gratuity liability of continuing employees as at the end of the year. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Refer note no. 34

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

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

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Liabilities recognised in respect of other longterm employee benefits such as annual leave and sick leave are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. These obligations are valued annually by independent qualified actuaries.

P. Share-based payments

The company recognises compensation expense relating to share-based payment in statement of profit and loss using fair value in accordance with Ind AS 102 "Share-based Payment" except the value of Stock Options to employees of the subsidiary companies and holding company are

considered as investment and directly reduced from the retained earnings respectively.

The Company initially measures the cost of equity-settled transactions with employees using Black and Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. Vesting conditions, other than market conditions i.e. performance based condition are not taken into account when estimating the fair value. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 39.

Q. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- 1) Debt instruments at amortised cost
- 2) Equity instruments at fair value through other comprehensive income (FVTOCI)
- 3) Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

Debt instrument at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

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

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and; either

- (a) the Company has transferred substantially all the risks and rewards of the asset
- (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

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

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

R. Trust Shares as per Scheme of Amalgamation (refer Note 43)

In pursuance to a Scheme of Amalgamation effected in Financial year 2010-11 following trusts were created:

- Independent Non-Promoter Trust ('NPT')
- Independent Non-Promoter (Spice Employee Benefit) Trust ('EBT')

EBT holds equity shares of the Company for the benefit of the employees of the Company, its associates and subsidiaries and NPT holds equity shares for the benefit of the company. Considering conservative interpretation of Ind AS 32, number of equity shares held by the NPT and EBT are reduced from total number of issued equity shares.

Equity shares that are held by two trusts are recognised at cost and deducted from Equity / Other Equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments which is directly adjusted with equity and other equity.

S. Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Company's cash management.

T. Business Combinations

Business Combination other than Common Control

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the company and fair value of any assets or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

At the acquisition date, the identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values. However, certain assets and liabilities i.e. deferred tax assets or liabilities, assets or liabilities related to employee benefit arrangements, liabilities or equity instruments related to share-based payment arrangements and assets or disposal groups that are classified as held for sale, acquired or assumed in a business combination are measured as per the applicable Ind AS.

Measuring Goodwill or a gain from Bargain Purchase

The excess/(short) of the sum of the consideration transferred and the acquisition-date fair value of any previous equity interest in the acquired entity over the acquisition-date fair value of the net identifiable assets (net of identifiable assets acquired and liabilities assumed/contingent consideration) acquired is recognised as goodwill/(bargain purchase gain). Any gain on a bargain purchase is recognised in other comprehensive income and accumulated in equity as Capital Reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase, otherwise the gain is recognised directly in equity as Capital Reserve.

Business Combination under Common Control

Common control business combination means a business combination involving entities or

businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts.

U. Earnings per share

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders (after deducting the compulsory redeemable preference share dividend) by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is calculated by dividing the net profits attributable to equity shareholders (after deducting dividend on compulsory redeemable preference shares) by the weighted average number of equity shares outstanding during the year (adjusted for the effects of dilutive options).

V. Recent Accounting pronouncements

Ministry of Corporate Affairs ("MCA") has not notified new standard which would have been applicable from 1st April, 2022. However, on 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April, 2022, The effect of those amendments is not material to the Company.

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

3 Property ,plant and equipment and capital work in progress

Particulars	Leasehold Land	Building(a)	Leasehold Improvement	Plant and Machinery	Office Equipment's	Furniture and Fittings	Computers	Vehicles	Total	(Amount in ₹ Lakhs)	
										Capital Work in Progress	Grand Total
Gross Block											
As at 1st April 2020	-	211.71	1,756.22	374.08	315.59	276.80	1,453.47	159.62	4,547.49	-	4,547.49
Additions for the year	-	-	-	-	-	-	10.15	-	10.15	-	10.15
Disposals	-	-	(1,717.96)	(374.08)	(192.43)	(234.78)	-	-	(2,519.25)	-	(2,519.25)
At 31st March 2021	-	211.71	38.26	-	123.16	42.02	1,463.62	159.62	2,038.39	-	2,038.39
Additions for the year	-	-	-	-	-	-	75.49	0.82	76.31	-	76.31
Capitalized during the year	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(78.96)	(39.89)	(123.81)	(6.28)	(248.94)	-	(248.94)
Transfer to Right of Use Assets	-	-	-	-	-	-	-	-	-	-	-
At 31st March 2022	-	211.71	38.26	-	44.20	2.13	1,415.30	154.16	1,865.76	-	1,865.76
Accumulated depreciation											
As at 1st April 2020	-	42.14	1,677.51	167.54	277.51	210.53	1,023.01	93.42	3,491.66	-	3,491.66
Depreciation for the year	-	8.49	65.64	16.78	7.91	21.02	120.98	12.46	253.28	-	253.28
Disposals	-	-	(1,717.65)	(184.33)	(188.90)	(205.34)	-	-	(2,296.22)	-	(2,296.22)
Adjustment	-	0.07	-	-	-	-	(0.36)	(3.65)	(3.94)	-	(3.94)
At 31st March 2021	-	50.70	25.50	(0.01)	96.52	26.21	1,143.63	102.23	1,444.78	-	1,444.78
Depreciation for the year	-	8.49	8.30	-	6.33	2.25	70.39	12.19	107.95	-	107.95
Disposals	-	-	-	-	(62.14)	(26.64)	(112.38)	(6.28)	(207.44)	-	(207.44)
Adjustment	-	(0.02)	(1.56)	0.01	(6.20)	-	9.06	0.90	2.19	-	2.19
At 31st March 2022	-	59.17	32.24	-	34.51	1.82	1,110.70	109.04	1,347.48	-	1,347.48
Net Book Value											
At 31st March 2021	-	161.01	12.76	0.01	26.64	15.81	319.99	57.39	593.61	-	593.61
At 31st March 2022	-	152.54	6.02	-	9.69	0.31	304.60	45.12	518.28	-	518.28

Notes:

- Building situated at Dehradun given as security against bill discounting, bank guarantee and limit taken from a bank. This Building is pending transfer in the name of the Company in pursuance to Scheme of Arrangement became applicable from appointment dated 1st April, 2017.

3A. Right of Use Assets

Particulars	(Amount in ₹ Lakhs)	
		Lease hold Land
As at 01 st April 2020	-	133.16
Addition for the year	-	-
Disposals	-	-
As at 31st March 2021	-	133.16
Addition for the year	-	-
Disposals	-	-
As at 31st March 2022	-	133.16
Accumulated amortisation		
As at 01st April 2020	-	(10.38)
Amortisation for the year	-	(4.25)
As at 31st March 2021	-	(14.63)
Amortisation for the year	-	(4.26)
As at 31st March 2022	-	(18.89)
Net Block		
As at 31 st March 2021	-	118.53
As at 31st March 2022	-	114.27

Above leasehold land situated at Dehradun given as security against bill discounting, bank guarantee and limit taken from a bank. This leasehold land is pending transfer in the name of the Company in pursuance to Scheme of Arrangement became applicable from appointment dated 1st April, 2017.

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

4 Investment Property

Particulars	(Amount in ₹ Lakhs)					
	Free hold land	Lease hold land	Building	Office Equipment's	Furniture and Fittings	Total
Gross Block						
As at 1st April 2020	8.00	264.63	1,733.05	79.35	12.16	2,097.19
At 31st March 2021	8.00	264.63	1,733.05	79.35	12.16	2,097.19
At 31st March 2022	8.00	264.63	1,733.05	79.35	12.16	2,097.19
Accumulated depreciation						
As at 1st April 2020	-	119.50	317.36	75.28	8.90	521.04
Depreciation for the year	-	23.65	72.53	-	2.61	98.79
Adjustment	-	0.88	(3.28)	4.07	(1.32)	0.35
At 31st March 2021	-	144.03	386.61	79.35	10.19	620.18
Depreciation for the year	-	23.11	71.59	-	1.55	96.25
Disposals	-	-	-	-	-	-
Adjustment	-	-	0.09	-	-	0.09
At 31st March 2022	-	167.14	458.29	79.35	11.74	716.52
Net Book Value						
At 31st March 2021	8.00	120.60	1,346.44	-	1.97	1,477.01
At 31st March 2022	8.00	97.49	1,274.75	-	0.42	1,380.68

Notes:

a. Information regarding income and expenditure of Investment properties

	(Amount in ₹ Lakhs)	
	As at 31 st March 2022	As at 31 st March 2021
Rental income derived from investment properties	178.43	199.52
Less: Direct operating expenses (including repairs and maintenance) generating rental income	19.92	20.05
Less: Direct operating expenses (including repairs and maintenance) that did not generate rental income	13.94	13.97
Profit arising from investment properties before depreciation and indirect expenses	144.57	165.50
Less - Depreciation	96.25	98.79
Profit arising from investment properties before indirect expenses	48.32	66.71

b. The Company's investment properties as on 31st March 2022 and 31st March 2021 consist of two office property situated at Kolkata and Mumbai and one factory land and building situated at Rampur in Uttarpradesh. The management has determined the classification of investment properties based on nature, characteristics and risks of each property.

c. The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

d. Measurement of fair value

The fair value of investment properties situated at Mumbai and Kolkata has been determined on 09-05-2022 by external independent registered valuer defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The Company has considered fair value of balance investment properties determined on 30-03-2019 by external independent registered valuer, in the Opinion of management, there is no material change in the fair value of investment property since then. The fair value measurement for investment properties has been categorised as a level 3 fair value based on inputs to valuation techniques used (refer note 4 (e)). Fair value hierarchy disclosures have been given in note 39A.

e. Fair value of Investment Properties

	(Amount in ₹ Lakhs)	
	As at 31 st March 2022	As at 31 st March 2021
Fair Value of Investment Properties	4,413.00	4,254.00

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

f. Description of valuation techniques used and key inputs to valuation on investment properties:

Investment properties	Valuation technique	Significant unobservable Inputs
Office properties		
-Kolkata	Market Approach	Reference Pricing
-Rampur Land	Market Approach	Reference Pricing
-Rampur Building	Depreciated Replacement Cost	Reference Pricing
- Mumbai (Jogeshwari)	Market Approach	Reference Pricing

The market approach uses prices and other relevant information generated by market transactions involving identical or complete assets. Valuation techniques consistent with the market approach often use market multiples derived from a set of comparable. Multiples might be in ranges with a different multiple for each comparable. The selection of the appropriate multiple within range requires judgement, considering qualitative and quantitative factors specific to the remeasurement.

Depreciated Replacement cost method represents amount that would be required to replace carrying value of building i.e. current replacement cost.

Sale Comparison Method represents the amount that would be received to sell similar property in an orderly transaction between market participants less transaction cost to be incurred to execute the sell.

5 Intangible assets

Particulars	(Amount in ₹ Lakhs)				
	Intellectual Property Rights	Computer Software	Total	Intangible asset under development	Grand Total
Gross Block					
As at 1st April 2020	727.15	771.40	1,498.55	-	1,498.55
Additions for the year	-	7.50	7.50	164.96	172.46
Disposals	-	(23.30)	(23.30)	-	(23.30)
Adjustments	(12.89)	12.89	-	-	-
At 31st March 2021	714.26	768.49	1,482.75	164.96	1,647.71
Additions for the year	-	-	-	243.20	243.20
Capitalized during the year	396.30	-	396.30	(396.31)	(0.01)
At 31 March 2022	1,110.56	768.49	1,879.05	11.85	1,890.90
Accumulated amortisation					
As at 1st April 2020	223.52	743.79	967.31	-	967.31
Amortisation for the year	370.99	24.12	395.11	-	395.11
Disposals	-	(22.13)	(22.13)	-	(22.13)
Adjustment	(7.76)	10.75	2.99	-	2.99
At 31st March 2021	586.75	756.53	1,343.28	-	1,343.28
Amortisation for the year	40.71	7.82	48.54	-	48.54
Adjustment	(0.01)	(2.89)	(2.90)	-	(2.90)
At 31st March 2022	627.45	761.46	1,388.92	-	1,388.92
Net Book Value					
At 31st March 2021	127.51	11.96	139.47	164.96	304.43
At 31st March 2022	483.11	7.03	490.13	11.85	501.98

- Intangible assets under development includes manpower and other cost incurred for various internally developed softwares.
- During the previous year, the Company had reestimated balance useful life of one of the Intellectual property and based on such reestimation, the Company has amortised balance carrying value of ₹ 227.19 Lakhs at the year end.

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

5A Aging of Intangible assets under development as on March 2022

(Amount in ₹ Lakhs)

Intangible assets under development	Intangible assets under development as on 31st March 2022				Total
	Total				
	less than 1 Year	1-2 Year	2 to 3 years	More than 3 Years	
Projects in progress	11.85	-	-	-	11.85
Projects temporarily suspended	-	-	-	-	-

5A Aging of Intangible assets under development as on March 2021

(Amount in ₹ Lakhs)

Intangible assets under development	Intangible assets under development as on 31st March 2021				Total
	Total				
	less than 1 Year	1-2 Year	2 to 3 years	More than 3 Years	
Projects in progress	164.96	-	-	-	164.96
Projects temporarily suspended	-	-	-	-	-

5B Title deeds of following immovable properties not in name of company

(Amount in ₹ Lakhs)

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director, relative # of promoters*/director or employee of promoter/director	Property held since which date	Reason for not held in the name of the company
Property, plant & equipment	Land	133.16	Spice Money Limited	No	01-06-2019	Recording of the transfer in the land record /authorities record is yet to be done for these properties acquired from Spice Money Limited pursuant to scheme of arrangement.
Property, plant & equipment	Building	211.71	Spice Money Limited	No	01-06-2019	
Investment Property	Land	264.63	Spice Money Limited	No	01-06-2019	
Investment Property	Building	589.10	Spice Money Limited	No	01-06-2019	

6 Investments

(Amount in ₹ Lakhs)

Investments	Non current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Investment in equity instrument of subsidiaries (unquoted) (Carried at cost, unless otherwise stated)				
Spice Money Limited 43,451,475 (31 st March 2021: 43,451,475) equity shares of ₹10 each fully paid up	7,320.67	7,320.67	-	-
E-Arth Travel Solutions Private Limited 10000 (31 st March 2021: Nil) equity shares of ₹10 each fully paid up	1.00	-	-	-
Vikasni Fintech Private Ltd 5100(31 st March 2021: Nil) equity shares of ₹10 each fully paid up	0.51	-	-	-
Hindustan Retail Private Limited 422,380,000 (31 st March 2021: 422,380,000) equity shares of ₹10 each fully paid up	42,238.00	42,238.00	-	-
Less: Provision for Impairment	(42,238.00)	(42,238.00)	-	-

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

(Amount in ₹ Lakhs)

Investments	Non current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
S Mobility (HK) Limited 10,000 (31 st March 2021: 10,000) equity shares of HKD 1 each fully paid up	0.64	0.64	-	-
Less: Provision for Impairment	(0.64)	(0.64)	-	-
S Global Services Pte. Ltd 15,735,600 (31 st March 2021: 15,735,600) equity shares of SGD 1 each fully paid up	5,853.61	5,853.61	-	-
Less: Provision for Impairment	(5,000.00)	(5,000.00)	-	-
Spice Digital Bangladesh Limited 97,312 (31 st March 2021: 97,312) equity shares of Taka 100 each fully paid up	30.33	30.33	-	-
Digispice Nepal Pvt Limited # (Pending for Allotment)	-	-	-	-
Employee Stock Option Plan 2018 ('Plan') (Options granted to employees of subsidiaries) (refer note 38)	19.32	21.77	-	-
Investment in Preference shares of subsidiaries (unquoted) (Carried at cost, unless otherwise stated)				
Compulsory Convertible Preference share of Spice Money Limited 33,000,000 (31 st March 2021: Nil) 5% compulsory convertible Preference Shares of ₹ 10 each fully paid up	3,300.00	-	-	-
Investment in associates (Carried at cost, unless otherwise stated)				
Investment in associates (unquoted)				
Creative Functionapps Labs Pvt. Ltd 3,514 (31 st March 2021 : 3,514) equity share of ₹ 10 each	100.00	100.00	-	-
Less: Provision for Impairment*	(49.88)	(49.88)	-	-
Sunstone Learning Private Limited 95,058 (31 st March 2021 : 95,058) equity share of ₹ 1 each	814.88	814.88	-	-
Less: Provision for Impairment	(814.88)	(814.88)	-	-
Financial instrument carried at fair value through profit and loss				
Investment in equity instrument (unquoted)				
S Mobile Devices Private Limited 50,000 (31 st March 2021 : 50,000) equity shares of ₹10 each fully paid up	5.00	5.00	-	-
	11,580.55	8,281.49	-	-
Aggregated carrying amount of unquoted investments	11,580.55	8,281.49		
Aggregate amount of impairment in value of investments	48,102.90	48,102.90		

*In previous year, The Company has made provision of ₹ 49.88 lakhs towards impairment on investment in associate, being the difference in carrying amount and recoverable value.

The Company is in the process of seeking necessary approval under FEMA to subscribe 5,00,000 equity shares having face value of NPR 10 each which is equivalent to NPR 50,00,000 as at reporting date.

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

7 Loans - financial assets

	(Amount in ₹ Lakhs)			
	Non current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Secured, considered good				
Loan to a related party(refer note 36)	-	142.65	-	-
Unsecured Considered good				
Loan to a related party (refer note 36)	-	1,980.58	-	-
Loan to employees	1.08	3.77	1.62	4.98
	1.08	2,127.00	1.62	4.98
Unsecured Considered Credit impaired				
Loan to bodies corporate#	300.00	300.00	5,684.47	5,684.47
Advances recoverable in cash or kind **	-	-	404.92	404.92
	300.00	300.00	6,089.39	6,089.39
Allowances for Loss				
Loan to bodies corporate#	300.00	300.00	5,684.47	5,684.47
Advances recoverable in cash or kind **	-	-	404.92	404.92
	300.00	300.00	6,089.39	6,089.38
	1.08	2,127.00	1.62	4.99

Includes loans given to related party ₹ 1,039.32 Lakhs (31st March 2021: ₹ 1039.32 Lakhs), refer note 36** including advances given to related party ₹ 400 lakhs(31st March 2021: ₹ 400 Lakhs) refer note 36

8 Others- financial assets

	(Amount in ₹ Lakhs)			
	Non current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Considered good				
Receivable from related parties (refer note 36)				
Rent and other receivable	-	-	154.53	220.60
Interest accrued on inter-corporate loan	-	-	-	95.46
Dividend receivable from foreign subsidiary company	-	-	64.77	64.77
Security deposits	47.16	178.21	1.30	15.43
Receivable from others				
Interest accrued on fixed deposits	-	-	22.73	70.49
Interest accrued on inter-corporate loan	-	-	-	13.21
Rent and other receivables	-	-	1.10	18.92
Fixed deposits with remaining maturity of more than 12 months (Refer note 11 for fixed deposit pledged with bank)	1,857.03	180.00	-	-
	1,904.19	358.21	244.43	498.88
Considered doubtful				
Government and trust securities (unquoted)				
5 (31 st March 2021 : 5) National Saving Certificates of ₹10,000 each (Purchased in the name of an employee of the Company and pledged with sales tax department)	0.50	0.50	-	-
Security deposits	-	-	2.10	2.10
Interest accrued on inter-corporate loans to a related party (refer note 36)	-	-	63.93	63.93
Rent and other receivables - from related parties (refer note 36)	-	-	208.34	188.97

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

	(Amount in ₹ Lakhs)			
	Non current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Rent and other receivables - from others	-	-	22.58	22.23
	0.50	0.50	296.95	277.23
Allowances for doubtful				
Less: Provision for Impairment	0.50	0.50	-	-
Security deposits	-	-	2.10	2.10
Interest accrued on inter-corporate loans to a related party (refer note 36)	-	-	63.93	63.93
Rent and other receivables - from related parties (refer note 36)	-	-	208.34	188.97
Rent and other receivables - from others	-	-	22.58	22.23
	0.50	0.50	296.95	277.23
	1,904.19	358.21	244.43	498.88

9 Trade receivables

	(Amount in ₹ Lakhs)			
	Non current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Trade receivables from others	-	-	2,429.00	3,785.27
Trade Receivables from related parties (refer note 36)	-	-	4,923.67	5,092.43
Trade Receivables-Unbilled from others	-	-	1,165.37	1,039.60
Trade Receivables-Unbilled from related parties(refer note 36)	-	-	173.06	55.54
Less: Provision for Credit Impaired	-	-	(5,663.38)	(5,858.94)
Total receivables	-	-	3,027.72	4,113.90
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	1,689.29	3,018.76
Trade Receivables-credit impaired	-	-	5,663.38	5,858.94
Trade Receivables-Unbilled from related parties(refer note 36)	-	-	173.06	55.54
Trade Receivables-unbilled	-	-	1,165.37	1,039.60
	-	-	8,691.10	9,972.84
Less: Loss Allowance*	-	-	(5,663.38)	(5,858.94)
Total trade receivables	-	-	3,027.72	4,113.90

* Including ₹ 4,154.91 Lakhs (₹ 4,145.11 Lakhs As on 31st March, 2021) from related parties.

For Trade receivable ageing as per schedule 3, refer note 9A

9A Trade Receivable Ageing as on March 2022 (From Due Date)

Category	(Amount in ₹ Lakhs)							
	Unbilled	Not Due	Less than 6 months	6 month-1 Year	1-2 Year	2-3 Years	More than 3 Year	Total
Undisputed Trade receivables - considered good	1,338.43	451.01	304.43	101.66	749.17	23.69	6.02	2,974.40
Disputed Trade Receivables - considered good	-	2.37	2.97	-	47.98	-	-	53.33
Undisputed Trade Receivables - credit impaired	-	-	69.08	64.58	42.99	159.01	5,327.72	5,663.38
Grand Total	1,338.43	453.38	376.48	166.24	840.14	182.71	5,333.74	8,691.10

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

9A Trade Receivable Ageing as on March 2021 (From Due Date)

(Amount in ₹ Lakhs)

Category	Unbilled	Not Due	Less than 6 months	6 month-1 Year	1-2 Year	2-3 Years	More than 3 Year	Total
Undisputed Trade receivables - considered good	1,095.14	427.46	1,575.33	300.57	671.33	-	44.06	4,113.90
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	0.65	27.19	40.82	267.29	161.69	5,361.31	5,858.95
Grand Total	1,095.14	428.11	1,602.52	341.39	938.62	161.69	5,405.37	9,972.84

10 Cash and cash equivalents

(Amount in ₹ Lakhs)

	As at 31st March 2022	As at 31st March 2021
Balance with banks :		
On current accounts	1,321.64	1,094.14
Cash on hand	1.53	1.53
	1,323.17	1,095.67

11 Bank balances other than (10) above

(Amount in ₹ Lakhs)

	As at 31st March 2022	As at 31st March 2021
Unclaimed dividend accounts- Earmarked balances	3.65	19.82
Deposits with remaining maturity of less than 12 months	1,135.09	1,712.47
Deposit held as security against borrowings/bank guarantee (remaining maturity of less than 12 months)	877.03	1,079.75
Deposits with remaining maturity of more than 12 months	1,857.03	180.00
	3,872.80	2,992.04
Amount disclosed under other non current financial assets (refer note 8)	(1,857.03)	(180.00)
	2,015.77	2,812.04

Deposit with banks earns interest at fixed rates based on bank deposit rates for the tenor of deposit at the time of placing the deposit.

12 Non current tax assets (Net)

(Amount in ₹ Lakhs)

	As at 31st March 2022	As at 31st March 2021
Advance income-tax (net of provision for taxation)	2,716.47	4,614.64
	2,716.47	4,614.64

13 Other assets

(Amount in ₹ Lakhs)

	Non current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Prepaid expenses	-	2.65	32.63	107.38
Prepaid rent	0.41	1.47	0.53	-
Balances with statutory / government authorities	-	-	34.76	23.60
Advance to suppliers/ service providers	-	-	0.06	0.06
	0.41	4.12	67.99	131.04

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

14. Deferred tax

Recognised deferred tax assets and liabilities

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

(Amount in ₹ Lakhs)

	Deferred tax assets		Deferred tax (liabilities)		Net deferred tax asset/(liabilities)	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Property, plant and equipment's and intangible assets: impact of difference between tax depreciation and depreciation/ amortisation recognised in books	-	-	(83.86)	(63.35)	(83.86)	(63.35)
Provisions for Impaired Credit	475.10	525.88	-	-	475.10	525.88
Provisions-employee benefits	91.30	120.29	-	-	91.30	120.29
Business Losses including Unabsorbed Depreciation	902.63	902.63	-	-	902.63	902.63
Other items	199.56	99.28	-	-	199.56	99.28
Deferred tax assets/ (liabilities)	1,668.59	1,648.08	(83.86)	(63.35)	1,584.73	1,584.73
MAT credit receivable	58.49	58.49	-	-	58.49	58.49
Net deferred tax assets/ (liabilities)	1,727.08	1,706.57	(83.86)	(63.35)	1,643.22	1,643.22

B. Movement in temporary differences

(Amount in ₹ Lakhs)

	As at 1st April, 2020	Recognised in profit or loss during 2020-21	Recognised in OCI during 2020-21	As at 31st March 2021	Recognised in profit or loss during 2021-22	Recognised in OCI during 2021-22	As at 31st March 2022
	(A)	(B)	(C)	(D=A+B+C)	(E)	(F)	(G=D+E+F)
Property, plant and equipment's and intangible assets	(206.03)	142.68	-	(63.35)	(20.51)	-	(83.86)
Provisions for Impaired Credit	684.01	(158.13)	-	525.88	(50.78)	-	475.10
Provisions-employee benefits	159.91	(39.62)	-	120.29	(28.99)	-	91.30
Business Losses including Unabsorbed Depreciation	836.03	66.60	-	902.63	-	-	902.63
MAT credit receivable	58.49	-	-	58.49	-	-	58.49
Other items	90.12	9.16	-	99.28	100.28	-	199.56
	1,622.53	20.69	-	1,643.22	-	-	1,643.22

Disclosed in the balance sheet as follows:

(Amount in ₹ Lakhs)

	As at 31st March 2022	As at 31st March 2021
Deferred tax assets	1,727.08	1,706.57
Deferred tax liabilities	83.86	63.35
Deferred tax assets (net)	1,643.22	1,643.22

Disclosed in the statement of profit and loss as follows:

(Amount in ₹ Lakhs)

	For the year ended on 31st March 2022	For the year ended on 31st March 2021
Tax income/(expense) during the year	-	20.69
Deferred tax impact OCI	-	-
Total	-	20.69

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

The Company offsets deferred tax assets and deferred tax liabilities if and only if it relate to income taxes levied by the same tax authority.

C. Unrecognised deferred tax assets

Particulars	(Amount in ₹ Lakhs)			
	As at 31 March 2022	Expiry date	As at 31 March 2021	Expiry date
Deferred tax assets				
Long term capital losses	2,107.45	31 st March 2023 to 31 st March 2026	2,110.04	31 st March 2022 to 31 st March 2026
Short term Capital loss	7.66	31 st March 2025 to 31 st March 2026	7.66	31 st March 2025 to 31 st March 2026
Business Losses	605.51	31 st March 2029 to 31 st March 2030	363.25	31 st March 2029
Unabsorbed depreciation	711.58		369.14	
Provision for Loss Allowances-Loan and other receivables	6,391.49		6,391.49	
Provision for Loss Allowances	3,955.61		3,968.64	
Provision for Impairment of Investment	48,103.40		48,103.40	
Total	61,882.70		61,313.64	

In pursuance to section 115BAA of the Income Tax Act, 1961 notified by Government of India through Taxation Laws (Amendment) Act 2019, the company has an irrevocable option of shifting to lower tax rate foregoing other tax incentives. The Company is having unabsorbed depreciation and unutilised MAT Credit and Business Losses accumulation as on the reporting date. MAT credit shall be available for utilization during FY 2024-25 to 2032-33. As per the projections, the company expects to utilize the MAT Credit and Business losses within prescribed period. In view of unabsorbed depreciation and MAT credit entitlement, the company has not exercised option under section 115 BAA of the Income Tax Act, 1961 and continue to recognise the taxes on income for the year as per the normal tax rate at which management expect to recover or settle the deferred tax. Company reviews the above position at each year end.

15. Equity share capital

	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Authorized		
413,500,000 (31 st March 2021: 413,500,000) equity shares of ₹ 3 each	12,405.00	12,405.00
Issued, subscribed and fully paid-up		
230,934,606 (31 st March 2021: 228,396,379) equity shares of ₹ 3 each	6,928.04	6,851.89
Less: Equity shares held by Independent Non-Promoter (Spice Employee Benefit) Trust / Independent Non-Promoters Trust (face value of 26,067,843 (31 st March 2021 :26,067,843) shares transferred to the trust pursuant to the Scheme of Amalgamation) (refer note 42)	782.04	782.04
	6,146.00	6,069.85

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

	Nos.	(Amount in ₹ Lakhs)
Outstanding at the end of the year as at 1 st April, 2020#	22,79,02,065	6,837.06
Add: Additional Share issued under ESOP Scheme 2018 (refer note 38)	4,94,314	14.83
Outstanding at the end of the year as at 31 st March, 2021#	22,83,96,379	6,851.89
Add: Additional Share issued under ESOP Scheme 2018 (refer note 38)	25,38,227	76.15
Outstanding at the end of the year as at 31st March, 2022	23,09,34,606	6,928.04

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

(b) Terms/ rights attached to equity shares

The Company has single class of equity shares having a par value of ₹ 3 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

(c) Shares held by holding company

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

	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Spice Connect Private Limited		
169,447,570 (31 st March 2021: 169,447,570) equity shares of ₹ 3 each fully paid	5,083.43	5,083.43

(d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31st March 2022		As at 31 March 2021	
	Nos.	% holding in the class	Nos.	% holding in the class
Equity shares of ₹ 3 each fully paid				
Spice Connect Private Limited	16,94,47,570	73.37%	16,94,47,570	74.19%
Mediatek India Technology Private Limited	1,24,74,701	5.40%	1,93,68,439	8.48%
Independent Non Promoter Trust	1,59,12,776	6.89%	1,59,12,776	6.97%

(e) Paid up share capital includes 38,083 equity shares allotted on 14th June, 2019 pursuant to Scheme of Arrangement (refer note no.38) without payment being received in cash. No share has been allotted by way of bonus shares during the period of five years immediately preceding the balance sheet date.

Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters for Financial year ended on 31st March, 2022 is as follows:

Promoter name	As at 31st March 2022		As at 31 March 2021		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Spice Connect Private Limited	16,94,47,570	73.37%	16,94,47,570	74.19%	0.00%
	169447570	73.37%	169447570	74.19%	0.00%

Disclosure of shareholding of promoters for Financial year ended on 31st March, 2021 is as follows:

Promoter name	As at 31st March 2021		As at 31 March 2020		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Spice Connect Private Limited	16,94,47,570	74.19%	16,94,47,570	74.35%	0.00%
	169447570	74.19%	169447570	74.35%	0.00%

Note: During the year, paid up share capital has been increased resulting change in percentage of shares held by the holding company, however, there is no change in number of shares held in comparison to previous year.

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

15A. Other equity

	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Capital redemption reserve	306.66	306.66
General reserve	6,101.11	6,101.11
Security premium	514.43	83.94
Capital reserve	429.35	429.35
Retained earnings	7,746.78	8,119.32
Trust shares (refer note 42)	161.19	161.19
Share Based Payment Reserve	474.61	659.60
Share Application Money	7.33	-
	15,741.46	15,861.17
a) Capital redemption reserve		
Balance as per the last financial statements	306.66	306.66
Add: Created during the year	-	-
Closing Balance	306.66	306.66
b) General reserve		
Balance as per the last financial statements	6,101.11	6,101.11
Closing Balance	6,101.11	6,101.11
c) Security premium		
Balance as per the last financial statements	83.94	-
Add: Premium received on shares issued under ESOP Scheme	260.15	50.67
Add: Transfer of Share based reserve on issue of shares under ESOP Scheme	170.34	33.27
Closing Balance	514.43	83.94
d) Capital reserve		
Balance as per the last financial statements	429.35	429.35
Add: Addition pursuant to Scheme of Arrangement	-	-
Closing Balance	429.35	429.35
e) Retained earnings		
Balance as per the last financial statements	8,119.32	8,576.00
Add: Profit/(loss) during the year	(385.02)	(402.66)
Add: Item of OCI for the year, net of tax	27.73	2.72
Add: ESOP issued to holding company' employees (refer note 38)	(15.25)	(56.74)
Closing Balance	7,746.78	8,119.32
f) Trust shares (refer note 42)		
Opening balance	161.19	161.19
Closing Balance	161.19	161.19
g) Share Based Payment Reserve		
Opening balance	659.60	602.57
Add: Share based payment expenses to employees of the Group	(14.65)	90.30
Less: Transfer of Share based reserve on issue of shares under ESOP Scheme	(170.34)	(33.27)
Closing Balance	474.61	659.60
e) Share Application Money		
Share Application money received under ESOP pending allotment*	7.33	-
	7.33	-
Total other equity	15,741.46	15,861.17

*Shares has been allotted on May 06, 2022 towards shares application money pending for allotment as on March 31, 2022.

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

16 Borrowings

	(Amount in ₹ Lakhs)			
	Non current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Secured				
Bill discounting facility from a bank (secured) (repayable on demand) \$	-	-	-	1,064.73
Limit from a bank (repayable on demand)	-	-	-	264.85
	-	-	-	1,329.58

\$ The bill discounting facility from a bank is secured by first and exclusive charge on current assets and movable assets of the Company, both present and future. Further, lien is marked on fixed deposits with bank to extent of 15% of bill discounting outstanding amount. The facility carries interest is 9.45 % linked with 12 M MCLR.

17 Trade payables

	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Trade payables		
-Due to Micro and Small Enterprises (refer note no 44)	2.79	4.90
-Due to Other than Micro and Small Enterprises*	4,149.26	3,568.90
Trade payable to related parties (refer note 36)	156.45	345.93
	4,308.50	3,919.73

*(including unbilled ₹ 2.25 lakhs of MSME and ₹ 1931.42 Lakhs of other than MSME(31st March 2021: ₹ 1.24 Lakhs of MSME and ₹ 1782.30 Lakhs for other than MSME)

For Trade Payable ageing as per schedule 3, refer note 17A

17A Trade payable Aging (MSME and Others) as on 31st March 2022 (From Posting date)

Particulars	Note	Outstanding for following periods from due date of payments						Total
		Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
1) MSME	A	-	-	2.79	-	-	-	2.79
2) Others	B	1,274.10	-	2,228.16	101.72	-	0.25	3,604.23
3) Disputed Dues - MSME	C	-	-	-	-	-	-	-
4) Disputed Dues - Others	D	701.48	-	-	-	-	-	701.48
Total		1,975.57	-	2,230.95	101.72	-	0.25	4,308.50

17A Trade payable Aging (MSME and Others) as on 31st March 2021 (From Posting date)

Particulars	Note	Outstanding for following periods from due date of payments						Total
		Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
1) MSME	A	-	-	4.90	-	-	-	4.90
2) Others	B	1,044.22	-	2,128.78	2.52	-	-	3,175.52
3) Disputed Dues - MSME	C	-	-	-	-	-	-	-
4) Disputed Dues - Others	D	739.31	-	-	-	-	-	739.31
Total		1,783.53	-	2,133.68	2.52	-	-	3,919.73

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

18 Other financial liabilities

	(Amount in ₹ Lakhs)			
	Non current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
At amortised cost				
Security deposits	13.13	10.47	35.47	35.47
Unpaid dividends	-	-	3.65	19.82
Employee related liabilities (includes salary payable and variable compensation)				
-to related parties (refer note 36)	-	-	25.14	21.88
-to other employees	-	-	285.30	237.36
	13.13	10.47	349.56	314.53

19 Provisions

	(Amount in ₹ Lakhs)			
	Non current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Provision for employee benefit				
Gratuity	258.95	299.27	6.94	8.10
Compensated absences	38.70	65.91	23.59	59.10
Provision for interest payable to MSME	-	-	0.71	0.70
	297.65	365.18	31.24	67.90

Movement of other provision:

	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
At the beginning of the year	-	160.00
Transferred to provision for loss allowance (Refer note no.7)	-	(160.00)
At the end of the year	-	-

20 Other liabilities

	(Amount in ₹ Lakhs)			
	Non current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Rent received in advance	-	16.40	-	-
Employee statutory deductions	-	-	15.56	18.89
TDS payable	-	-	106.85	127.97
Deferred revenue	-	-	31.88	76.68
Indirect taxes and duties payable	-	-	-	0.44
	-	16.40	154.29	223.98

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

21 Revenue from services

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Sale of hardware and software solution	249.32	282.27
Sales/rendering of services	11,002.98	10,840.53
	11,252.30	11,122.80

As per the terms of the contract with its customers, either all performance obligations are to be completed within one year from the date of such contracts or the Company has a right to receive consideration from its customers for all completed performance obligations. Accordingly, the Company has availed the practical expedient available under paragraph 121 of Ind AS 115 and dispensed with the additional disclosures with respect to performance obligations that remained unsatisfied (or partially unsatisfied) at the balance sheet date. Further, since the terms of the contracts directly identify the transaction price for each of the completed performance obligations, in all material respects, there are no elements of transaction price which have not been included in the revenue recognised in the financial statement. Further, there is no material difference between the contract price and the revenue from contract with customers.

22 Other income

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest on		
Income tax refund	317.65	293.88
Bank deposits	114.54	149.52
Loans	34.35	257.91
Rental Income	187.32	308.93
Net Profit on disposal of plant, property and equipment's	-	355.13
Unclaimed balances written back	153.86	128.09
Maintenance charges recovery	-	56.49
Reversal of provision for loss allowances	-	366.23
Miscellaneous income	-	0.47
	807.72	1,916.65

23 Cost of goods and services procured

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Goods and services procured	121.41	233.78
	121.41	233.78

24 Cost of services rendered

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Value added service charges	8,683.81	8,338.53
	8,683.81	8,338.53

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

25 Employee benefits expense

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Salaries, wages and bonus	1,800.77	2,133.86
Contribution to provident Fund and other fund	102.80	136.16
Gratuity expense (refer note 34)	54.30	70.29
Staff welfare expenses	22.89	17.09
Employee ESOP Compensation (refer note 38)	(27.36)	31.46
	1,953.40	2,388.86
Less: Capitalized as intangible assets/transferred to intangible under development	141.02	160.51
	1,812.38	2,228.35

26 Finance costs

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest Cost	22.74	38.81
Bill discounting charges	62.25	76.33
Other borrowing cost	9.02	9.37
	94.01	124.50

27 Depreciation and amortization expense

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Depreciation on property, plant and equipment (refer note 3)	107.95	253.28
Amortization on intangible assets (refer note 5)	48.54	395.11
Depreciation/Amortisation on investment property (refer note 4)	96.25	98.79
Depreciation on Right of use asset(refer note 3A)	4.26	4.25
	257.00	751.43

28 Other expenses

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Net Loss on foreign currency transactions and translations	1.99	68.51
Rent	103.19	244.03
Rates and taxes	19.76	16.18
Insurance	12.34	50.06
Repairs and maintenance		
-Buildings	2.35	6.45
-Others	34.55	51.95
Advertising and sales promotion	26.51	23.70
Net loss on disposal of plant, property and equipment's	39.28	-
Travelling and conveyance	347.70	370.13
Legal and professional fees	296.35	314.83
Payment to statutory auditors (refer note 29 A below)	12.10	12.25
Bank charges	2.94	12.50
Communication cost	221.94	168.87
Electricity charges	14.71	64.88

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Security and housekeeping expenses	21.19	57.14
Bad debts written off	400.31	155.36
Less :Provision for Loss Allowances	(195.56)	(155.36)
Provision for Doubtful rent and other receivables	40.94	91.71
Miscellaneous expenses	50.71	47.27
	1,453.30	1,600.49
Less: Capitalized as intangible assets/transferred to intangible under development	45.51	4.45
	1,407.79	1,596.04

29A. Payment to auditors

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
As auditor:		
Statutory audit fee	5.50	5.50
Tax audit fee	2.00	2.00
Limited reviews	3.00	3.00
Other services	1.45	1.75
Reimbursement of expenses	0.15	-
	12.10	12.25

29 B. Details of CSR expenditure

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
a. Gross amount required to be spent by the Company during the year	-	-
b. Amount spent during the year ending :		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-
ii) On purposes other than (i) above yet to be paid	-	-

30 Exceptional items

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Provision for diminution in the value of Investments	-	49.88
	-	49.88

31 Items of other comprehensive income that will not be reclassified to profit and loss

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Remeasurement gain of defined benefit plan	(27.73)	(2.72)
	(27.73)	(2.72)

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

32 Income Tax

The major components of income tax expense for the years ended 31st March 2022 and 31st March 2021 are:

A. Amount recognised in profit and loss:

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Current income tax:		
Current income tax charge	10.25	49.16
Adjustment in respect of current tax of previous year	58.39	91.13
Deferred tax		
Relating to origination and reversal of temporary differences	-	(20.69)
Income tax expense reported in the statement of profit or loss	68.64	119.58

B. Reconciliation of effective tax rate

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit/(loss) before tax	(316.38)	(283.07)
Tax using the Company's domestic tax rate (C.Y. 27.82% and PY 27.82%)	(88.02)	(78.75)
Adjustments in respect of current income tax of previous years	58.39	91.13
Tax impact related to Provision for Impairment of Investments	-	13.88
Tax impact on non deductible expenditures/provisions	(7.61)	-
Deferred tax assets not recognised on current year carry forward losses due to uncertainty involved	122.77	203.75
Foreign withholding taxes expensed off	10.25	49.16
Adjustment due to change in estimation in realisation of deferred tax assets and deferred tax assets on change in business losses claimed in Income Tax Return	-	(66.60)
Deferred tax impact of various items which allowance /disallowance taken in Income tax computation	5.71	(45.91)
Deferred tax not recognised on loss allowance on rent and other receivables	(11.39)	(25.51)
Others	(21.46)	(21.55)
Total Tax	68.65	119.59

33 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders (after adjusting impact on profit of dilutive potential equity shares) by the aggregate of weighted average number of equity shares outstanding during the year and the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computations:

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit/(Loss) attributable to equity holders of the Company:		
Profit/(loss) for the year	(385.02)	(402.66)
Profit/(Loss) attributable to equity holders of the Company	(385.02)	(402.66)
Weighted average (net) number of equity shares in calculating basic and diluted EPS	22,93,74,638	22,79,42,474
Weight Average no. of shares		
Weight Average no. of shares of opening shares	22,83,96,379	22,79,02,065
Weight Average no. of shares issued during the year	9,78,259	40,409
Total weighted Average no. of shares	22,93,74,638	22,79,42,474
Earnings per share		
Basic	(0.17)	(0.18)
Diluted	(0.17)	(0.18)

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

Diluted negative earnings per share is decreased when taking the vested ESOP options into account, hence ignored in the calculation of diluted earnings per share being anti-dilutive. Therefore, diluted earnings per share is equivalent to basic earning per share.

34. Employee Benefit

A. Defined Contribution Plan

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

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Employer's contribution to provident and other fund	102.80	136.16
Total	102.80	136.16

B. Defined Benefit Plan

The Company have a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months. The level of benefits provided depends on the member's length of service and salary at the time of departure.

The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the plans:

(i) Liability for defined benefit obligation as at Balance sheet date:

	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Gratuity plan	265.89	307.37
Total	265.89	307.37

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

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Current service cost	33.40	44.22
Interest cost on benefit obligation	20.90	26.07
Net benefit expense	54.30	70.29

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

	(Amount in ₹ Lakhs)	
	Gratuity	
	As at 31st March 2022	As at 31st March 2021
Opening defined benefit obligation	307.37	383.39
Transfer pursuant to scheme of Arrangement	-	(38.54)
Past service cost	-	-
Current service cost	33.40	44.22
Interest cost	20.90	26.07
Expenses Recognised in Profit and loss statement	54.30	70.29
Benefits paid	(68.04)	(105.05)
Actuarial (gain)/loss arising from change in financial assumption	(12.08)	-

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

	(Amount in ₹ Lakhs)	
	Gratuity	
	As at 31st March 2022	As at 31st March 2021
Actuarial (gain)/loss arising from experience adjustment	(15.65)	(2.72)
Actuarial (gain)/loss arising from Change in Demographic Assumption	-	-
Total Change in defined benefit obligation due to change in actuarial losses/(gains) recognised in OCI	(27.73)	(2.72)
Closing defined benefit obligation	265.89	307.37

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

	As at 31st March 2022	As at 31st March 2021
Discount rate	7.18%	6.80%
Future salary increase	8.00%	8.00%
Retirement age	58 Years	58 Years
Employee turnover		
- Upto 30 years	4.00%	4.00%
- 31-44 years	4.00%	4.00%
- Above 44 years	1.00%	1.00%
Mortality rate	100% of IALM	

(v) A quantitative sensitivity analysis for significant assumption as at 31st March 2022 is as shown below:

	Amount in ₹ Lakhs			
	As at 31st March 2022		As at 31st March 2022	
	Discount Rate		Future Salary Increase	
Sensitivity level	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Increase/(decrease) on defined benefit obligation	-14.98	16.26	16.06	(14.94)

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

	Amount in ₹ Lakhs			
	As at 31st March 2021		As at 31st March 2021	
	Discount Rate		Future Salary Increase	
Sensitivity level	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Increase/(decrease) on defined benefit obligation	-19.29	21.10	20.76	(19.16)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

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

	(Amount in ₹ Lakhs)	
	Gratuity	
	As at 31st March 2022	As at 31st March 2021
Within the next 12 months (next annual reporting period)	6.94	8.10
Between 2-5 Years	62.46	56.79
Between 5-10 years	4.59	19.89
Beyond 10 years	191.90	222.59
Total expected payments	265.89	307.37

The average duration of the defined benefit plan obligation at the end of the reporting period is 21.12 years (31st March 2021: 22.80 years).

35A. Lease Disclosure

1. Company as a Lessee

The Company has charged following amount in the statement of profit and loss:

Particulars	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Short Term leases	91.48	230.33
Leases of low value assets	11.71	13.70
Total	103.19	244.03

2. Company as a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Company does not have any significant impact on account of sub-lease on the application of this standard. The details of the right-of-use asset held by the Company is as follows:

The Company has leased out a portion of the office premises on operating lease. The lease term is for 11 months and thereafter renewable on mutual agreement. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements.

Property situated at	Date of Agreement	Lease Term	Lock in Period	Other Terms
Rampur	14-Oct-19	9 Years	-	Cancellable
Kolkata	01-Feb-22	11 Months	-	
Mumbai	14-Oct-19	9 Years	2 years	cancelled on 31 st Dec 2021

The Company has recognised rent income under the head of other income as follows:

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Rent received during the year	187.32	308.93

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

35 B. Commitments and contingencies

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ Nil (31st March 2021: ₹ Nil).

35 C. Contingent liabilities

Demands and claims from government authorities

	(Amount in ₹ Lakhs)	
	Gratuity	
	As at 31st March 2022	As at 31st March 2021
1. Demand from excise/ service tax authorities		
a) Demand Includes penalty ₹ 56.96 Lakhs (31 March 2021: ₹ 56.96 Lakhs) in respect of non-registration of corporate office as a input service distributor and availment of input service CENVAT credit.	233.58	223.28
2. Demands raised by income tax authorities		
a) Income Tax Demand of ₹ 246.28 Lakhs (including interest) on enhancement of income by AO under section 40(a)(la) of the Income tax Act, 1961 for not deducting TDS under section 194C of the Act on reimbursement of expenses for the assessment year 2009-10 against which the Company has filled SLP in the Supreme Court.	246.28	246.28
3. Others		
a) Demand of Interest on late payment by one of the vendor, disputed by the Company	113.29	113.29
b) One Vendor has filed a recovery suit against Spice Labs Pvt Ltd. (since merged with DigiSpice Technologies Limited) for terminating the Master Service Agreement for getting the premises on lease for its office space ,during the lock-in period.The Company has disputed the claim of vendor and contended that the termination has been made by vendor, not by Company.	54.88	54.88
	648.03	637.73

35 D. Other Disputed matters, not considered as contingent liabilities

- (i) Income Tax Demand being disputed by the Company, pertaining to enhancement of income by ₹ 423.39 Lakhs having income tax impact(incl. Interest) of ₹ 149.36 lakhs relating to Assessment Year 2010-11 has been remanded back by ITAT to AO during in an earlier year and the assessment was not been completed as at 31st March 2022.
- (ii) Income Tax Demands being disputed by the Company, pertaining to enhancement of income by ₹ 1,594.73 Lakhs having income tax impact (inc. interest) of ₹ 685.42 Lakhs relating to Assessment Year 2011-12 has been remanded back by ITAT to AO in an earlier year and the assessment was not been completed as at 31st March 2022.

The Income Tax Department has adjusted income tax refund of ₹ 395.63 lakhs against these demands.

Based on technical/legal advise, the Company has fair chances of success in all these cases and thus chances of liability devolving on the Company is not probable and hence no provision in respect thereof has been made in the books.

36. Related party transactions

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

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

Entity with significant influence:

Ultimate Holding Company	Smart Global Corporate Holding Private Limited
Holding Company	Spice Connect Private Limited
Subsidiaries including step down subsidiaries	Spice Money Limited
	New Spice Sales and Solutions Limited
	Hindustan Retail Private Limited
	Kimaan Exports Private Limited
	Cellucom Retail India Private Limited
	S Global Services Pte. Ltd
	Spice VAS (Africa) Pte. Ltd.
	Digispice Nigeria Limited (formerly known as "Spice Digital Nigeria Limited")
	Beoworld SDN. BHD
	Digispice Uganda Limited (formerly known as "Spice VAS Uganda Limited")
	Spice VAS Kenya Limited
	S Mobility (HK) Limited
	S Mobility Pte. Ltd
	Digispice Ghana LTD (formerly known as "Spice VAS Ghana LTD")
	Digispice Zambia Limited (formerly known as "Spice VAS Zambia Limited")
	Ziiki Media SA (Pty) Ltd (formerly known as Spice Digital South Africa (Pty) (till 06 February 2019)
	Digispice Tanzania Limited (formerly known as "Spice VAS Tanzania Limited")
	Spice Digital Bangladesh Limited
	PT Spice Digital Indonesia Limited
	Omnia Pte. Ltd
	Spice VAS RDC
	Spice Digital FZCO
	Fast Track IT Solutions Limited (wef 27 th November 2018)
	Digispice Nepal Pvt. Limited (w.e.f 21 January 2019)
	E-arth Travel Solutions Private Limited (w.e.f. 6 th August,2021)
	Vikasni Fintech Private Limited (w.e.f. 1 st Novmeber,2021)
Names of other related parties with whom transactions have taken place during the year	
Fellow subsidiaries	Wall Street Finance Limited
Key Management Personnel (KMP)	Mr. Dilip Modi (Non Executive Chairman)
	Mr. Subramanian Murali (Non Executive Director)
	Ms. Rashmi Aggarwal (Independent Director)
	Mr. Mayank Jain (Independent Director)
	Mr. Suman Ghose Hazra (Independent Director)
	Ms. Preeti Das- Chief Executive Officer (upto 4 th May 2020)
	Mr. Rohit Ahuja Executive Director (w.e.f. 5 th May 2020)
	Mr. Deepak Mehta- Chief Financial Officer (w.e.f 04 February 2020 till 30 th May 2020)
	Mr. Ravindra Sarawagi- Chief Financial officer (w.e.f. 26 th June 2020 till 14 th Dec 2020)
	Mr. Vinit Kishore-Chief Financial Officer (w.e.f. 12 th Feb 2021)
	Mr. M R Bothra- Vice President- Corporate Affairs and Company Secretary,(upto 14 th April,2022)
Associates of the Company	Creative Function Apps Labs Private Limited, an associate of the company
	Sunstone Learning Private Limited , an associate of the company
	Ziiki Media SA (Pty) Ltd (formerly known as Spice Digital South Africa (Pty) Limited), an associate of the company (till 30 th June 2020)
Other Related Parties	Bharat BPO Services Limited

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

Particulars	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Revenue from services	328.05	695.15
Omnia Pte. Ltd	79.37	136.31
Spice Digital Bangladesh Limited	-	2.16
Spice Money Limited	61.39	75.94
Spice Digital FZCO	(14.79)	19.85
Digispice Nepal Pvt. Limited	(97.92)	62.07
Spice VAS (Africa) Pte. Ltd.	300.00	398.82
Remuneration	301.23	258.27
Ms. Preeti Das	-	93.73
Mr.M.R. Bothra [®]	164.28	56.08
Mr. Deepak Mehta	-	16.22
#Mr. Rohit Ahuja*	81.09	57.87
Mr. Ravindra Sarawagi	-	28.69
Mr. Vinit Kishore	55.86	5.68
[®] Including ₹107.66Lakh Perquisite for ESOP Share issued		
Director sitting Fees*	22.75	13.00
Mr. Suman Ghosh Hazra	9.00	5.75
Ms. Rashmi Aggarwal	9.25	5.50
Mr. Mayank Jain	4.50	1.75
*excluding Service Tax/GST.		
Shares issued under ESOP during the year.	82.81	-
Mr.Subramanian Murali (Non Executive Director)	29.81	-
Mr.M.R.Bothra	53.00	-
Cost of services rendered	3.36	355.36
S Global Services Pte. Ltd	3.36	74.86
Bharat BPO Services Limited	-	280.50
Miscellaneous Expenses	17.46	-
Wall Street Finance Limited	17.46	-
Rent Income	107.12	196.65
Spice Connect Private Limited	1.80	6.98
Kimaan Exports Private Limited	1.80	1.80
Spice Money Limited	1.80	59.30
Smart Global Corporate Holding Private Limited	101.72	128.57
Rent Expenses	86.65	226.85
Kimaan Exports Private Limited	57.50	180.02
Spice Money Limited	29.15	46.83
Interest Income	33.74	256.74
New Spice Sales and Solutions Limited	-	31.50
Spice Money Limited	26.05	210.98
Bharat BPO Services Limited	7.69	14.26
Reimbursement of Expenses (recovered)	65.77	167.76
Omnia Pte. Ltd	-	18.62
Spice Money Limited	65.77	149.14
Reimbursement of Expenses (provided)	41.01	36.10
Spice Money Limited	41.01	36.10
Expenses Recoverable (Fully Provided for Doubtful)	19.36	48.05
Hindustan Retail Private Limited	5.25	0.25
Cellucom Retail India Private Limited	11.22	0.25
New Spice Sales and Solutions Limited	-	42.21

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

Particulars	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
S Mobility (HK) Limited.	2.89	5.34
Investment in equity instruments	1.51	-
E-Arth Travel Solutions Pvt Limited	1.00	-
Vikasni Fintech Private Ltd.	0.49	-
Spice Money Limited (shares purchased of Vikasni Fintech Private Limited)	0.02	-
Investment in Compulsory Convertible Preference shares	3,300.00	-
Spice Money Limited	3,300.00	-
Provision made/(reversed) for doubtful debts, loans and other receivables	9.81	(17.62)
New Spice Sales and Solution Limited-Trade Receivable	-	(94.27)
New Spice Sales and Solution Limited-Loan Receivable	-	160.00
New Spice Sales and Solution Limited-Interest Receivable	-	43.55
Spice Digital bangladesh Limited	9.81	(65.25)
Hindustan Retail Private Limited	-	-
Bharat BPO Services Limited	-	(61.65)
Cellucom India Private Limited	-	-
Provision made for liability payout of subsidiary	-	(160.00)
New Spice Sales and Solution Limited-Loan Receivable	-	(160.00)
Loan received back during the year	155.84	-
Hindustan Retail Private Limited	-	-
Bharat BPO Services Limited	155.84	-
Movement in money receivable on implementation of scheme	1,980.58	797.88
Spice Money Limited	1,980.58	797.88
Provision for Impairment provided	-	49.88
Creative Function Apps Labs Private Limited	-	49.88
Billing done by Spice Money Limited on behalf of the Company for the intervening period pursuant to scheme of arrangement	-	232.75

Outstanding balances at the end of year/period	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Receivables	4,923.67	5,220.37
New Spice Sales and Solution Limited-Loan Receivable	3,237.43	3,237.43
Spice Digital Bangladesh Limited	718.18	708.38
Spice Digital FZCO	21.08	-
Spice VAS (Africa) Pte. Ltd.	4.38	123.07
Digispice Nepal Pvt. Limited	713.35	773.23
Omnia Pte. Ltd	0.32	117.31
Bharat BPO Services Limited	199.30	260.95
Spice Money Limited	29.63	-
Provision for doubtful receivables	4,154.91	4,145.11
New Spice Sales and Solution Limited-Loan Receivable	3,237.43	3,237.43
Spice Digital Bangladesh Limited	718.18	708.38
Bharat BPO Services Limited	199.30	199.30
Payables	156.45	345.93
S Global Services Pte. Ltd	124.77	121.41
Kimaan Exports Private Limited	14.77	47.38

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

	(Amount in ₹ Lakhs)	
Outstanding balances at the end of year/period	As at 31st March 2022	As at 31st March 2021
Wall Street Finance Limited	0.15	1.52
Zikki Media Private Limited	15.99	13.85
Bharat BPO Services Limited	0.77	161.77
Loan receivable and money and advance receivable	1,439.32	3,562.55
New Spice Sales and Solution Limited-Loan Receivable	471.57	471.57
Hindustan Retail Private Limited	567.75	567.75
Bharat BPO Services Limited	-	142.65
Bharat BPO Services Limited- unsecured loan	400.00	400.00
Spice Money Limited	-	1,980.58
Provision for doubtful loans/Advances	1,439.32	1,439.33
New Spice Sales and Solution Limited-Loan Receivable	471.57	471.57
Hindustan Retail Private Limited	567.75	567.76
Bharat BPO Services Limited	400.00	400.00
Corporate Guarantee given by	572.60	572.60
Spice Money Limited	572.60	572.60
Unbilled revenue	173.06	55.54
Spice Digital Bangladesh Limited	-	0.36
Digispice Nepal Pvt. Limited	-	22.94
Spice Digital FZCO	11.15	19.85
Spice Money Limited	7.54	12.39
Omnia Pte. Ltd	79.37	-
Spice VAS (Africa) Pte. Ltd.	75.00	-
Provision for diminution in the value of investments / share application money	48,103.40	48,103.40
Hindustan Retail Private Limited	42,238.00	42,238.00
S Global Services Pte. Ltd	5,000.00	5,000.00
S Mobility (HK) Limited	0.64	0.64
Sunstone Learning Pvt. Ltd.	814.88	814.88
Creative Function Apps Labs Pvt. Ltd.	49.88	49.88
Other Receivable	362.99	409.58
Spice Money Limited	-	164.80
New Spice Sales & Solutions Limited	164.63	164.63
Hindustan Retail Private Limited	9.72	6.62
Cellucom Retail India Private Limited	25.76	18.77
Smart Global Corporate Holding Pvt Ltd.	154.65	49.42
S Mobility (HK) Limited	8.23	5.34
Provision for doubtful other receivables	208.34	188.97
New Spice Sales and Solution Limited-Loan Receivable	164.63	164.63
Hindustan Retail Private Limited	9.72	4.46
Cellucom Retail India Private Limited	25.76	14.54
S Mobility (HK) Limited	8.23	5.34
Interest receivable fully provided	63.93	63.93
New Spice Sales and Solution Limited-Loan Receivable	63.93	63.93
Interest accrued but not received	-	108.67
Spice Money Limited	-	95.46
Bharat BPO Services Limited	-	13.21
Dividend receivable	64.77	64.77
Spice Digital Bangladesh Limited	64.77	64.77

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

	(Amount in ₹ Lakhs)	
Outstanding balances at the end of year/period	As at 31st March 2022	As at 31st March 2021
Payables to KMP	25.14	21.88
Mr. Rohit Ahuja	4.39	4.49
Mr Ravindra Sarawagi	-	3.82
Mr. M R Bothra	10.15	10.58
Mr. Vinit Kishore	10.60	2.99

	(Amount in ₹ Lakhs)	
Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Break up of remuneration	301.23	271.27
- Short term employee benefits*	193.57	260.45
- Long term employee benefits	-	-
-Share based payment	107.66	-
- Other Long term employee benefits	-	-
- Post employment benefits **	-	10.82

The Company has granted Stock Options to eligible employees, including Executive Directors and certain KMPs, under its Employee Stock Option Schemes, 2018 [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014] (refer note no. 38). Since such Stock Options are not tradeable, no perquisite or benefit is immediately conferred upon the employee by grant of such Stock Options and accordingly the said grants have not been considered as remuneration. However, in accordance with Ind AS -102 'Share-based Payment', the Company has recorded employee benefits expense by way of share based payments to employees is attributable to Executive Directors and certain KMPs.

* Include payment made towards compensated absences of ₹11.55 Lakhs (31st March 2021: 11.52 lakhs) during the year against the provisions made in earlier years.

** Include payment made towards gratuity of ₹ NIL (31st March 2021: 10.82 lakhs) during the year against the provisions made in earlier years.

In Previous year, appointment and remuneration was subject to the approval of shareholder

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free (except for loan given) and settlement occurs in cash. This assessment for impairment of receivables relating to amounts owed by related parties is undertaken each financial year through examining the financial position of the related parties.

37. Segment information

Information about geographical areas

The board of directors of the Company which have been identified as being the chief operating decision maker (CODM), evaluate the Company's performance. Based on identical services the Company deals in, which have similar risks and rewards, the entire business has been considered as a single segment i.e. Digital Technology Services (DTS) which includes Technology services and Value Added Services, in terms of Ind AS-108 on segment reporting.

The following table provides an analysis of the Company's sales by geography in which the customer is located, irrespective of the origin of the goods.

Secondary Segment Reporting (by Geographical Segments)

Secondary Segment Reporting (by Geographical Segments)

	(Amount in ₹ Lakhs)	
Geographical Segment	31st March 2022	31st March 2021
Revenue from the Domestic market	10,895.40	10,362.44
Revenue from the Overseas markets	356.90	760.36
Total Revenue	11,252.30	11,122.80

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

There are one major external customer (previous year -one external customers) where their individual revenue exceeds more than 10% of the entity's revenue.

All non current assets are situated in India as on 31 March, 2022 and 31 March, 2021.

38. Share-based payments

The Company has granted stock options under the SML Employees stock option Plan 2018 (ESOP) to the eligible employees of the Company. Under ESOP, the company has granted 21,381,000 options on 18th September, 2018 and 3,439,000 options on 5th February, 2019. 40%, 30% and 30% of total options granted would vest in after one year, two year and three year from the date of respective grant subject to fulfilment of vesting conditions. The maximum period for exercise of options is three year from the date of vesting. Each option when exercised would be converted into one fully paid-up equity share of ₹3 each of the Company. The options granted under ESOP carry no rights to dividends and voting rights till the date of exercise.

The fair value of the options are estimated at the grant dates using Black and Scholes Model, taking into account the terms and conditions upon which the options were granted.

During the year, certain unvested options were cancelled on non-fulfilment of certain vesting conditions under ESOP. As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at 31st March 2022		As at 31st March 2021	
	No of Options	Weighted Average exercise price (₹)	No of Options	Weighted Average exercise price (₹)
Options outstanding at the beginning of the year (1)	1,03,50,186	-	1,14,82,250	-
Options granted under ESOP 2018 (2)	-	-	-	-
Options exercised during the year	25,38,227	-	4,94,314	-
Options cancelled during the year	7,53,300	13.25	6,37,750	13.25
Options expired during the year	-	-	-	-
Options outstanding at the end of the year (3)	70,58,659	13.25	1,03,50,186	13.25
Options exercisable at the end of the year	70,58,659	13.25	1,03,50,186	13.25
Range of exercise price of outstanding options (₹)	13.25	-	13.25	-
Remaining contractual life of outstanding options granted on September 18, 2018	0.47 years (40% vesting)	-	1.47 years (40% vesting)	-
	1.47 years (30% vesting)	-	2.47 years (30% vesting)	-
	2.47 years (30% vesting)	-	3.47 years (30% vesting)	-
Remaining contractual life of outstanding options granted on February 05, 2019	0.85 years (40% vesting)	-	1.85 years (40% vesting)	-
	1.85 years (30% vesting)	-	2.85 years (30% vesting)	-
	2.85 years (30% vesting)	-	3.85 years (30% vesting)	-

- 1) a) Options outstanding at the beginning of the current year includes 52,32,000 options hold by employees of Holding company (48,93,000 options) and subsidiary companies (3,39,000 options).
- b) Options outstanding at the beginning of the previous year includes 52,86,750 options hold by employees of Holding company (48,95,000 options) and subsidiary companies (3,91,750 options).
- 2) a) Current Year- Options Exercised includes 4,62,500 options granted to employees of Holding company (4,62,500 options) and subsidiary Companies (Nil).
- b) Previous Year- Options Exercised includes 2,000 options granted to employees of Holding company (2,000 options) and subsidiary Companies (Nil).
- 3) a) Current Year- Options cancelled includes 42,000 options granted to employees of Holding company (Nil options) and subsidiary Companies (42,000 options).
- 4) a) Current year Options outstanding at the end of the year includes options 47,27,500 options hold by employees of Holding company (44,30,500 options) and subsidiary Companies (2,97,000 options).
- b) Previous year Options outstanding at the end of the year includes options 52,32,000 options hold by employees of Holding company (48,93,000 options) and subsidiary Companies (3,39,000 options).

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

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

Particulars	As at 31st March 2022	
	18th September, 2018	5th February, 2019
No of options outstanding at the end of the year	70,43,859	14,800
Dividend yield (%)	-	-
Expected life	2.50,3.50 and 4.50 yrs.	2.50,3.50 and 4.50 yrs.
Risk free interest rate (%)	8.06% (2.50 yrs.) 8.11% (3.50 yrs.) 8.23% (4.50 yrs.)	7.02% (2.50 yrs.) 7.27% (3.50 yrs.) 7.42% (4.50 yrs.)
Expected Volatility (%)	62.56%	69.49%
Market price on date of grant/re-pricing (₹)	13.25	9.70
Weighted Average Fair Value of option at grant date	6.73	4.43

39A. Fair value

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

Financial assets	As at 31st March 2022		As at 31st March 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non current assets measured at amortized cost except non-current investment				
-Equity and other investment (excluding investment in subsidiaries, joint venture and associates) measured at FTPL	24.32	24.32	26.77	26.77
-Loans and advances	1.08	1.08	2,127.00	2,127.00
-Other financial assets	1,904.19	1,904.19	358.21	358.21
Total non current assets	1,929.59	1,929.59	2,511.97	2,511.98
Current assets measured at amortized except current investment				
-Current investment measured at FTPL	-	-	-	-
-Trade receivables	3,027.72	3,027.72	4,113.90	4,113.90
-Cash and cash equivalents	1,323.17	1,323.17	1,095.67	1,095.67
-Bank balances other than above	2,015.77	2,015.77	2,812.04	2,812.04
-Loans and advances	1.62	1.62	4.99	4.99
-Other financial assets	244.43	244.43	498.88	498.88
Total current assets	6,612.72	6,612.72	8,525.49	8,525.49
Total financial assets	8,542.29	8,542.29	11,037.46	11,037.46
Financial liabilities				
Non current liabilities measured at amortized cost				
-Borrowings	-	-	-	-
-Other financial liabilities	13.13	13.13	10.47	10.47
Total non current liabilities	13.13	13.13	10.47	10.47
Current liabilities measured at amortized cost				
-Borrowings	-	-	1,329.58	1,329.58
-Trade payables	4,308.50	4,308.50	3,919.73	3,919.73
-Other financial liabilities	349.56	349.56	314.54	314.54
Total current liabilities	4,658.06	4,658.06	5,563.85	5,563.85
Total financial liabilities	4,671.18	4,671.18	5,574.32	5,574.32

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

39B. Fair value hierarchy

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2022:

Fair value measurement using

	(Amount in ₹ Lakhs)			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
-Equity and other non-current investment (excluding investment in subsidiaries, joint venture and associates)	24.32	-	-	24.32
-Current investment	-	-	-	-
Total	24.32	-	-	24.32
Assets for which fair values are disclosed :				
Investment properties (Note 4)	4,413.00	-	-	4,413.00
Non current assets				
-Loans and advances	1.08	-	-	1.08
-Other financial assets	1,904.19	1,904.19	-	-
Total non current assets	1,905.26	1,904.19	-	1.08
Current assets				
-Loans and advances	1.62	-	-	1.62
-Other financial assets	244.43	-	-	244.43
Total current assets	246.05	-	-	246.05

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

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

- Borrowings are evaluated by the Company based on parameters such as interest rates and specific country risk factors.

- The fair value of other financial liabilities, obligations under finance leases, is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

- The fair values of the FVTPL quoted financial investments are derived from quoted market prices in active markets.

- The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. No own non-performance risk as at 31st March 2022 was assessed.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31st March 2022:

	(Amount in ₹ Lakhs)			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities disclosed at fair value:				
Non current liabilities				
-Borrowings	-	-	-	-
-Other financial liabilities	13.13	-	-	13.13
Total non current liabilities	13.13	-	-	13.13
Current liabilities				
-Other financial liabilities	349.56	-	-	349.56
Total Current liabilities	349.56	-	-	349.56

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2021:

Fair value measurement using

	(Amount in ₹ Lakhs)			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
-Equity and other investment (excluding investment in subsidiaries, joint venture and associates)	26.77	-	-	26.77
-Current investment	-	-	-	-
Total	26.77	-	-	26.77
Assets for which fair values are disclosed:				
Investment properties (Note 4)	4,254.00	-	-	4,254.00
Non current assets				
-Loans and advances	2,127.00	-	-	2,127.00
-Other financial assets	358.21	358.21	-	-
Total non current assets	2,485.21	358.21	-	2,127.00

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

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

	(Amount in ₹ Lakhs)			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities disclosed at fair value:				
-Borrowings	-	-	-	-
-Other financial liabilities	10.47	-	-	10.47
Total non current liabilities	10.47	-	-	10.47

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

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

40. Financial risk management objectives and policies

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets include loans, trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations. The Company also holds FVTPL investments and investment in subsidiary companies, associates and a joint venture measured at cost, unless otherwise as stated.

The Company is exposed to market risk, credit risk and liquidity risk. The senior management of the Company advises on financial risks and the appropriate financial risk governance framework. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarised below.

1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments. The Company is not effected by commodity risk.

Interest rate sensitivity calculated on borrowing and interest bearing deposits from customers. The impact of change in interest rate is given below:-

	Increase/decrease in basis points	Effect on profit before tax
31st March 2022		
₹ Lakhs	50	-
₹ Lakhs	-50	-
31st March 2021		
₹ Lakhs	50	(6.65)
₹ Lakhs	-50	6.65

Fair value sensitivity analysis for fixed-rate instruments:

The Company does not account for any financial liabilities at fair value through profit or loss. Therefore, the company shall not be affected due to change in interest rates at the reporting date.

-Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily

The sensitivity analysis in the following sections relate to the position as at 31st March 2022 and 31st March 2021.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt instruments are all constant.

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

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

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2022 and 31 March 2021.

-Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the loan given, Security deposits received/paid and borrowing.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, present rate is 9.45 % linked with 12 M MCLR (P.Y. 9.50 % equivalent to MCLR), the impact of change in rate is as follows:

to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, AFN, SGD, NPR and BDT exchange rates, with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities is given below. The Company's exposure to other foreign currency is not material.

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

(Amount in ₹ Lakhs)				
	Currency	Change in rates	Increase/(Decrease) effect on profit before tax	Increase/(Decrease) effect on pre-tax equity
31st March 2022	USD (US Dollar)	5%	(33.25)	(33.25)
		-5%	33.25	33.25
	SGD (Singapore Dollar)	5%	-	-
		-5%	-	-
	AFN (Afghanistan Afghani)	5%	9.62	9.62
		-5%	(9.62)	(9.62)
31st March 2021	USD (US Dollar)	5%	(8.22)	(8.22)
		-5%	8.22	8.22
	SGD (Singapore Dollar)	5%	-	-
		-5%	-	-
	AFN (Afghanistan Afghani)	5%	5.14	5.14
		-5%	(5.14)	(5.14)
	BDT (Bangladeshi Taka)	5%	88.90	88.90
		-5%	(88.90)	(88.90)
		5%	(8.22)	(8.22)
		-5%	8.22	8.22
		5%	-	-
		-5%	-	-
	5%	5.14	5.14	
	-5%	(5.14)	(5.14)	
	5%	89.03	89.03	
	-5%	(89.03)	(89.03)	

-Equity price risk

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

At the reporting date, the exposure to unlisted equity securities at fair value is not material (excluding investment in subsidiaries).

- Other risk

The Company operates in a service sector on revenue sharing model. There is downward revision of revenue shares frequently, as a result, the revenue of Company may reduce

The following table provides information about exposure to credit risk and expected credit loss for trade receivables for customers for the year ended 31st March 2022:

(Amount in ₹ Lakhs)			
In ₹ Lakhs	Gross Carrying Amount	Weighted-Average Loss Rate	Loss Allowance
Not Due	454.85	0%	-
1- 90 days	256.20	0%	-
91-180 days	116.89	0%	-
181-270 days	100.51	15%	14.64
271-360 days	57.05	100%	57.05
More than 360 days	6,366.83	88%	5,591.69
	7,352.33		5,663.38

depending upon percentage decrease in revenue share of Company with the telecom operators.

2) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including Loans, deposits with banks and financial institutions and other financial instruments.

The Company has used a practical expedient and analysed the recoverable amount of the receivables on an individual basis. The Company provide for expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information's.

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

The following table provides information about exposure to credit risk and expected credit loss for trade receivables for customers for the year ended 31st March 2021:

In ₹ Lakhs	(Amount in ₹ Lakhs)		
	Gross Carrying Amount	Weighted-Average Loss Rate	Loss Allowance
Not Due	428.11	3%	0.65
1- 90 days	892.19	0%	18.41
91-180 days	710.33	0%	8.78
181-270 days	262.44	5%	12.28
271-360 days	78.95	29%	28.54
More than 360 days	6,505.68	89%	5,790.28
	8,877.70		5,858.94

Movement in the expected credit loss allowance of receivables

	(Amount in ₹ Lakhs)	
	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Balance at beginning of the year	5,858.94	6,380.53
Add: provided during the year		
Less: Reversed during the year	(195.56)	(521.59)
Balance at the end of the year	5,663.38	5,858.94

-Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on past track records, market credibility and other factors and individual credit limits are defined in accordance with this management assessment and also based upon agreements/terms with respective customers. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are categorized into homogenous trade receivables and assessed for impairment collectively. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as generally low, as its customers are located in several jurisdictions and industries and operate in largely independent markets except in case of few specific customers for which full loss allowances has been made.

-Financial instruments and cash deposits

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

3) Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital facility including bill discounting facility. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

The table below summarises the maturity profile of the Company financial liabilities based on contractual undiscounted payments.

As at 31 st March 2022	(Amount in ₹ Lakhs)					
	On Demand	Less than 3 Months	3-12 Months	1-5 Years	> 5 years	Total
Borrowings	-	-	-	-	-	-
Other financial liabilities(non-current)	-	-	-	13.13	-	13.13
Other financial liabilities(current)	3.65	310.44	35.47	-	-	349.56
Trade and other payables	-	2,241.82	1,250.85	815.83	-	4,308.50
Total	3.65	2,552.27	1,286.32	828.96	-	4,671.19

Based on the maximum amount that can be called for under the financial guarantee contract.

As at 31 st March 2021	(Amount in ₹ Lakhs)					
	On Demand	Less than 3 Months	3-12 Months	1-5 Years	> 5 years	Total
Borrowings	264.86	1,064.73	-	-	-	1,329.59
Other financial liabilities(non-current)	-	-	-	10.47	-	10.47
Other financial liabilities(current)	19.82	259.24	35.46	-	-	314.52
Trade and other payables	-	2,587.76	1,331.97	-	-	3,919.73
Total	284.67	3,911.74	1,367.43	10.47	-	5,574.31

Based on the maximum amount that can be called for under the financial guarantee contract.

-Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

-Collateral

The Company has pledged part of its fixed deposits with bank as margin money against issuance of bank/corporate guarantees in order to fulfil the collateral requirements for its various contracts. At 31st March 2022 and 31st March 2021, the fair values of fixed deposits pledged were ₹ 877.04 Lakhs and ₹ 1079.75 Lakhs respectively. The Company has an obligation to repay the deposit to the counterparties upon settlement of the contracts. There are no other significant terms and conditions associated with the use of collateral (refer note 11).

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

Note 40 (a) Foreign currency risk exposure:

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

(Amount in ₹ Lakhs)								
Date	Currency	Trade Receivables	Unbilled Revenue	Net exposure to foreign currency risk (assets) (A)	Trade payable	Net exposure to foreign currency risk (liabilities) (B)	Net exposure to foreign currency risk (A-B)	Sensitivity at 50 basis points
As at 31st March 2022	Dirahm	21.08	11.15	32.24	-	-	32.24	1.61
	SLR	-	-	-	-	-	-	-
	AFN	185.37	7.11	192.50	-	-	192.50	9.62
	IDR	-	-	-	-	-	-	-
	BDT	1,777.94	-	1,777.94	-	-	1,777.94	88.90
	LKR	2.22	0.22	2.44	-	-	2.44	0.12
	USD	91.35	8.96	100.32	765.24	765.24	(664.93)	(33.25)
As at 31st March 2021	Dirahm	-	1.00	1.00	-	-	1.00	0.05
	ID	-	-	-	-	-	-	-
	NPR	-	0.59	0.59	-	-	0.59	0.03
	AFN	75.40	27.46	102.87	-	-	102.87	5.14
	IDR	-	-	-	-	-	-	-
	BDT	1,753.66	27.03	1,780.69	-	-	1,780.69	89.03
	LKR	-	2.18	2.18	-	-	2.18	0.11
	MMK	-	0.06	0.06	-	-	0.06	0.00
	GBP	5.54	-	5.54	-	-	5.54	0.28
	USD	656.00	0.07	656.08	820.58	820.58	(164.50)	(8.22)

41. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents (excluding discontinued operations).

(Amount in ₹ Lakhs)		
	As at 31 st March 2022	As at 31 st March 2021
Borrowings	-	1,329.58
Less: cash and cash equivalents	1,323.17	1,095.67
Net debt	(1,323.17)	233.92
Equity	6,146.00	6,069.85
Other equity attributable	15,741.46	15,861.16
Total equity attributable to owner of the Company	21,887.46	21,931.01
Capital and net debt	20,564.28	22,164.93
Gearing ratio	-6.05%	1.07%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2022 and 31st March 2021.

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

42. As on 31st March, 2022, Independent Non-Promoter (Spice Employee Benefit) Trust ('EBT') holds 10,155,067 (31st March, 2021: 10,155,067) equity shares of the Company, for the benefit of the employees of the Company, its associates and subsidiaries and Independent Non-Promoter Trust ('NPT') holds 15,912,776 (31st March, 2021: 15,912,776) equity shares of the Company for the benefit of the Company. These equity shares were transferred to the Trusts pursuant to the Scheme of amalgamation of Spice Televentures Private Limited ('STPL'), the erstwhile holding company, with the Company, duly approved by High Court, Allahabad, at a value at which these equity shares were held in the books of STPL.

During the year the Company has received Nil (31st March 2021 ₹ Nil), as a beneficiary, from the Independent Non-Promoter Trust including surplus arising from sale of its shares. The surplus fund would be utilised by the Company as per the terms of the Trust deed of Independent Non-Promoter Trust. Further, the Company has received ₹ Nil (31st March 2021 ₹ Nil) against receivables, from the Independent Employee Benefit Trust and includes surplus arising from sale of its shares. The above receipts are shown as part of the Trust Reserve.

Taking a conservative interpretation of "Ind AS 32" face value of shares held by these trusts has been deducted from equity and amount over and above face value has been shown as deduction under the head "Trust shares" separately in other equity.

43. Disclosure required under Schedule V read with Regulation 34 (3) and 53 (f) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and disclosure required under section 186 (4) of the Companies Act, 2013*

Particulars of disclosures as required under Schedule V read with Regulation 34 (3) and 53 (f) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and disclosure required under section 186 (4) of the Companies Act, 2013:

Name of Loanee	Purpose	Rate of Interest	Outstanding balance as at 31 st March 2022	Maximum balance in FY 2021-22	Outstanding balance as at 31 st March 2021	Maximum balance in FY 2020-21
			Amt.in ₹ Lakhs	Amt.in ₹ Lakhs	Amt.in ₹ Lakhs	Amt.in ₹ Lakhs
New Spice Sales and Solutions Limited	General Corporate purposes	10.5%	471.57	471.57	471.57	471.57
Hindustan Retail Private Limited		11%	567.75	567.75	567.75	567.75
Spice Money Limited		11%	-	1,980.58	1,980.58	2,208.19
Bharat BPO Services Limited		10.5%	-	142.65	142.65	142.65
Bharat BPO Services Limited	Advance against supply	0.0%	400.00	400.00	400.00	400.00

The Company has provided ₹ 1,439.32 Lakhs (Previous year - ₹ 1,439.32 Lakhs) against above loans as doubtful.

Particulars of Corporate Loans given as required by Section 186(4) of Companies Act, 2013

(Amount in ₹ Lakhs)						
Particulars	Purpose	Rate of Interest	Due Date	Outstanding balance as at 31 st March 2022	Outstanding balance as at 31 st March 2021	
Hotspot Sales and Solutions Private Limited	General Corporate Purpose	11%	On Demand	4,923.07	4,923.07	
Spice Online Retail Private Limited		11%	On Demand	22.07	22.07	

The Company has provided ₹ 4,945.14 Lakhs (Previous year - ₹ 4,945.14 Lakhs) against above loans as doubtful.

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

Details of Investments made (At cost or FVTPL) as required by Section 186(4) of Companies Act, 2013:

Particulars	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Spice Money Limited	10,620.67	7,320.67
Hindustan Retail Private Limited #	42,238.00	42,238.00
S Mobility (HK) Limited #	0.64	0.64
S Global Services Pte. Ltd	5,853.61	5,853.61
Spice Digital Bangladesh Limited	30.33	30.33
S Mobile Devices Private Limited	5.00	5.00
Creative Functionapps Lab Pvt. Ltd*	100.00	100.00
Sunstone Learning Private Limited #	814.88	814.88
E-Arth Travel Solutions Private Limited	1.00	-
Vikasni Fintech Private Ltd.	0.51	-
	59,664.63	56,363.12

Fully impaired in books.

&Provision for Impairment of ₹ 5000Lakhs provided in earlier year

* Provision for Impairment of ₹ 49.88 Lakhs Provided during the previous year.

Detail of loans or advances in nature of loans granted either repayable on demand or without specifying any terms or period of repayment.

Type of Borrower	As at March 2022		As at March 2021	
	Total loans & advances in nature of loans	Percentage to total loans & advances in nature of loans	Total loans & advances in nature of loans	Percentage to total loans & advances in nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Other related parties	1,439.32	0.23	1,439.32	0.17

44. Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006 as identified by the management

Particulars	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
-Principal amount due to micro and small enterprises	2.79	4.90
-Interest due on above	0.01	0.01
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	NIL	0.58
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.71	0.70
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	0.71	0.70

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

45 Group information

Information about subsidiaries, associates and joint ventures as per Ind-AS 27 -Separate Financial Statement

The financial statements includes subsidiaries, associate and joint ventures as listed in the table below:

Subsidiary Companies

S. No.	Name	Notes	Country of Incorporation	% Equity Interest		Method of accounting of investment
				As at 31st March 2022	As at 31st March 2021	
1	Spice Money Limited		India	96.83%	98.04%	Cost
2	Kimaan Exports Private Limited	(a)	India	100.00%	100.00%	Cost
3	Hindustan Retail Private Limited		India	100.00%	100.00%	Cost
4	New Spice Sales and Solutions Limited	(b)	India	100.00%	100.00%	Cost
5	Cellucom Retail India Private Limited	(c)	India	100.00%	100.00%	Cost
6	S Mobility (HK) Limited		Hong Kong	100.00%	100.00%	Cost
7	Spice Digital Bangladesh Limited		Bangladesh	100.00%	100.00%	Cost
8	S Global Services Pte. Ltd		Singapore	100.00%	100.00%	Cost
9	Beoworld SDN. BHD	(d)	Malaysia	100.00%	100.00%	Cost
10	Fast Track IT Solutions Limited (wef 27 th November 2018)	(d)	Bangladesh	70.00%	70.00%	Cost
11	Spice Digital FZCO	(d)	UAE	100.00%	100.00%	Cost
12	Spice VAS (Africa) Pte. Ltd.	(d)	Singapore	80.00%	80.00%	Cost
13	S Mobility Pte. Ltd	(d)	Singapore	100.00%	100.00%	Cost
14	Omnia Pte. Ltd	(e)	Singapore	100.00%	100.00%	Cost
15	Digispice Nigeria Limited (formerly known as "Spice Digital Nigeria Limited")	(e)	Nigeria	100.00%	100.00%	Cost
16	Digispice Ghana LTD (formerly known as "Spice VAS Ghana LTD")	(e)	Ghana	70%	100.00%	Cost
17	Digispice Zambia Limited (formerly known as "Spice VAS Zambia Limited")	(e)	Zambia	100.00%	100.00%	Cost
18	Digispice Tanzania Limited (formerly known as "Spice VAS Tanzania Limited")	(e) (g)	Tanzania	100.00%	100.00%	Cost
19	Spice VAS Kenya Limited	(e) (h)	Kenya	100.00%	100.00%	Cost
20	Digispice Uganda Limited (formerly known as "Spice VAS Uganda Limited")	(e)	Uganda	75.00%	75.00%	Cost
21	Spice VAS RDC	(e)	Democratic Republic of Congo	100.00%	100.00%	Cost
22	PT Spice Digital Indonesia Limited	(f)	Indonesia	100.00%	100.00%	Cost
23	Digispice Nepal Pvt. Limited (w.e.f 21 st January 2019)	(i)	Nepal	100.00%	100.00%	Cost
24	E-Arth Travel Solutions Private Limited	(j)	India	66.67%	0.00%	Cost
25	Vikasni Fintech Private Ltd.	(k)	India	51.00%	0.00%	Cost

- Subsidiary through Spice Money Limited.
- Subsidiary through Hindustan Retail Private Limited.
- Subsidiary through New Spice Sales & Solutions Limited.
- Subsidiary through S Global Services Pte. Ltd.
- Subsidiary through Spice VAS (Africa) Pte. Limited.
- Subsidiary through Omnia Pte. Ltd.

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

- g) 0.1% an equity interest in the subsidiary company is held by a subsidiary company namely Spice VAS (Africa) Pte. Limited jointly with a third party.
- h) An equity interest of 20% in the subsidiary company is held by a third party on behalf of a subsidiary company namely Spice VAS (Africa) Pte. Limited.
- i) The Company is in the process of seeking necessary approval under FEMA to subscribe 5,00,000 equity shares having face value of NPR 10 each aggregating NPR 50,00,000 which is equivalent to ₹ 31.30 Lakhs as at reporting date.
- j) Additionally an equity interest of 33.33% in E-Arth Travel Solutions Private Limited is held by a subsidiary company namely Spice Money Limited.
- k) Additionally an equity interest of 49% in Vikasni Fintech Private Limited is held by a subsidiary company namely Spice Money Limited.

Ultimate Holding Company

Smart Global Corporate Holding Private Limited

Holding Company

Spice Connect Private Limited

Sr. No	Name of associates and joint venture	Nature	Country of Incorporation	% Equity Interest	
				As at 31st March 2022	As at 31st March 2021
1	Sunstone Learning Private Limited, an associate of the company	Associate	India	41.61%	41.61%
2	Creative Function Apps Labs Private Limited, an associate of the company	Associate	India	26.00%	26.00%
3	Ziiki Media SA (Pty) Ltd (formerly known as Spice Digital South Africa (Pty) Limited) (w.e.f. 07 February 2019), an associate of the company	Associate	South Africa	-	-

#Ziiki Media SA(Pty) Ltd (formerly known as Spice Digital South Africa(Pty) Limited)Ceased to be associate w.e.f. 30.06.2020)

46. Significant accounting judgements, estimates and assumptions

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Lease liability and Right of Use assets

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting

date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

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

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

Share based payments

The Company measures the cost of equity-settled transactions with employees using Black Scholes model to determine the fair value of options. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions relating to vesting of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 38.

Taxes

The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that recognised MAT credit will be utilized against normal tax liability within specified period for which MAT Credit allowed to be carried forward.

The tax assets of ₹ 58.49 Lakhs (31st March 2021: ₹ 58.49 Lakhs) recognised in earlier years as 'MAT Credit Entitlement' under 'Deferred Tax assets'in respect of MAT payment for earlier years, represents that portion of MAT liability which can be recovered and set off in subsequent years based on the provisions of Section 115JAA of the Income Tax Act, 1961. The management based on the present trend of profitability and also the future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Company to utilize MAT credit assets.

The Company has recognised Deferred tax assets on unabsorbed depreciation and carry forward business losses. The Company has concluded that the deferred tax assets on unabsorbed depreciation and carry forward business losses will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The Company is expected to generate taxable income in near future. The unabsorbed depreciation and carry forward losses can be carried forward as per local tax regulation and the Company expects to recover the same in due course. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company has short term and long term capital losses under the Income Tax Act, 1961 and certain provision for loss allowances against doubtful debts, loans & other receivable and impairment of investment which allowability under Income Tax Act is ambiguous. These losses may not be used to offset taxable income within prescribed time. The Company neither have any taxable temporary difference nor any tax planning

opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognise deferred tax assets on these tax losses carried forward.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Defined benefit plans (gratuity benefits)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the yield on government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future, salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 34.

Intangible asset under development

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

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Liabilities which depend on occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Contingent Assets are not recognized until the contingency has been resolved and amounts are received or receivable.

Allowance for expected credit loss

Trade receivables do not carry any interest and are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Allowance for the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

51. Financial Ratios

The major financial ratios of the Company are disclosed below along with the reasons for variance:

Ratio	Numerator	Denominator	F.Y.2021-22	F.Y.2020-21	% of Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	1.38	1.48	-7%	
Debt equity ratio	Total Debt	Shareholder's Equity	-	0.06	-100%	Repayment of borrowing in current year.
Debt -service coverage ratio	Earnings available for debt service	Debt Service	-	0.34	-100%	Repayment of borrowing in current year.
Return on equity ratio	Net Profits after taxes	Avg. Shareholder's Equity	(0.02)	(0.02)	-4%	
Inventory turnover ratio	Cost of goods sold or sales	Avg.Inventory	-	-	-	Not applicable
Return on Capital employed	Earning before interest and taxes	Avg.Capital Employed	(0.01)	(0.00)	113%	due to increase in loss before interest
Trade receivable turnover ratio	Revenue from operation	Avg. Trade Receivable	3.15	2.13	48%	due to decrease in average trade receivable

Useful lives of depreciable assets

The management estimates the useful life and residual value of depreciable assets based on technical assessment. These assumptions are reviewed at each reporting date.

47. Exceptional items include the Impairment provision of ₹ Nil (31st March 2021: ₹ 49.88 lakhs) related to Investments in associate Creative Functionapps Lab Pvt. Ltd being the difference in carrying amount and recoverable value.
48. The Company has no transaction and/or outstanding balance with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 as identified to the extent of struck off companies details available on the public domain
49. The Company has Complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with the companies (Restriction on number of layers) Rules, 2017
50. Spice Digital Bangladesh Limited, wholly owned subsidiary company has issued Equity shares of BDT 830,239 at par aggregating BDT 83,023,900 equivalent to ₹ 678.94 lakhs in the Financial year 2017-2018 against the overdue trade receivables towards technical fees. The Company has applied with RBI for the approval. Pending approval from RBI, the Company has not accounted the same and continue to disclose above dues under Trade Receivables. The Company has accounted for dividend ₹ Nil (previous year ₹ Nil) declared by above subsidiary on above shares.

Notes Forming Part of Financial Statements

As at and for the year ended 31st March 2022

Ratio	Numerator	Denominator	F.Y.2021-22	F.Y.2020-21	% of Variance	Reason for Variance
Trade payable turnover ratio	Cost of goods & service procured + cost of service rendered	Avg. Trade Payables	2.14	1.82	17%	
Net capital turnover ratio	Revenue from operation	Working Capital	6.13	3.97	54%	due to decrease in average working capital
N.P. Ratio	Net Profit	Revenue from Operation	(0.03)	(0.04)	-5%	

Since company has no current investment ,hence return on investment has not being disclosed

52. The following charge is appearing on the website of the Ministry of Corporate Affairs ('MCA'), against which the Company has no loan outstanding as at reporting date. The charge stood satisfied as per records of the Company and the Company is taking up with the MCA to record satisfaction of this charges on its website.

S. No.	Lender Name	Amount	Location of the Registrar
1	L.I.C. OF INDIA	100.00	DELHI

- 52A. There are following charges appearing on the website of the MCA against which the Company has taken various bank facility like "Overdraft facility", "Bill discounting facility" and "Bank guarantee facility" etc. There is no amount outstanding as on reporting date, accordingly, the limits and charges are continuing.

S. No.	Lender Name	Amount	Location of the Registrar
1	HDFC BANK LIMITED	300.00	DELHI
2	INDUSIND BANK LTD.	2,775.00	DELHI

As per our report of even date attached
For **Singhi & Co.**
Chartered Accountants
Firm registration number: 302049E

For and on behalf of the board of directors

Bimal Kumar Sipani
Partner
Membership no.: 088926

Rohit Ahuja
Executive Director
DIN : 00065417

Subramanian Murali
Director
DIN : 00041261

Place: Noida
Date: 26th May, 2022

Vinit Kishore
Chief Financial Officer

Ruchi Mehta
Vice President- Legal, Corporate Affairs and Company Secretary

Independent Auditor's Report

To the Members of DiGiSpice Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of DiGiSpice Technologies Limited ("the Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group"), its associates, which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss including Consolidated other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, the consolidated Profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. The results of our audit procedures performed by us and by other auditors of components not audited by us, wherever reported by them in their audit reports furnished to us by the management, including those procedures wherever performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

S. N.	Key Audit Matter	Our Audit Approach
1.	Revenue Recognition The accounting policies for revenue recognition are set out in Note 2.5 (f) to the consolidated financial statements and the different revenue streams of the Group have been disclosed in Note 24 to the consolidated financial statements. It involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Revenue recognition is susceptible to the higher risk that the revenue is recognized when performance obligation has not been completed. This was an area of focus for our audit and the area where significant audit effort was directed.	Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: <ul style="list-style-type: none"> Selected samples of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue. Read, analyzed and identified the distinct performance obligations in these contracts. Compared these performance obligations with that identified and recorded. Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.

S. N.	Key Audit Matter	Our Audit Approach
		<ul style="list-style-type: none"> Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. We found the revenue recognition to be consistent with its accounting policy. We are satisfied that the revenue has been appropriately recognized and disclosure in the relevant accounting period.
2	Income and Deferred Taxes The accounting policies for current and deferred tax recognition are set out in Note 2.5 (G) and the breakup of deferred tax have been disclosed in Note 16 to the consolidated financial statements. Also refer note no. 36, 13, 40C and 40D of consolidated financial statements. There is significant judgement involved in accounting for taxes, particularly given the large number of jurisdictions in which they operate and exposures to income tax laws in India. This gives rise to complexity and uncertainty in respect of the calculation of current taxes, deferred tax positions. Due to significance to the consolidated financial statements as a whole, combined with the judgement and estimation required to determine their values, the evaluation of current and deferred tax balances is considered to be a key audit matter.	We assessed the adequate implementation of the policies and controls regarding current and deferred tax. We evaluated the design and implementation of controls in respect of provisions for current tax and the recognition and recoverability of deferred tax assets. We examined the procedures in place for the current and deferred tax calculations for completeness and valuation and audited the related tax computations and estimates in the light of our knowledge of the tax circumstances. We performed an assessment of the major items impacting the Company's tax expense, balances and exposures. We analyzed tax balances. In respect of net deferred tax assets, we assessed the appropriateness of management's assumptions and estimates, including the likelihood of generating sufficient future taxable income to support deferred tax assets on tax losses carried forward and MAT credit entitlement, which shall be available for utilization in future. We found that tax provision and deferred tax assets are appropriately recognized and disclosed in the consolidated financial statement.
3	Valuation of trade receivables We refer to Note 10 and Note 2.5 (S) to the financial statements. As disclosed in Notes to the consolidated financial statements, company assesses periodically and at each reporting date, the expected credit loss associated with its receivables. When there is expected credit loss impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics. We focused on this area because of its significance and the degree of judgement required to estimate the expected credit loss and determining the carrying amount of trade receivables as at the reporting date.	We obtained an understanding of the Company's credit policy for trade receivables, process of approvals and terms and conditions and evaluated the processes for identifying impairment indicators. We have reviewed and tested the ageing of trade receivables and management's assessment on the credit worthiness of selected customers for trade receivables. We further discussed with the key management on the adequacy of the allowance for credit losses recorded by the Company and reviewed the supporting documents provided by management in relation to their assessment. We have also reviewed adequacy and appropriateness of allowance for credit impaired based on available information. Based on our audit procedures performed, we found management's assessment of the recoverability of trade receivables to be reasonable and the disclosures to be appropriate.

Other Information

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially

misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Responsibilities of Management for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in

equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. The respective Board of Directors of the companies included in the Group and associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the respective companies included in the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and associates are responsible for assessing the ability of each company and associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and associates are also responsible for overseeing the financial reporting process of companies included in the Group and associates.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our

opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements

We communicate with those charged with governance of the Parent Company and two of the subsidiary companies audited by us included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- We did not audit five foreign subsidiaries, whose financial statements include total assets of ₹ 1,806 Lakhs as at March 31, 2022, revenues from operation of ₹ 1,913 Lakhs, total net profit/(loss) after tax of ₹ 205 Lakhs and total comprehensive income of ₹ 205 Lakhs for the year ended on that date and net cash outflows of ₹ 593 Lakhs for the year ended March 31, 2022, as considered in the consolidated financial statements. These financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The company management has converted financial statements of such subsidiaries located outside India, from accounting principle generally accepted in their respective countries to accounting principle generally accepted in India. We have audited the conversion adjustment made by the company's management. Our opinion in so far as it relates to the balance and affair of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustment prepared by the management of the Company and audited by us. Our opinion on the financial statements, in so far as it relates to the amounts and disclosures, in terms of sub-sections (3) and (11) of Section 143 of the Act, in respect of these subsidiaries, is based solely on the report of the other auditors and procedures performed by us as stated in paragraph above.

- We did not audit five foreign subsidiaries, whose financial statements include total assets of ₹ 2,134 Lakhs as at March 31, 2022, revenues from services of ₹ 337 Lakhs, total net loss after tax of ₹ 509 Lakhs, total comprehensive Income of ₹ (513) Lakhs, for the year ended on that date respectively, and net cash inflow of ₹ 61 Lakhs for the year ended March 31, 2022, as considered in the Statement. These audited financial statements have been prepared by the management of the foreign subsidiaries in accordance with accounting principles generally accepted in India and have been audited by a firm of chartered accountants whose reports have been furnished to us by the management and our opinion on the financial statements, in so far as it relates to the amounts and disclosures, in terms of sub-sections (3) and (11) of Section 143 of the Act, in respect of these subsidiaries, our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries are based solely on the reports of the firm of chartered accountants and procedures performed by us as stated in paragraph above.
- We did not audit five subsidiaries, whose financial statements include total assets of ₹ 1,825 Lakhs as at March 31, 2022, revenues from operations of ₹ 75 Lakhs, total net loss after tax of ₹ 195 Lakhs, total comprehensive income of ₹ (195) Lakhs for the year ended on that date, and net cash inflows of ₹ 176 Lakhs for the year ended March 31, 2022, as considered in the financial statements which have been audited by other auditors, whose reports have been furnished to us by the management and our opinion on the financial statements, in so far as it relates to the amounts and disclosures in terms of sub-sections (3) and (11) of Section 143 of the Act, in respect of these subsidiaries, is based solely on the report of the other auditors and procedures performed by us as stated in paragraph above.
- We did not audit eight foreign subsidiaries, whose financial statements include total assets of ₹ 1275 Lakhs as at March 31, 2022, revenues from operation of ₹ 66 Lakhs, total net profit/(loss) after tax ₹ 101 Lakhs and total comprehensive income ₹ 16 Lakhs, for the year ended on that date and net cash outflow of ₹ 250 Lakhs for the year ended March 31, 2022, as considered in the financial statements. The management has prepared these financial statements of these subsidiaries in accordance with accounting principles generally accepted in their respective countries and converted these financial statements of such subsidiaries located outside India, from accounting principle generally accepted in their respective countries to accounting principle generally accepted in India. We have audited the conversion adjustment made by the Company's management. The consolidated financial statements also include the Group's share of net profit/(loss) of ₹ (5) and total comprehensive income of ₹ (5) Lakhs for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of three associates, whose financial statements

have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit & Loss including other comprehensive income, Consolidated Statement of Change in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act;
- (e) On the basis of the written representations received from the Directors of the Parent Company and the Indian subsidiary companies as on 31 March 2022 taken on record by the Board of Directors of the respective

company, none of the Directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act. We are not able to comment whether directors of associate companies incorporated in India are qualified from being appointed as director in terms of Section 164(2) of the Act in absence of their audited financial statements;

- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Parent Company and its subsidiary companies, associate companies incorporated in India, refer to our separate Report in "Annexure A" to this report;
- (g) In our opinion and based on the reports of the statutory auditors of subsidiary companies incorporated in India, the remuneration paid/provided during the year by the parent company and its subsidiary companies, where applicable, to its directors is in accordance with the provisions of section 197 (16) of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates, as noted in the 'Other matter' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates in its consolidated financial statements – Refer Note 40C and 40D to the consolidated financial statements;
 - ii. The Group and its associates did not have material foreseeable losses in long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiary and associate companies incorporated in India.
 - iv. a. The management has represented that, to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries"),

with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b. The management has represented, that, to the best of its knowledge and belief no funds have been received by the Group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c. Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to us notice that has caused to us believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v. The Group has not declared any dividend during the year, therefore reporting regarding compliance of section 123 of the Companies Act, 2013 is not applicable.

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

Bimal Kumar Sipani
Partner
Membership No.088926
UDIN: 22088926AJQDBW3853

Place: Noida (Delhi-NCR)
Date: May 26, 2022

Annexure A

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

We have audited the internal financial controls over financial reporting of DiGiSpice Technologies Limited ("the Parent Company") and subsidiary companies which are incorporated in India, where applicable, as of March 31, 2022 in conjunction with our audit of the consolidated financial statements of the Parent Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion the Group, has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with

reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to subsidiary companies incorporated in India, where applicable, is based on the corresponding reports of the auditors of such companies incorporated in India. Our Opinion is not modified in respect of this matter.

We could not comment on the adequacy of internal financial controls with reference to financial statements and its operating effectiveness, insofar as it relates to associate companies, which are companies incorporated in India, where applicable, as referred in Other Matters paragraph in Audit Report, in absence of their audited financial statements.

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

Bimal Kumar Sipani
Partner
Membership No.088926
UDIN: 22088926AJQDBW3853

Place: Noida (Delhi-NCR)
Date: May 26, 2022

Consolidated Balance Sheet

As at 31st March 2022

Particulars	Notes	(Amount in ₹ Lakhs)	
		As at 31st March 2022	As at 31st March 2021
Assets			
Non-current assets			
Property, plant and equipment	3	2,422.67	2,611.47
Capital work in progress	3	363.18	249.35
Right of Use Assets	3A	375.16	437.51
Investment property	4	1,380.68	1,477.01
Goodwill on consolidation		5,179.46	5,165.89
Other intangible assets	5	1,030.49	948.61
Intangible assets under development	5	11.85	246.44
Investment accounted using equity method	6	39.31	50.12
Financial assets			
(i) Investments	7	5.00	5.00
(ii) Loans	8	10.69	159.29
(iii) Other financial assets	9	3,880.59	659.86
Deferred tax assets (net)	16	2,500.88	2,829.77
Non current tax assets (net)	13	4,610.45	5,717.89
Other assets	14	105.50	94.83
Total non-current assets		21,915.91	20,653.04
Current assets			
Inventories	15	278.19	462.21
Financial assets			
(i) Investments	7	-	-
(ii) Trade receivables	10	7,116.14	5,602.02
(iii) Cash and cash equivalents	11	14,580.62	9,215.97
(iv) Bank balance other than (iii) above	12	20,706.82	12,249.28
(v) Loans	8	4.61	9.48
(vi) Other financial assets	9	2,578.62	2,254.31
Current tax assets (net)	12	34.78	569.64
Other assets	14	2,425.79	1,698.27
Asset classified as held for sale		-	-
Total current assets		47,725.57	32,061.18
Assets of discontinued operations	47	405.54	420.01
Total assets		70,047.02	53,134.23
Equity and liabilities			
Equity			
Equity share capital	17	6,146.00	6,069.85
Other equity	17A	18,580.88	17,707.58
Equity attributable to holders of the Company		24,726.88	23,777.43
Non controlling interests		603.83	351.40
Total equity		25,330.71	24,128.83
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	-	-
(ii) Lease liability		-	-
(ii) Other financial liabilities	20	32.93	165.08
Provisions	21	761.99	720.91
Other liabilities	23	0.80	16.40
Total non-current liabilities		795.72	902.39
Current liabilities			
Financial liabilities			
(i) Borrowings	18	5,400.45	3,316.12
(ii) Trade payables	19	-	-
- total outstanding dues of micro and small enterprises		90.65	54.39
- total outstanding dues of creditors other than micro and small enterprises		6,895.69	5,737.83
(iii) Lease liability		6.11	64.92
(iii) Other financial liabilities	20	2,804.32	1,071.69
Provisions	21	147.20	190.82
Current tax liabilities (net)	22	171.37	533.34
Other liabilities	23	28,125.39	16,822.80
Total current liabilities		43,641.18	27,791.91
Liabilities of discontinued operations	47	279.41	311.10
Total equity and liabilities		70,047.02	53,134.23
Summary of significant accounting policies	2		

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

As per our report of even date attached
For **Singhi & Co.**
Chartered Accountants
Firm registration number: 302049E

For and on behalf of the board of directors

Bimal Kumar Sipani
Partner
Membership no.: 088926

Rohit Ahuja
Executive Director
DIN : 00065417

Subramanian Murali
Director
DIN : 00041261

Place: Noida
Date: 26th May, 2022

Vinit Kishore
Chief Financial Officer

Ruchi Mehta
Vice President- Legal, Corporate
Affairs and Company Secretary

Consolidated Statement of Profit and Loss

For the year ended 31st March 2022

Particulars	Notes	(Amount in ₹ Lakhs)	
		For the year ended 31st March 2022	For the year ended 31st March 2021
Continuing operations			
Income			
Revenue from services	24	99,060.62	71,210.44
Other income	25	2,070.14	2,452.91
Total Income		1,01,130.76	73,663.35
Expenses			
Cost of goods and services procured	26	50,151.49	37,824.29
(Increase) / Decrease in inventories of procured goods	27	(162.28)	(317.86)
Cost of services rendered	28	32,215.92	21,773.19
Employee benefits expense	29	8,472.47	5,687.06
Finance costs	30	117.82	159.75
Depreciation and amortisation expense	31	1,989.95	2,266.35
Other expenses	32	6,920.42	4,965.62
Total expenses		99,705.79	72,358.40
Profit/(loss) before share of profit/(loss) of associates and a joint venture, exceptional items and tax from continuing operations		1,424.97	1,304.95
Share of (loss) of associates and a joint venture	45	(10.81)	(64.49)
Profit/(loss) before exceptional items and tax from continuing operations		1,414.16	1,240.46
Exceptional items	33	100.00	-
Profit/(loss) before tax from continuing operations		1,314.16	1,240.46
Tax expense:			
(1) Current tax	36	492.50	611.32
(2) Deferred tax credit	36	266.02	62.17
(3) Income tax adjustments for earlier years	36	(84.57)	(30.54)
Income tax expense		673.95	642.95
Profit/(loss) for the year from continuing operations		640.21	597.51
Discontinued operations			
Profit/(Loss) before tax for the year from discontinued operations	47	29.77	(38.64)
Tax expense of discontinued operations	47	-	-
Profit/(loss) for the year from discontinued operations		29.77	(38.64)
Profit/(loss) for the year		669.98	558.87
Other comprehensive income from continuing operations			
Items that will not be reclassified to profit or loss			
Remeasurement gain of defined benefit plan	34	36.95	(61.56)
Deferred tax impact		(2.57)	17.88
Items that will be reclassified to profit or loss			
Exchange differences on translations of foreign operations	35	(40.66)	220.05
Exchange difference on long term loan		(73.77)	(63.76)
Other comprehensive income from discontinued operations			
Items that will not be reclassified to profit or loss			
Remeasurement gain of defined benefit plan	47	-	-
Other comprehensive income for the year		(80.05)	112.61
Total comprehensive income for the year		589.93	671.48
Profit/(loss) for the year		669.98	558.87
Attributable to:			
Equity holders of the Company		542.44	1,146.35
Non-controlling interests		127.54	(587.48)
Other comprehensive income for the year		(80.05)	112.61
Attributable to:			
Equity holders of the Company		(20.42)	83.78
Non-controlling interests		(59.63)	28.83
Total comprehensive income for the year		589.93	671.48
Attributable to:			
Equity holders of the Company		522.02	1,230.13
Non-controlling interests		67.91	(558.65)
Earnings per share for continuing operations (attributable to equity holders of the Company) (nominal value of share ₹ 3 (31 March 2021: ₹ 3))	37		
Basic, computed on the basis of profit/(loss) from continuing operations (₹)		0.23	0.52
Diluted, computed on the basis of profit/(loss) from continuing operations (₹)		0.22	0.51
Earnings per share for discontinued operations (attributable to equity holders of the Company) (nominal value of share ₹ 3 (31 March 2021: ₹ 3))	37		
Basic, computed on the basis of profit/(loss) from discontinued operations (₹)		0.01	(0.02)
Diluted, computed on the basis of profit/(loss) from discontinued operations (₹)		0.01	(0.02)
Earnings per share for continuing and discontinued operations (attributable to equity holders of the Company) (nominal value of share ₹ 3 (31 March 2021: ₹ 3))	37		
Basic, computed on the basis of profit/(loss) for the year (₹)		0.24	0.50
Diluted, computed on the basis of profit/(loss) for the year (₹)		0.23	0.49

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

As per our report of even date attached
For **Singhi & Co.**
Chartered Accountants
Firm registration number: 302049E

For and on behalf of the board of directors

Bimal Kumar Sipani
Partner
Membership no.: 088926

Rohit Ahuja
Executive Director
DIN : 00065417

Subramanian Murali
Director
DIN : 00041261

Place: Noida
Date: 26th May, 2022

Vinit Kishore
Chief Financial Officer

Ruchi Mehta
Vice President- Legal, Corporate
Affairs and Company Secretary

Consolidated Cash Flows Statement

For the year ended 31st March, 2022

		(Amount in ₹ Lakhs)	
	Notes	For the year ended 31st March 2022	For the year ended 31st March 2021
Cash Flows From / (Used in) Operating Activities			
Profit/(loss) before tax from continuing operations		1,314.16	1,240.46
Profit/(loss) before tax from discontinued operations		29.77	(38.64)
Profit/(Loss) before tax		1,343.93	1,201.82
Adjustments for :			
Net (Profit)/Loss on foreign currency transactions and translations		(174.92)	132.32
Share of loss of associates and a joint venture		10.81	64.49
Depreciation and amortisation expense		1,989.95	2,266.35
(Profit)/Loss on disposal of plant, property and equipment's (net)		35.03	3.05
Interest income		(1,429.32)	(965.47)
Profit on sales of Investment (Ziiki Media)		-	(617.75)
Rental Income on investment property net of directly attributable expense		(187.32)	(165.50)
Unclaimed balances written back (net)		(355.34)	(479.38)
Interest expense		117.82	159.75
Employee ESOP Compensation		136.83	108.60
Provision for Loss Allowances		(127.83)	22.02
Irrecoverable balances written off/bad debts		637.84	189.65
Operating profit before working capital changes		1,997.48	1,919.95
Movements in working capital:			
(Increase) in inventories		184.02	(399.76)
Decrease in trade receivables		(1,937.01)	552.20
(Increase)/Decrease in other receivables		(917.82)	(345.89)
(Decrease) in trade payables		1,517.77	(603.21)
Increase/(Decrease) in other payable		12,860.84	10,792.77
(Decrease)/Increase in provisions		34.41	(81.73)
Cash from operations		13,739.69	11,834.33
Net Direct taxes (paid)/refunds		1,175.25	43.92
Net cash from operating activities	(A)	14,914.94	11,878.25
Cash Flows From / (Used in) Investing Activities			
Purchase of plant, property and equipment (including capital work in progress and capital advances)		(1,272.31)	(381.33)
Purchase of intangible assets (Including intangible assets under development)		(244.98)	(209.72)
Proceeds from disposal of plant, property and equipment and intangible assets		36.32	0.63
Acquisition of subsidiary, net of cash and cash equivalent acquired		6.16	-
Proceeds from sale of investment in an associate company		-	1,095.91
Interest received		1,134.25	437.71
Rental income		187.32	165.50
(Increased)/Decreased in fixed deposits		(11,751.85)	(9,371.61)
Net cash (used in) investing activities	(B)	(11,905.09)	(8,262.91)

Consolidated Cash Flows Statement

For the year ended 31st March, 2022

		(Amount in ₹ Lakhs)	
	Notes	For the year ended 31st March 2022	For the year ended 31st March 2021
Cash Flow From / (Used in) Financing Activities			
Proceeds/(repayment) from current borrowings		(1,062.52)	170.74
Share capital issued under ESOP		76.15	14.83
Share application money received under ESOP		7.35	-
Securities Premium received on share issued under ESOP		260.16	50.66
Fully paid Share capital issued by a subsidiary company to a non- controlling interest holder		192.15	-
Partly paid Share capital issued by a subsidiary company to a non- controlling interest holder		15.00	15.00
Repayment of lease liability		(163.84)	(58.91)
Interest paid		(117.82)	(159.75)
Net cash (used in)/from financing activities	(C)	(793.37)	32.57
Net Increase in cash and cash equivalents (A + B + C)		2,216.48	3,647.91
Cash and cash equivalents at the beginning of the year		7,053.23	3,405.32
Cash and cash equivalents at the end of the year		9,269.71	7,053.23
i) Components of cash and cash equivalents:			
Cash on hand		6.96	7.00
Cheques/ drafts on hand		-	-
With banks			
- on current accounts		14,148.45	8,904.34
- Deposits with original maturity of less than three months		429.60	310.35
Bank overdrafts		(5,315.30)	(2,168.45)
Total cash and cash equivalents (note 11, 18 & 47)		9,269.71	7,053.24

	(Amount in ₹ Lakhs)			
ii) Movement in financial liabilities	Current borrowings	Lease Liability	Interest expense on financial liabilities	Total
As at 1 April 2021	1,147.67	64.92	-	1,212.59
Cash flows	(1,062.52)	(163.84)	-	(1,226.36)
Interest expenses	-	-	117.82	117.82
Interest paid	-	-	(117.82)	(117.82)
Non Cash items				
Recognition of lease Liability	-	105.03	-	105.03
As at 31 March 2022	85.15	6.11	-	91.26
As at 1 April 2020	976.93	123.83	-	1,100.76
Cash flows	170.74	(58.91)	-	111.83
Interest expenses	-	-	159.75	159.75
Interest paid	-	-	(159.75)	(159.75)
As at 31 March 2021	1,147.67	64.92	-	1,212.59

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS – 7 "Statement of Cash Flows". The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached
For **Singhi & Co.**
Chartered Accountants
Firm registration number: 302049E

For and on behalf of the board of directors

Bimal Kumar Sipani
Partner
Membership no.: 088926

Rohit Ahuja
Executive Director
DIN : 00065417

Subramanian Murali
Director
DIN : 00041261

Place: Noida
Date: 26th May, 2022

Vinit Kishore
Chief Financial Officer

Ruchi Mehta
Vice President- Legal, Corporate
Affairs and Company Secretary

Consolidated Statement of Changes in Equity

For the year ended 31st March 2022

A: Equity share capital

	Number of shares	(Amount in ₹ Lakhs)
Balance as at 01 April 2020*	20,16,34,222	6,055.02
Change in equity share capital during the year		
Add : Actual Shares issued under ESOP	4,94,314	14.83
Less : Estimated shares to be issued pursuant to scheme of arrangement		
Balance as at 31 March 2021*	20,23,28,536	6,069.85
Change in equity share capital during the year		
Add : Actual Shares issued under ESOP	25,38,227	76.15
Balance as at 31 March 2022*	20,48,66,763	6,146.00

*Equity shares are net off 26,067,843 equity shares as on 31 March, 2022, 22,78,63,982 Equity shares are net off 26,067,843 equity shares as on 01 April, 2020 held by Employee benefit Trust and Independent Non Promoter Trust. (refer note no. 51)

B: Other equity For the year ended 31st March 2022

Particulars	Trust Shares (Refer note 51)	Reserves and Surplus					Items of other comprehensive income		Total	Non-controlling interests	Total equity		
		Capital reserve on Consolidation (i)	Securities Premium (ii)	Capital Redemption Reserve (iii)	General Reserve (iv)	Capital reserve on Scheme of Arrangement (v)	Share Based Payment Reserve (vi)	Share Application Money (vii)				Retained Earnings (viii)	Foreign Currency Translation Reserve (ix)
As at April 01, 2021	161.19	(15.76)	1,854.73	306.66	5,712.74	(1.28)	1,113.36	-	8,762.42	(574.19)	17,707.58	351.40	18,058.98
Profit for the year	-	-	-	-	-	-	-	542.44	-	-	542.44	127.54	669.98
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	34.28	-	(73.77)	(20.42)	(59.63)	(80.05)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	576.72	-	(73.77)	522.02	67.91	589.93
Transactions with owners in their capacity as owners:													
Issue of equity share capital	-	-	260.16	-	-	-	-	7.35	-	-	267.51	-	267.51
Transactions with other:													
Addition pursuant to Scheme of Arrangement (refer note 60)	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payment to employees of the Group	-	-	-	-	-	-	136.83	-	-	-	136.83	(0.60)	136.23
Lapsed ESOPs transferred to retained earnings	-	-	-	-	-	-	(205.44)	-	130.36	-	(75.08)	-	(75.08)
Transfer on issue of shares under ESOP Scheme	-	-	170.34	-	-	-	(214.57)	-	-	-	(44.23)	-	(44.23)
Proceeds from fresh issue of equity by Subsidiaries - Ghana	-	-	-	-	-	-	-	-	-	-	-	4.10	4.10
Proceeds from fresh issue of equity by Subsidiaries - Money	-	-	-	-	-	-	-	122.55	-	-	122.55	124.72	247.27
Minority to majority	-	-	-	-	-	-	-	(56.30)	-	-	(56.30)	56.30	-
As at March 31, 2022	161.19	(15.76)	2,285.23	306.66	5,712.74	(1.28)	830.18	7.35	9,535.75	(647.96)	18,580.88	603.83	19,184.71

(Amount in ₹ Lakhs)

Consolidated Statement of Changes in Equity

For the year ended 31st March 2022

For the year ended 31st March 2021

Particulars	Trust Shares (Refer note 51)	Reserves and Surplus					Items of other comprehensive income		Total	Non-controlling interests	Total equity		
		Capital reserve on Consolidation (i)	Securities Premium (ii)	Capital Redemption Reserve (iii)	General Reserve (iv)	Capital reserve on Scheme of Arrangement (v)	Share Based Payment Reserve (vi)	Share Application Money (vii)				Retained Earnings (viii)	Foreign Currency Translation Reserve (ix)
As at April 01, 2020	161.19	(15.76)	1,770.80	306.66	5,712.74	(1.28)	980.81	-	7,710.18	(510.43)	16,311.92	900.99	17,212.91
Profit for the year	-	-	-	-	-	-	-	1,146.35	-	-	1,146.35	(587.48)	558.87
Other comprehensive income (net of tax)	-	-	-	-	-	-	0.48	(43.63)	-	(63.76)	83.79	28.83	112.62
Total Comprehensive Income for the year	-	-	-	-	-	-	0.48	1,102.72	-	(63.76)	1,230.14	(558.65)	671.49
Transactions with owners in their capacity as owners:													
Shares issued under ESOP Scheme	-	-	50.66	-	-	-	-	-	-	-	50.66	-	50.66
Transfer on issue of shares under ESOP Scheme	-	-	33.27	-	-	-	(33.27)	-	-	-	-	-	-
Addition pursuant to Scheme of Arrangement (refer note 57)	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payment to employees of the Group	-	-	-	-	-	-	165.34	(56.74)	-	-	108.60	0.32	108.92
Transfer OCI to retained earning	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from fresh issue of equity by Subsidiaries	-	-	-	-	-	-	-	6.26	-	-	6.26	8.74	15.00
Disposal of a Subsidiary (refer note no. 44 b)	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	161.19	(15.76)	1,854.73	306.66	5,712.74	(1.28)	1,113.36	-	8,762.42	(574.19)	17,707.58	351.40	18,058.98

(Amount in ₹ Lakhs)

Notes:

- excess of Company's share of equity of the subsidiary on the date of investment over cost of investment.
- represents amount of premium recognised on issue of shares to shareholders at a price more than its face value.
- Capital redemption reserve represents amount created on buy back of shares.
- General reserve represents free reserve amount appropriated out of retained earnings.
- Capital reserve represent reserve created pursuant to Scheme of Arrangement in earlier year.
- Share based payment reserve relates to stock options granted to employees (including employees of holding company and Subsidiary companies) under "SML Employees stock option Plan (ESOP) 2018 of the company" and to employees of a subsidiary under "SDL Employee Stock Option Plan 2015" of Spice Digital Limited, a subsidiary company "and shall be transferred to securities premium account/retained earnings on exercise/cancellation of options (refer note no.46).
- Share application money pending for allotment represent money received against the shares to be issued and it will be adjusted against the money received on issue of shares.
- Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.
- arise as a result of translating the financial statement items from the functional currency into the presentational currency using the exchange rate at the reporting date.
- arise due to exchange differences on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the year.

As per our report of even date attached
For **Singhi & Co.**
Chartered Accountants
Firm registration number: 302049E

Bimal Kumar Sipani
Partner
Membership no.: 088926

Place: Noida
Date: 26th May, 2022

For and on behalf of the board of directors

Rohit Ahuja
Executive Director
DIN : 00065417

Vinit Kishore
Chief Financial Officer

Subramanian Murali
Director
DIN : 00041261

Ruchi Mehta
Vice President- Legal, Corporate
Affairs and Company Secretary

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

1. Corporate information

The Consolidated financial statements comprise financial statements of Digispice Technologies Limited ("the parent" or "the Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates for the year ended 31 March 2022. The Company is domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its share are listed on National Stock Exchange of India Limited and BSE Limited in India.

The Group is primarily engaged into the Information and Communication Technology business providing Value Added Services, and Mobile Content services to the domestic/international Telecom Operators. Also, the Group undertakes development and sale of telecom related software. In addition to this, Group is corporate agent of IRCTC for booking of railway tickets all over India through its appointed agents. Besides IRCTC ticketing, agents also book air tickets, hotels and provides other travel needs through the platform provided by the Group. Group is also providing financial technologies services such as Domestic Money Transfer (DMT) services, aadhar enabled payment services (AEPS), Bharat Bill payment system (BBPS) and other related services.

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

These financial statements were approved by the Board of Directors of the Company in their meeting held on 26 May 2022.

2. Summary of Significant accounting policies

2.1 Statement of Compliance:-

The financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended.

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

2.2 Basis of preparation

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

- Non-current borrowings and lease liabilities are initially measured at amortised cost.
- Current investments are measured at fair value at each reporting date.

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

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

2.3 Functional and Presentation Currency

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

2.4 Basis of consolidation of financial statements

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries, associates and a joint venture as at and for the year ended 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and

The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March. When the end of the reporting period of the Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Company to enable the Company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the Company's investment in each subsidiary and the Company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an

equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the Company's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the group had directly disposed of the related assets and liabilities.

2.5 Summary of significant accounting policies

A. Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward without adjustment. The same first time adoption exemption is also used for associates and joint venture.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquirer's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the

acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

B. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the

difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Impairment in the value of investments' in an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

C. Current and non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

D. Foreign currencies

The Groups consolidated financial statements are presented in ₹ Lakhs, which is also Company's functional currency. For each entity the group determines the functional currency and items included in the financial statement of each entity

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

are measured using that functional currency. The group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

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

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

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into ₹ at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of Ind AS transition, viz., 1 April 2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

E. Fair value measurement

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

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

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

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

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

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

market participant that would use the asset in its highest and best use.

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

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

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

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

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

F. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Goods and services tax (GST) is not received by the Group on its own account, rather, it is tax collected on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

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

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

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

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

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

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the balance sheet date is recognized as unbilled revenues. Revenue from fixed-price, fixed-time frame contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

there is a direct relationship between input and productivity. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Advances received for services and products are reported as client deposits until all conditions for revenue recognition are met.

Income from services

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

Revenue from Fintech services such as Domestic Money Transfer(DMT), AEPS, BBPS, Top up recharges etc. are recognized when the services are actually rendered on real time basis.

Interest income

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

Dividends

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

Rental income

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

G. Taxes

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date in respective country, where the Group operates and generates taxable income.

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

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

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal

income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets.

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

H. Sales/ value added taxes/GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

I. Non-current assets held for sale/ distribution to owners and discontinued operations

The Group classifies non-current assets and disposal group as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/ distribution classification is regarded met only when the assets or disposal Group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal group), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale/ distribution of the asset or disposal to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal Group),

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale/for distribution to owners and disposal Groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A disposal Group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Or

- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

Additional disclosures are provided in Note 47. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

J. Property, plant and equipment

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

Capital work in progress, property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses,

if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Repair and maintenance costs are recognised in profit or loss as incurred.

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

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

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on Derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

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

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

K. Investment properties

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

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

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

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

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

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

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

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

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

L. Intangible assets

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

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

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

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

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

Gains or losses arising from Derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

in the statement of profit or loss when the asset is derecognised.

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

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

M. Borrowing costs

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

N. Inventories

Inventories comprise of traded goods which are valued at the lower of cost and net realisable value.

Cost of traded goods includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

O. Impairment of non-financial assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

P. Provisions, contingent liabilities and contingent assets

Provisions and Contingent Liabilities

Based on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date. A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Assets

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

Warranty

The Group gives warranty on spice brand handsets. Warranty costs on these mobile handsets are provided on an accrual basis, taking into account the past trend of warranty claims received by the "Spice Brand Handset Business" of the Company, to settle the obligation at the balance sheet date.

Q. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Group operates a defined benefit plan i.e. gratuity plan. The liability as at the year end represents the actuarial valuation of the gratuity liability of continuing employees as at the end of the year. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Refer note no. 39

Remeasurement comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

in which they occur. Remeasurement are not reclassified to profit or loss in subsequent periods.

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

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Liabilities recognised in respect of other long-term employee benefits such as annual leave and sick leave are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. These obligations are valued annually by independent qualified actuaries.

R. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- 1) Debt instruments at amortised cost
- 2) Debt instruments at fair value through other comprehensive income (FVTOCI)
- 3) Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- 4) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

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

and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

without material delay to a third party under a 'pass-through' arrangement; and either

- the Group has transferred substantially all the risks and rewards of the asset
- the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

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

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

Derecognition

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

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

S. Trust Shares as per Scheme of Amalgamation (refer Note 51)

In pursuance to a Scheme of Amalgamation following trusts were created:

- Independent Non-Promoter Trust ("NPT")
- Independent Non-Promoter (Spice Employee Benefit) Trust ('EBT')

EBT holds equity shares of the Group for the benefit of the employees of the Company, its associates and subsidiaries and NPT holds equity shares for the benefit of the company. Considering conservative interpretation of Ind AS 32, number

of equity shares held by the NPT and EBT are reduced from total number of issued equity shares.

Equity shares that are held by two trusts are recognised at cost and deducted from Equity / Other Equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

T. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Group's cash management.

U. Segment Reporting Policies

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Chief operating decision makers review the performance of the Group according to the nature of business of the Group. The Group is operating in Digital Technology Services segment and financial technologies services.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Group as a whole.

V. Share-based payments

The Group recognises compensation expense relating to share-based payment in statement of profit and loss using fair value in accordance with Ind AS 102, Share-based Payment except the value of Stock Options to employees of holding company are directly reduced from the retained earnings.

The Group initially measures the cost of equity-settled transactions with employees using Black and Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. Vesting conditions, other than market conditions i.e. performance based condition are not taken into account when estimating the fair value. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 46."

W. Business Combinations

Business Combination other than Common Control

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the Group and fair value of any assets or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values. However, certain assets and liabilities i.e. deferred tax assets or liabilities, assets or liabilities related to employee benefit arrangements, liabilities or equity instruments related to share-based payment arrangements and assets or disposal groups that are classified as held for sale, acquired or assumed in a business combination are measured as per the applicable Ind AS.

Measuring Goodwill or a gain from Bargain Purchase

The excess/(short) of the sum of the consideration transferred and the acquisition-date fair value of any previous equity interest in the acquired entity over the acquisition-date fair value of the net identifiable assets (net of identifiable assets acquired and liabilities assumed/contingent consideration) acquired is recognised as goodwill/(bargain purchase gain). Any gain on a bargain purchase is recognised in other comprehensive income and accumulated in equity as Capital Reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase, otherwise the gain is recognised directly in equity as Capital Reserve.

Business Combination under Common Control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations involving entities or businesses under common control shall

be accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts.

X. Leases

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

Group as a lessee

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

Group as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term. If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

Lease Liability

The lease payments that are not paid at the commencement date, are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37-Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are presented as a separate line in the Balance Sheet and details of assets are given ROU note under "Notes forming part of the Financial Statement".

The Group applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Y. Earnings per share

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders (after deducting the redeemable preference share dividend) by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is calculated by dividing the net profits attributable to equity shareholders (after deducting dividend on redeemable preference shares) by the weighted average number of equity shares outstanding during the year (adjusted for the effects of dilutive options)."

Z. Recent Accounting pronouncements

Ministry of Corporate Affairs ("MCA") has not notified new standard which would have been applicable from April 1, 2022.

However, on March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, The effect of those amendments is not material to the Group.

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

3 Property, plant and equipment and capital work in progress

Particulars	(Amount in ₹ Lakhs)											
	Leasehold Land	Building	Leasehold Improvement	Plant and Machinery	Office Equipment's	Furniture and Fittings	Computers	Vehicle	Payment Devices	Total	Capital Work in Progress	Grand Total
As at 01 April 2020	-	2,514.34	272.43	406.84	364.74	359.26	4,676.37	205.04	1,588.26	10,387.28	85.92	10,473.20
Additions for the year	-	-	-	-	1.96	-	50.31	-	195.15	247.42	444.50	691.92
Disposals	-	-	-	-	(8.46)	-	(0.08)	(0.79)	-	(9.33)	(199.17)	(208.50)
Transfer	-	-	-	-	(1.38)	0.95	(0.84)	1.27	-	-	-	-
Transfer to Inventory	-	-	-	-	(0.17)	(0.20)	5.31	(0.43)	-	4.51	(81.90)	(81.90)
Exchange differences on translations of foreign operations	-	-	-	-	(0.17)	(0.20)	5.31	(0.43)	-	4.51	(81.90)	(81.90)
At 31 March 2021	-	2,514.34	272.43	406.84	365.15	351.55	4,731.07	205.09	1,783.41	10,629.88	249.35	10,879.23
Additions for the year	-	-	-	-	0.41	0.53	124.99	0.82	1,053.82	1,180.57	1,169.40	2,349.97
Disposals	-	-	-	-	(78.96)	(39.89)	(154.03)	(6.28)	-	(279.16)	(1,053.82)	(1,332.98)
Transfer	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Inventory	-	-	-	-	(0.64)	(0.82)	47.70	0.46	-	46.70	(1.75)	(1.75)
Exchange differences on translations of foreign operations	-	-	-	-	(0.64)	(0.82)	47.70	0.46	-	46.70	(1.75)	(1.75)
At 31 March 2022	-	2,514.34	272.43	406.84	285.96	311.37	4,749.73	200.09	2,837.23	11,577.99	363.18	11,941.17
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-
As at 01 April 2020	-	1,804.14	245.68	167.54	349.83	289.81	3,238.99	119.93	576.65	6,792.57	-	6,792.57
Depreciation for the year	-	84.57	13.99	33.48	13.76	41.30	545.21	17.96	484.51	1,234.78	-	1,234.78
Disposals	-	-	-	-	(5.49)	(0.64)	(0.64)	(0.68)	-	(6.81)	-	(6.81)
Transfer	-	-	-	-	(2.35)	0.96	0.08	1.31	-	-	-	-
Adjustment	-	0.07	-	-	(0.35)	(3.65)	(0.35)	(3.65)	-	(3.93)	-	(3.93)
Exchange differences on translations of foreign operations	-	-	-	-	(0.41)	(0.06)	2.64	(0.37)	-	1.80	-	1.80
At 31 March 2021	-	1,888.78	259.67	201.02	360.83	326.52	3,785.93	134.50	1,061.16	8,018.41	-	8,018.41
Depreciation for the year	-	31.43	8.30	33.48	11.46	14.97	487.65	17.50	722.92	1,327.71	-	1,327.71
Disposals	-	-	-	-	(62.14)	(26.65)	(112.74)	(6.28)	-	(207.81)	-	(207.81)
Transfer	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	(1.55)	39.00	(39.21)	(6.00)	9.08	0.89	-	2.21	-	2.21
Exchange differences on translations of foreign operations	-	-	-	-	(0.62)	(0.39)	15.39	0.42	-	14.80	-	14.80
At 31 March 2022	-	1,920.21	266.42	273.50	270.32	308.45	4,185.31	147.03	1,784.08	9,155.32	-	9,155.32
Net Book Value	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2021	-	625.56	12.76	205.82	4.32	25.03	945.14	70.59	722.25	2,611.47	249.35	2,860.82
At 31 March 2022	-	594.13	6.01	133.34	15.64	2.92	564.42	53.06	1,053.15	2,422.67	363.18	2,785.85

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

3A. Right of Use Assets

Particulars	(Amount in ₹ Lakhs)		
	Lease hold Land	Building	Total
Cost as at April 01, 2020	412.21	181.64	593.85
Additions	-	-	-
Sold/discarded during the period	-	-	-
Adjustment during the period	-	-	-
Cost as at March 31, 2021	412.21	181.64	593.85
Additions	-	105.03	105.03
Sold/discarded during the period	-	-	-
Exchange differences on translations of foreign operations	-	0.94	0.94
Cost as at March 31, 2022	412.21	287.61	699.82
Accumulated depreciation as at April 1, 2020	27.55	60.55	88.10
Depreciation for the period	7.69	60.55	68.24
Adjustment / Reclassification during the period	-	-	-
Accumulated depreciation as at March 31, 2021	35.24	121.10	156.34
Depreciation for the period	7.69	159.74	167.43
Exchange differences on translations of foreign operations	-	0.89	0.89
Accumulated depreciation as at March 31, 2022	42.93	281.73	324.66
Net carrying value as on March 31, 2021	376.97	60.54	437.51
Net carrying value as on March 31, 2022	369.28	5.88	375.16

Lease hold land includes assets of Dehradun property having gross value of ₹ 133.16 lakhs (₹ 133.16 lakhs as on 31 March, 2021) and Net WDV of ₹ 114.27 lakhs (₹ 118.53 lakhs as on 31 March, 2021) given as security against bill discounting, bank guarantee limit taken from a bank. This leasehold land is pending transfer in the name of the Parent Company in pursuant to Scheme of Arrangement became applicable from appointment dated 1st April, 2017.

As at 31 March 2022

CWIP	(Amount in ₹ Lakhs)				
	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	332.75	30.43	-	-	363.18
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2021

CWIP	(Amount in ₹ Lakhs)				
	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	249.35	-	-	-	249.35
Projects temporarily suspended	-	-	-	-	-

Notes:

- Building includes assets of Dehradun property having gross value of ₹ 211.71 lakhs (₹ 211.71 lakhs as on 31 March, 2021) and Net WDV of ₹ 152.53 lakhs (₹ 161.01 lakhs as on 31 March, 2021) given as security against bill discounting, bank guarantee limit taken from a bank
- Depreciation for the year includes depreciation on Property plant and equipment, pertaining to discontinued operation of Nil (31 March 2021 ₹ Nil)

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

4 Investment Property

Particulars	(Amount in ₹ Lakhs)					
	Free hold land	Lease hold land	Building	Office Equipment's	Furniture and Fittings	Total
At 01 April 2020	8.00	264.63	1,733.05	79.35	12.16	2,097.19
At 31 March 2021	8.00	264.63	1,733.05	79.35	12.16	2,097.19
At 31 March 2022	8.00	264.63	1,733.05	79.35	12.16	2,097.19
Accumulated depreciation						
At 01 April 2020	-	119.49	317.37	75.28	8.90	521.04
Depreciation for the year	-	23.65	72.53	-	2.61	98.79
Adjustment	-	0.89	(3.29)	4.07	(1.32)	0.35
At 31 March 2021	-	144.03	386.61	79.35	10.19	620.18
Depreciation for the year	-	23.11	71.58	-	1.56	96.25
Adjustment	-	-	0.08	-	-	0.08
At 31 March 2022	-	167.14	458.27	79.35	11.75	716.51
Net Book Value						
At 31 March 2021	8.00	120.60	1,346.44	-	1.97	1,477.01
At 31 March 2022	8.00	97.49	1,274.78	-	0.41	1,380.68

1. Information regarding income and expenditure of Investment property

Particulars	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Rental income derived from investment properties	178.43	199.52
Less: Direct operating expenses (including repairs and maintenance) generating rental income	19.92	20.05
Less: Direct operating expenses (including repairs and maintenance) that did not generate rental income	13.94	13.97
Profit arising from investment properties before depreciation and indirect expenses	144.57	165.50
Less - Depreciation	96.25	98.79
Profit arising from investment properties before indirect expenses	48.32	66.71

2. The Group's investment properties as on 31st March 2022 and 31st March 2021 consist of two office property situated at Kolkata and Mumbai and one factory land and building situated at Rampur in Uttarpradesh. The management has determined the classification of investment properties based on nature, characteristics and risks of each property.

3. The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

4. Measurement of fair value

The fair value of investment properties situated at Mumbai and Kolkata has been determined on 09-05-2022 by external independent registered valuer defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The Company has considered fair value of balance investment properties determined on 30-03-2019 by external independent registered valuer, in the Opinion of management, there is no material change in the fair value of investment property since then.

The fair value measurement for investment properties has been categorised as a level 3 fair value based on inputs to valuation techniques used (refer note 4 (e)). Fair value hierarchy disclosures have been given in note 39A.

5. Fair value of Investment Properties

Particulars	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Fair Value of Investment Properties	4,413.00	4,254.00

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

6. Description of valuation techniques used and key inputs to valuation on investment properties:

Investment properties	Valuation technique	Significant unobservable Inputs
Office properties		
-Kolkata	Market Approach	Reference pricing
-Rampur Land	Market Approach	Reference pricing
-Rampur Building	Depreciated Replacement Cost	Reference pricing
-Mumbai (Jogeshwari)	Sale Comparison Method	Reference pricing

The market approach uses prices and other relevant information generated by market transactions involving identical or complete assets. valuation techniques consistent with the market approach often use market multiples derived from a set of comparables. Multiples might be in ranges with a different multiple for each comparable. The selection of the appropriate multiple within range requires judgement, considering qualitative and quantitative factors specific to the reasurement.

Depreciated Replacement cost method represents amount that would be required currently to replace cost of building less accumulated depreciation for used life i.e. current replacement cost.

Sale Comparison Method represents the amount that would be received to sell similar property in an orderly transaction between market participants less transaction cost to be incurred to execute the sell.

5 Intangible assets

Particulars	(Amount in ₹ Lakhs)					
	Intellectual Property Rights	Computer Software	In-house developed Software	Total	Intangible asset under development	Grand Total
At 01 April 2020	681.72	1,878.44	1,219.83	3,779.99	273.57	4,053.56
Additions for the year	-	44.77	192.09	236.86	164.97	401.83
Disposals	-	(23.30)	-	(23.30)	(192.10)	(215.40)
Adjustment	(12.89)	12.89	-	-	-	-
Exchange differences on translations of foreign operations	-	(12.11)	-	(12.11)	-	(12.11)
At 31 March 2021	668.83	1,900.69	1,411.92	3,981.44	246.44	4,227.88
Additions for the year	-	58.49	81.47	139.96	243.18	383.14
Disposals	-	-	-	-	(81.47)	(81.47)
Capitalized during the year	339.61	-	-	339.61	(396.30)	(56.69)
Exchange differences on translations of foreign operations	-	(2.28)	-	(2.28)	-	(2.28)
At 31 March 2022	1,008.44	1,956.90	1,493.39	4,458.73	11.85	4,470.58
Accumulated amortisation						
At 01 April 2020	221.30	1,425.23	551.43	2,197.97	-	2,197.97
Amortisation for the year	370.99	163.05	330.50	864.54	-	864.54
Disposals	-	(22.13)	-	(22.13)	-	(22.13)
Adjustment	(7.76)	10.76	-	3.00	-	3.00
Exchange differences on translations of foreign operations	-	(10.54)	-	(10.54)	-	(10.54)
At 31 March 2021	584.53	1,566.37	881.93	3,032.84	-	3,032.84
Amortisation for the year	40.71	135.29	222.56	398.56	-	398.56
Adjustment	-	(2.89)	-	(2.89)	-	(2.89)
Exchange differences on translations of foreign operations	-	(0.26)	-	(0.26)	-	(0.26)
At 31 March 2022	625.24	1,698.51	1,104.49	3,428.25	-	3,428.25
Net Book Value						
At 31 March 2021	84.30	334.32	529.99	948.60	246.44	1,195.04
At 31 March 2022	383.20	258.39	388.90	1,030.48	11.85	1,042.33

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

Intangible assets under development Ageing

As at 31 March 2022

(Amount in ₹ Lakhs)					
Intangible assets under development	< 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	11.85	-	-	-	11.85
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2021

(Amount in ₹ Lakhs)					
Intangible assets under development	< 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	164.96	-	24.93	56.55	246.44
Projects temporarily suspended	-	-	-	-	-

- Intangible assets under development includes Manpower and other cost incurred for various internally developed software's.
- As at 31st March, 2021, the Company had reestimated balance useful life of one of the Intellectual property and based on such reestimation, the Company had amortised balance carrying value of ₹ 227.19 Lakhs at the previous year end.

6 Investment in associates and a joint venture

(Carrying amount determined using the equity method of accounting)

(Amount in ₹ Lakhs)		
	As at 31st March 2022	As at 31st March 2021
Investment in associates- unquoted (refer note 45)		
Creative Functionapps Lab Pvt. Ltd 3,514 (31 March 2021 : 3,514) equity share of ₹ 10 each	39.31	50.12
Sunstone Learning Private Limited 95,058 (31 March 2021 : 95,058) equity share of ₹ 1 each	782.09	782.09
Less: Impairment of Investment	(782.09)	(782.09)
	39.31	50.12

7 Investments

(Amount in ₹ Lakhs)				
	Non current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Financial instrument carried at fair value through profit and loss				
Investment in equity instrument (unquoted)				
S Mobile Devices Limited 50,000 (31 March 2021 : 50,000) equity shares of ₹ 10 each fully paid up	5.00	5.00	-	-
Investment in unquoted cumulative compulsorily convertible bonds				
Investment in PT Solusi Pasti Indonesia				
(IDR 27,000,000,000 (Twenty Seven Billion Rupiah) convertible bonds)	1,437.70	1,400.49	-	-
Less: Provision for Impairment of Investment (refer note 54)	(1,437.70)	(1,400.49)	-	-
Investment in PT Jasa Digital Nusantara				
(USD 2,00,000 (Two hundred thousand USD) convertible bonds)	157.53	139.85	-	-
Less: Provision for Impairment of Investment (refer note 54)	(157.53)	(139.85)	-	-

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

(Amount in ₹ Lakhs)				
	Non current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Government and trust securities (unquoted)				
National Saving Certificates				
5 (31 March 2021 : 5) of ₹ 10,000 each (Purchased in the name of an employee of the Company and pledged with sales tax department)	0.50	0.50	-	-
Less: Provision for Impairment of Investment (refer note 54)	(0.50)	(0.50)	-	-
	5.00	5.00	-	-
Aggregate amount of unquoted investments	5.00	5.00	-	-
Aggregate amount of impairment in value of investments	157.53	139.85	-	-

8 Loans - financial assets

(Amount in ₹ Lakhs)				
	Non current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Secured, considered good				
Loans to related party#	-	142.64	-	-
Unsecured, considered good				
Loans to employees	10.69	16.65	4.61	9.48
	10.69	159.29	4.61	9.48
Doubtful				
Loan to bodies corporate	-	-	4,945.14	4,945.14
Advances recoverable in cash or kind	-	-	404.92	404.92
	-	-	5,350.06	5,350.06
Allowances for bad & doubtful				
Loan to bodies corporate	-	-	4,945.14	4,945.14
Advances recoverable in cash or kind	-	-	404.92	404.92
	-	-	5,350.06	5,350.06
	10.69	159.29	4.61	9.48

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

Loan to related party secured against property, plant and equipment and receivables.

9 Others- financial assets

(Amount in ₹ Lakhs)				
	Non current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Unsecured, considered good				
Receivable from related party (refer note 41)				
Rent and other receivable	-	-	154.65	49.42
Receivable against ticketing	-	-	20.10	1.96
Interest accrued on inter-corporate loans	-	-	-	13.22
Receivable from others				
Interest accrued on fixed deposits	-	-	218.92	196.11
Interest accrued on Income Tax Refund	-	-	-	32.15
Rent and other receivable	-	-	3.53	18.92
Security deposits	211.28	284.86	90.75	80.47
Receivable against ticketing	-	-	14.23	3.20

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

(Amount in ₹ Lakhs)

	Non current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Receivable against collection from agents	-	-	1,831.43	1,845.64
Advances recoverable in cash or kind	-	-	245.01	13.22
Fixed deposits with remaining maturity of more than 12 months (Refer note 12 for fixed deposit pledged with bank)	3,669.31	375.00	-	-
	3,880.59	659.86	2,578.62	2,254.31
Unsecured, considered doubtful				
Receivable against collection from agents	-	-	12.39	12.39
Unbilled Receivables	-	-	3,154.93	3,154.93
Security deposits	-	-	23.32	2.10
Rent and other receivables - from others	-	-	23.82	22.23
	-	-	3,214.46	3,191.65
Allowances for bad & doubtful				
Receivable against collection from agents	-	-	12.39	12.39
Unbilled Receivables	-	-	3,154.93	3,154.93
Security deposits	-	-	23.32	2.10
Rent and other receivables - from others	-	-	23.82	22.23
	-	-	3,214.46	3,191.65
	3,880.59	659.86	2,578.62	2,254.31

10 Trade receivables

(Amount in ₹ Lakhs)

	As at 31st March 2022	As at 31st March 2021
Trade receivables	9,993.90	8,681.57
Less: provision for Credit Impaired	(2,877.76)	(3,079.55)
	7,116.14	5,602.02
Billed		
Secured, considered good	-	-
Unsecured, considered good	3,283.37	4,039.29
Unsecured, significant risk increased	-	-
Unsecured, Credit Impaired	2,877.76	3,079.55
	6,161.13	7,118.84
Less: Loss Allowance	(2,877.76)	(3,079.55)
Total Billed	3,283.37	4,039.29
Unbilled		
Secured, considered good	-	-
Unsecured, considered good	3,832.77	1,562.73
Unsecured, significant risk increased	-	-
Unsecured, Credit Impaired	-	-
	3,832.77	1,562.73
Less: Loss Allowance	-	-
Total Unbilled	3,832.77	1,562.73

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

Trade Receivable ageing

As at 31 March 2022

(Amount in ₹ Lakhs)

Particulars	Not due	Less than 6 months	6 months - 1 year	1- 2 year	2- 3 year	More than 3 years	Total
Undisputed Trade receivables							
(i) Considered good	1,695.78	1,124.30	146.60	105.45	100.54	57.37	3,230.04
(ii) Which have significant increase in credit risk	2.37	2.97	-	47.98	-	-	53.33
(iii) Credit impaired	-	85.93	106.71	272.67	287.56	2,124.89	2,877.76
Disputed Trade Receivables							
(iv) Considered good	-	-	-	-	-	-	-
(v) Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Credit impaired	-	-	-	-	-	-	-
Total	1,698.15	1,213.20	253.31	426.11	388.11	2,182.26	6,161.13

As at 31 March 2021

(Amount in ₹ Lakhs)

Particulars	Not due	Less than 6 months	6 months - 1 year	1- 2 year	2- 3 year	More than 3 years	Total
Undisputed Trade receivables							
(i) Considered good	606.97	2,729.26	383.86	186.08	87.87	45.24	4,039.29
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	0.65	68.24	85.30	595.25	933.80	1,396.32	3,079.55
Disputed Trade Receivables							
(iv) Considered good	-	-	-	-	-	-	-
(v) Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Credit impaired	-	-	-	-	-	-	-
Total	607.62	2,797.50	469.16	781.33	1,021.67	1,441.56	7,118.84

11 Cash and cash equivalents

(Amount in ₹ Lakhs)

	As at 31st March 2022	As at 31st March 2021
Balance with banks :		
On current accounts	14,144.06	8,898.66
Cheques, drafts on hand	-	-
Cash on hand	6.96	6.96
Deposit with original maturity of less than three months	429.60	310.35
	14,580.62	9,215.97

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

Balance with banks on current account does not earn interest. Short-term deposits are made for varying periods of between one day and three months, more than 3 months and in some cases more than 12 months (which have been classified as non current assets under note no 9) also, depending on the immediate cash requirements of the group, and earn interest at the respective short-term deposit rates.

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

12 Bank balances other than (11) above

	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Unclaimed dividend accounts - Earmarked Balances	3.65	19.82
Deposits with remaining maturity of less than 12 months	11,027.30	6,077.47
Deposit held as security against borrowings/bank guarantee (remaining maturity of less than 12 months)##	9,675.87	6,151.99
Fixed deposits with remaining maturity of more than 12 months	3,669.31	375.00
	24,376.13	12,624.28
Amount disclosed under other non current financial assets (refer note 9)	(3,669.31)	(375.00)
	20,706.82	12,249.28

Deposit with banks earns interest at fixed rates based on bank deposit rates for the tenor of deposit at the time of placing the deposit.

Fixed deposits with carrying amount of ₹ 877.03 Lakhs (31 March 2021: ₹ 1,079.75 Lakhs) pledged with bank/government authority.

Includes deposits of ₹ 35.77 Lakhs (31 March 2021: ₹ 36.92 Lakhs) pledged against issue of bank guarantees and deposit of ₹ 107.53 Lakhs (31 March 2021: ₹ 102.88 Lakhs) pledged for pre paid instrument business and Deposits of ₹ 8,630.54 Lakhs (31 March 2021: ₹ 4,907.44 Lakhs) pledged against borrowings and Deposits of ₹ 25 Lakhs (31 March 2021: ₹ 25 Lakhs) pledged against issue of corporate credit card.

13 Income tax assets (net)

	(Amount in ₹ Lakhs)			
	Non current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Advance income-tax (net of provision for taxation)	4,610.45	5,717.89	34.78	569.64
	4,610.45	5,717.89	34.78	569.64

14 Other assets

	(Amount in ₹ Lakhs)			
	Non current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Unsecured, considered good				
Capital advances	86.87	89.96	-	-
Prepaid expenses	-	3.33	571.89	483.01
Prepaid rent	0.41	1.54	0.60	1.56
Balances with statutory / government authorities	-	-	598.15	458.26
Advance to suppliers/ service providers	18.22	-	1,255.15	755.44
	105.50	94.83	2,425.79	1,698.27
Unsecured, considered doubtful				
Advances receivable in cash or kind	-	-	235.79	206.66
Balances with statutory / government authorities	-	-	22.69	17.91
Allowances for bad and doubtful				
Advances receivable in cash or kind	-	-	235.79	206.66
Balances with statutory / government authorities	-	-	22.69	17.91
	105.50	94.83	2,425.79	1,698.27

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

15 Inventories (valued at lower of cost and net realisable value)

	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Goods and services procured	278.19	462.21
	278.19	462.21

The cost of inventories recognised as an expense includes ₹ 34 Lakhs (31 March 2021: ₹ 32 Lakhs) in respect of write-downs of inventory to net realisable value.

16. Deferred tax

Recognised deferred tax assets and liabilities

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

	(Amount in ₹ Lakhs)					
	Deferred tax assets		Deferred tax (liabilities)		Net deferred tax asset/(liabilities)	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Property, plant and equipments and intangible assets: impact of difference between tax depreciation and depreciation/ amortisation recognised in books	16.45	-	(63.35)	(132.97)	(46.90)	(132.97)
Provisions for loss allowance	556.85	544.32	-	-	556.85	544.32
Provisions-employee benefits	388.71	387.25	-	-	388.71	387.25
Business Losses including unabsorbed depreciation	914.56	902.63	-	-	914.56	902.63
Other items	107.26	126.62	(5.86)	(5.86)	101.40	120.76
Deferred tax assets/ (liabilities)	1,983.83	1,960.82	(69.21)	(138.83)	1,914.62	1,821.99
MAT credit receivable	586.26	1,007.78	-	-	586.26	1,007.78
Net deferred tax assets/ (liabilities)	2,570.09	2,968.60	(69.21)	(138.83)	2,500.88	2,829.77

B. Movement in temporary differences

	(Amount in ₹ Lakhs)							
	As at 31 March 2020	Recognised in profit or loss during 2020-21	Recognised in OCI during 2020-21	As at 31 March 2021	Recognised in profit or loss during 2021-22	Recognised in OCI during 2021-22	Recognised directly in equity 2021-22	As at 31 March 2022
	(A)	(B)	(C)	(D=A-B+C)	(E)	(F)	(G)	(H=D- E+F+G)
Property, plant and equipments and intangible assets	(360.17)	227.20	-	(132.97)	86.07	-	-	(46.90)
Provisions for loss allowance	690.25	(145.93)	-	544.32	12.53	-	-	556.85
Provisions-employee benefits	351.91	17.46	17.88	387.25	63.85	(2.57)	(59.82)	388.71
Business Losses including unabsorbed depreciation	925.36	(22.73)	-	902.63	11.93	-	-	914.56
Other items	127.42	(6.66)	-	120.76	(19.36)	-	-	101.40
MAT credit receivables	1,139.60	(131.82)	-	1,007.78	(421.52)	-	-	586.26
Exchange differences on translations of foreign operations	-	0.31	-	-	0.48	-	-	-
	2,874.37	(62.17)	17.88	2,829.77	(266.02)	(2.57)	(59.82)	2,500.88

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

Reflected in the balance sheet as follows:

	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Deferred tax assets	2,570.09	2,968.60
Deferred tax liabilities	(69.21)	(138.83)
Deferred tax assets (net)	2,500.88	2,829.77

Reflected in the statement of profit and loss as follows:

	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Tax income/(expense) during the year	(266.02)	(62.17)
Deferred tax impact OCI	(2.57)	17.88
Total	(268.59)	(44.29)

- The Group offsets deferred tax assets and deferred tax liabilities if and only if it relate to income taxes levied by the same tax authority.

In pursuance to section 115BAA of the Income Tax Act, 1961 notified by Government of India through Taxation Laws (Amendment) Act 2019, the company has an irrevocable option of shifting to lower tax rate foregoing other tax incentives. The Company is having Unabsorbed Depreciation and unutilised MAT Credit accumulation as on the reporting date and continue to accumulate MAT credit till FY 2023-24 to 2028-29. As per the projections the company expects to recover or adjust the MAT Credit (MAT is eligible for adjustment in 15 year). It is difficult to appropriately evidence that from which year and how much deferred tax will be realised/settled based on new tax rate regime. The company has not exercised this option during the year the and continue to recognise the taxes on income for year ended 31st March 2022 as per the normal tax rate at which management expect to recover or settle the defer tax at this reporting date. Company will review the above position at each year end.

C. Unrecognised deferred tax assets

	(Amount in ₹ Lakhs)			
Entity	As at 31 March 2022	Expiry date	As at 31 March 2021	Expiry date
- Parent Company				
Business Losses	605.51		363.25	31 March 2029
Unabsorbed depreciation	711.58		369.14	
Long term capital losses	2,107.45	31 March 2022 to 31 March 2026	2,110.04	31 March 2022 to 31 March 2026
Short term capital losses	7.66	31 March 2025	7.66	31 March 2025
Provision for Loss Allowances-Loan and other receivables	6,391.49		6,391.49	
Provision for Loss Allowances-Trade Receivables	3,955.61		3,968.64	
Provision for Impairment of Investment	48,103.40		48,103.40	
Total	61,882.70		61,313.62	

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

17. Equity share capital

	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Authorized		
413,500,000 (31 March 2021: 413,500,000) equity shares of ₹ 3 each	12,405.00	12,405.00
Issued, subscribed and fully paid-up		
230,934,606 (31 March 2021: 228,396,379) equity shares of ₹ 3 each	6,928.04	6,851.89
Less: Equity shares held by Independent Non-Promoter (Spice Employee Benefit) Trust / Independent Non-Promoters Trust		
(face value of 26,067,843 (31 March 2021 :26,067,843) shares transferred to the trust pursuant to the Scheme of Amalgamation) (refer to note 51)	782.04	782.04
	6,146.00	6,069.85

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

	Nos.	(Amount in ₹ Lakhs)
Outstanding at the end of the year as at 31 March 2020	22,79,02,065	6,837.06
Add: Share issued during the year under Esop (refer note 46)	4,94,314	14.83
Outstanding at the end of the year as at 31 March 2021	22,83,96,379	6,851.89
Add: Share issued during the year under Esop (refer note 46)	25,38,227	76.15
Outstanding at the end of the year as at 31 March 2022	23,09,34,606	6,928.03

(b) Terms/ rights attached to equity shares

The Company has single class of equity shares having a par value of ₹ 3 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

In winding up of the Company, the holders of equity shares will be entitled to receive residual assets of the Company, remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company

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

	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Holding Company		
Spice Connect Private Limited		
169,447,570 (31 March 2021: 169,447,570) equity shares of ₹ 3 each fully paid	5,083.43	5,083.43

(d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31st March 2022		As at 31 March 2021	
	Nos.	% holding in the class	Nos.	% holding in the class
Equity shares of ₹ 3 each fully paid				
Spice Connect Private Limited, the holding company	16,94,47,570	73.37%	16,94,47,570	74.19%
Mediatek India Technology Private Limited	1,24,74,701	5.40%	1,93,68,439	8.48%
Independent Non Promoter Trust	1,59,12,776	6.89%	1,59,12,776	6.97%

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

(e) Paid up share capital includes 38083 equity shares allotted on June 14, 2019 pursuant to Scheme of Arrangement without payment being received in cash. No share has been allotted by way of bonus shares during the period of five years immediately preceding the balance sheet date.

(f) Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters for Financial year ended on 31st March, 2022 is as follows:

Name of the shareholder	As at 31st March 2022		As at 31 March 2021		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Spice Connect Private Limited (Holding Company)	16,94,47,570	73.37	16,94,47,570	74.19	-
	16,94,47,570	73.37	16,94,47,570	74.19	-

Disclosure of shareholding of promoters for Financial year ended on 31st March, 2021 is as follows:

Name of the shareholder	As at 31st March 2022		As at 31 March 2021		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Spice Connect Private Limited (Holding Company)	16,94,47,570	74.19	16,94,47,570	74.35	-
	16,94,47,570	74.19	16,94,47,570	74.35	-

Note: During the year, paid up share capital has been increased resulting change in percentage of shares held by the holding company, however, there is no change in number of shares held in comparison to previous year.

17A. Other equity

	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Securities premium	2,285.23	1,854.73
Capital redemption reserve	306.66	306.66
General reserve	5,712.74	5,712.74
Capital reserve on consolidation	(15.76)	(15.76)
Retained earnings	9,535.75	8,762.42
Trust shares (refer note 51)	161.19	161.19
Share Based Payment Reserve	830.18	1,113.36
Capital reserve on Scheme of Arrangement	(1.28)	(1.28)
Other comprehensive income (OCI)	(241.18)	(186.48)
Share Application Money	7.35	-
	18,580.88	17,707.58
a) Securities premium		
Balance as per the last financial statements	1,854.73	1,770.80
Add: Premium received on shares issued under ESOP Scheme	260.16	50.66
Add: Transfer of Share based reserve on issue of shares under ESOP Scheme	170.34	33.27
Closing Balance	2,285.23	1,854.73
b) Capital redemption reserve		
Balance as per the last financial statements	306.66	306.66
Closing Balance	306.66	306.66
c) General reserve		
Balance as per the last financial statements	5,712.74	5,712.74
Closing Balance	5,712.74	5,712.74
d) Capital reserve on consolidation		
Balance as per the last financial statements	(15.76)	(15.76)
Closing Balance	(15.76)	(15.76)

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
e) Retained earnings		
Balance as per the last financial statements	8,762.42	7,710.18
Add: Created during the year	669.98	558.87
Non Controlling Interest	(127.54)	587.48
Add: Other Comprehensive income during the year	34.28	(43.63)
Share of (Loss) brought forward moved to minority from majority	(56.30)	-
Add: Proceeds from fresh issue of equity by Subsidiaries	122.55	6.26
Add: Share based payment to employees of the Group (refer note 46 (1))	130.36	(56.74)
Closing Balance	9,535.75	8,762.42
f) Trust shares (refer note 51)		
Opening balance	161.19	161.19
Closing Balance	161.19	161.19
g) Share Based Payment Reserve		
Opening balance	1,113.36	980.81
Add: Created during the year	121.58	108.60
Add: ESOP Outstanding_Holding company	15.25	56.74
Less: Transfer of Share based reserve on issue of shares under ESOP Scheme	(214.57)	(33.27)
Less: Lapsed ESOPs transferred to retained earnings	(205.44)	-
Less: Exchange difference	-	0.48
Closing Balance	830.18	1,113.36
h) Capital reserve on Scheme of Arrangement		
Opening balance	(1.28)	(1.28)
Add: Addition pursuant to Scheme of Arrangement (refer note 57)	-	-
Closing Balance	(1.28)	(1.28)
i) Items of OCI		
1. Foreign Currency Translation Reserve		
Balance as per the last financial statements	387.71	197.01
Add: Addition/(deletion) during the year	19.07	190.70
Less: Adjustment on deemed loss of control/other (Refer note 44a)	-	-
Less: Loss of Control	-	-
Add: Acquisition of non-controlling interest of subsidiary	-	-
Closing Balance	406.78	387.71
2. Foreign Currency Monetary Item Translation Difference Account		
Balance as per the last financial statements	(574.19)	(510.43)
Add: Addition/(deletion) during the year	(73.77)	(63.76)
Closing Balance	(647.96)	(574.19)
Total (1+2)	(241.18)	(186.48)
j) Share Application Money		
Share Application money received under ESOP pending allotment*	7.35	-
	7.35	-
Total other equity	18,580.88	17,707.58

*Shares has been allotted on May 06, 2022 towards shares application money pending for allotment as on March 31, 2022.

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

18 Borrowings

	(Amount in ₹ Lakhs)			
	Non current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Secured				
Bill discounting facility from a bank (secured) (repayable on demand) \$	-	-	-	1,064.73
Limit from bank (repayable on demand) #	-	-	-	264.85
Bank Overdraft facility (Secured) &	-	-	5,315.30	1,903.60
	-	-	5,315.30	3,233.18
Unsecured				
Interest free loan and advances from others repayable on demand (repayable on demand)	-	-	85.15	82.94
	-	-	85.15	82.94
	-	-	5,400.45	3,316.12

\$The bill discounting facility from a bank is secured by first and exclusive charge on current assets and movable assets of the Company, both present and future. Further, lien is marked on fixed deposits with bank to extent of 15% of bill discounting outstanding amount. The facility carries interest at 10.25% equivalent to 3 Month MCLR

#The working capital limit from bank and bank guarantees secured against fixed deposits of ₹ Nil lakhs (31 March 2021: ₹ 687.50 lakhs) and are further secured by land and building situated at Dehradun.

& In the current year and previous year, overdraft facilities from bank are secured by pledge of fixed deposit with banks. The facilities carried an average interest at 6.85% as at 31 March 2022 (31 March 2021: 8%).

19 Trade payables

	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Trade payables		
-Due to Micro and Small Enterprises (refer note 52)	90.65	54.39
-Due to Other than Micro and Small Enterprises	6,878.78	5,560.69
Trade payable to related parties (refer note 41)	16.91	177.14
	6,986.34	5,792.22

Trade Payable ageing

As at 31 March 2022

Particulars	(Amount in ₹ Lakhs)						
	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1- 2 year	2- 3 year	More than 3 years	Total
(i) MSME	-	4.17	86.48	-	-	-	90.65
(ii) Others	3,591.24	26.94	2,327.71	103.06	60.90	84.36	6,194.21
(iii) Disputed Dues- MSME	-	-	-	-	-	-	-
(iv) Disputed Dues- Others	701.48	-	-	-	-	-	701.48
Total	4,292.72	31.11	2,414.19	103.06	60.90	84.36	6,986.34

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

As at 31 March 2021

Particulars	(Amount in ₹ Lakhs)						
	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1- 2 year	2- 3 year	More than 3 years	Total
(i) MSME	14.78	34.71	4.90	-	-	-	54.39
(ii) Others	2,570.59	25.79	2,251.58	67.87	0.66	82.03	4,998.52
(iii) Disputed Dues- MSME	-	-	-	-	-	-	-
(iv) Disputed Dues- Others	739.31	-	-	-	-	-	739.31
Total	3,324.68	60.50	2,256.48	67.87	0.66	82.03	5,792.22

20 Other financial liabilities

Particulars	(Amount in ₹ Lakhs)			
	Non current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
At amortised cost				
Security deposits	32.93	165.08	35.47	35.47
Unpaid dividends	-	-	3.65	19.82
Payable on settlement of transactions	-	-	1,245.32	203.27
Payable towards capital goods	-	-	36.07	17.07
Employee related liabilities (includes salary payable and variable compensation)				
-to related parties (refer note 41)	-	-	25.14	21.88
-to other employees	-	-	1,458.67	774.18
	32.93	165.08	2,804.32	1,071.69

21 Provisions

Particulars	(Amount in ₹ Lakhs)			
	Non current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Provision for employee benefit				
Gratuity (refer note 39)	549.66	516.58	57.58	105.45
Compensated absences	212.33	204.33	78.65	74.41
Provision for GST under dispute	-	-	10.26	10.26
Provision for interest payable to MSME	-	-	0.71	0.70
	761.99	720.91	147.20	190.82

22 Current tax liabilities (net)

Particulars	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Provision for income-tax (net of advance tax)	171.37	533.34
	171.37	533.34

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

23 Other liabilities

	(Amount in ₹ Lakhs)			
	Non current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Rent received in advance	-	16.40	-	-
Employee statutory deductions	-	-	95.78	54.35
TDS payable	-	-	354.63	343.20
Advance from customers and their credit balances	-	-	26,608.70	15,926.95
Deferred revenue	-	-	593.66	76.68
Indirect taxes and duties payable	-	-	439.32	395.61
Dividend Tax	-	-	-	15.75
Others	0.80	-	33.30	10.26
	0.80	16.40	28,125.39	16,822.80

24 Revenue from services

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Sale of hardware, traded goods, Air Time and software solution	51,347.90	38,123.02
Sales/rendering of services	47,712.72	33,087.42
	99,060.62	71,210.44

As per the terms of the contract with its customers, either all performance obligations are to be completed within one year from the date of such contracts or the Group has a right to receive consideration from its customers for all completed performance obligations. Accordingly, the Group has availed the practical expedient available under paragraph 121 of Ind AS 115 and dispensed with the additional disclosures with respect to performance obligations that remained unsatisfied (or partially unsatisfied) at the balance sheet date. Further, since the terms of the contracts directly identify the transaction price for each of the completed performance obligations, in all material respects, there are no elements of transaction price which have not been included in the revenue recognised in the financial statement. Further, there is no material difference between the contract price and the revenue from contract with customers.

25 Other income

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest on income tax refund	317.63	353.74
Interest received on financial and non financial assets -carried at amortised cost		
Bank deposits	1,086.07	588.06
Loan to an employee and body corporate	8.30	15.42
Others	17.32	8.25
Rent received	243.13	279.21
Profit on sale of investment in an associates	-	617.75
Unclaimed balances written back (net)	355.34	479.38
Maintenance charges recovery	-	24.15
Miscellaneous income	-	0.47
Other non-operating income	42.35	86.48
	2,070.14	2,452.91

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

26 Cost of goods and services procured

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Goods and services procured	50,151.49	37,824.29
	50,151.49	37,824.29

27 (Increase) / Decrease in inventories of procured goods

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Inventories at the end of the year		
Goods and services procured	278.19	380.31
	278.19	380.31
Inventories at the beginning of the year		
Goods and services procured*	462.21	62.45
	462.21	62.45
Less: Capitalisation from opening inventory	346.30	-
	(162.28)	(317.86)

*Previous year includes ₹ 81.90 Lakhs transferred from Capital work in progress to inventory at the beginning of the year (refer note 3)

28 Cost of services rendered

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Value added charges and other service charges	32,215.92	21,773.19
	32,215.92	21,773.19

29 Employee benefits expense

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Salaries, wages and bonus	7,758.68	5,254.43
Contribution to provident and other funds	449.66	313.90
Gratuity expense (refer note 39)	151.09	126.94
Staff welfare expenses	132.48	43.70
Employee ESOP Compensation (refer note 46)	121.58	108.60
	8,613.49	5,847.57
Less: Capitalized as intangible assets/transferred to intangible under development	(141.02)	(160.51)
	8,472.47	5,687.06

30 Finance costs

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest Cost	38.56	55.04
Bill discounting charges	62.25	76.33
Interest on lease liability	16.89	9.49
Other finance cost	0.12	18.89
	117.82	159.75

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

31 Depreciation and amortization expense

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Depreciation on plant, property and equipments (refer note 3)	1,327.71	1,234.78
Amortization on intangible assets (refer note 5)	398.56	864.54
Depreciation on investment property (refer note 4)	96.25	98.79
Depreciation on Right of Use Assets (refer note 3A)	167.43	68.24
	1,989.95	2,266.35

32 Other expenses

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Net Loss on foreign currency transactions and translations	60.67	190.38
Rent	46.67	177.46
Rates and taxes	35.28	11.92
Insurance	39.92	66.83
Repairs and maintenance		
-Buildings	12.24	6.45
-Others	393.92	196.58
Advertising and sales promotion	540.04	479.97
Loss on disposal of plant,property and equipments (net)	35.03	3.05
Vehicle running and maintenance	337.98	-
Travelling and conveyance	1,005.29	782.21
Legal and professional fees	2,193.38	1,599.96
Payment to statutory auditors	82.34	85.60
Corporate social responsibility expenses	6.00	48.00
Provision for Loss Allowance	(127.83)	22.02
Irrecoverable balances written off	637.84	189.65
Donation and contributions to charitable institutions	42.00	-
Directors' sitting fees	-	-
Miscellaneous expenses	1,625.16	1,109.99
	6,965.93	4,970.07
Less: Capitalized as intangible assets/transferred to intangible under development	(45.51)	(4.45)
	6,920.42	4,965.62

33 Exceptional items

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Penalty charged by RBI	100.00	-
	100.00	-

Refer Note no. 53

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

34 Items that will not be reclassified to profit and loss

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Remeasurement gain of defined benefit plan	36.95	(61.56)
Deffered tax impact	(2.57)	17.88
	34.38	(43.68)

35 Items that will be reclassified to profit and loss

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Exchange differences on translations of foreign operations	(40.66)	220.05
Exchange difference on long term loan*	(73.77)	(63.76)
	(114.43)	156.29

*Represents foreign exchange loss on translation of a long term monetary item forming part of a subsidiary's net investment in its foreign subsidiary.

36 Income Tax

The major components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:

A. Amount recognised in profit and loss:

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Current income tax:		
Current income tax charge	492.50	611.32
Adjustment in respect of current tax of previous year	(84.57)	(30.54)
Deferred tax		
Relating to origination and reversal of temporary differences	266.02	62.17
Income tax expense reported in the statement of profit or loss	673.95	642.95

B. Reconciliation of effective tax rate

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit/(loss) before tax from continuing operations	1,314.16	1,240.46
Profit/(loss) before tax from discontinued operations	29.77	(38.64)
Profit/(Loss) before tax	1,343.93	1,201.82
Tax using the Company's domestic tax rate (C.Y. 27.82% and PY 27.82%)	373.88	334.35
Adjustments in respect of current income tax of previous years	(84.57)	(30.54)
Tax impact on non deductible expenditures/provisions	608.86	203.77
Foreign withholding taxes expensed off	17.15	130.20
Set off of tax losses of earlier year with current year's taxable income	-	(36.76)
Tax adjustment due to rate difference	(320.54)	(1,280.26)
Share of losses of associates and joint venture	3.01	17.94
Deferred tax assets not recognised on current year carry forward losses due to uncertainty involved	122.77	203.75
Adjustment due to change in estimation in realisation of deferred tax assets and deferred tax assets on change in business losses claimed in Income Tax Return	-	1,192.38
MAT Credit taken/utilised during the year related to earlier year	27.68	(40.04)
Tax impact related to Provision for Impairment of Investments	-	13.88
Income tax effect on acquisition adjustment on intra group transfer of employees	-	(18.00)
Others	(74.29)	(47.72)
Total tax	673.95	642.95

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

37 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the loss for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computations:

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit/(loss) attributable to equity holders of the parent:		
Continuing operations	512.67	1,184.99
Discontinued operation	29.77	(38.64)
Loss attributable to equity holders of the parent for basic earnings	542.44	1,146.35
Weighted average (net) number of equity shares in calculating basic EPS	22,93,74,637	22,79,42,474
Potential ESOPs vested as at 31 March 2021 issued for no consideration	40,17,123	52,25,816
Weighted average (net) number of equity shares in calculating diluted EPS	23,33,91,760	23,31,68,290
Earnings per share for continuing operations		
Basic, computed on the basis of loss from continuing operations attributable to equity holders of the parent	0.23	0.52
Diluted, computed on the basis of loss from continuing operations attributable to equity holders of the parent	0.22	0.51
Earnings per share for discontinued operations		
Basic, computed on the basis of loss from discontinued operations attributable to equity holders of the parent	0.01	(0.02)
Diluted, computed on the basis of loss from discontinued operations attributable to equity holders of the parent	0.01	(0.02)
Earnings per share for continuing and discontinued operations		
Basic, computed on the basis of loss for the year attributable to equity holders of the parent	0.24	0.50
Diluted, computed on the basis of loss for the year attributable to equity holders of the parent	0.23	0.49

38 Group information

Information about subsidiaries

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

S. No.	Name	Notes	Country of Incorporation	% Equity Interest	
				As at 31st March 2022	As at 31st March 2021
1	Spice Money Limited	(i)	India	96.83%	98.04%
2	Kimaan Exports Private Limited	(a)	India	100.00%	100.00%
3	E-Arth Travel Solutions Private Limited	(k)	India	66.67%	0.00%
4	Vikasni Fintech Private Limited	(l)	India	51.00%	0.00%
5	Hindustan Retail Private Limited		India	100.00%	100.00%
6	New Spice Sales & Solutions Limited	(b)	India	100.00%	100.00%
7	Cellucom Retail India Private Limited	(c)	India	100.00%	100.00%
8	S Mobility (HK) Limited		Hong Kong	100.00%	100.00%
9	Spice Digital Bangladesh Limited		Bangladesh	100.00%	100.00%
10	S Global Services Pte. Ltd		Singapore	100.00%	100.00%
11	Digispice Nepal Private Limited	(j)	Nepal	100.00%	100.00%
12	Beoworld SDN. BHD	(d)	Malaysia	100.00%	100.00%
13	Fast Track IT Solutions Limited	(d)	Bangladesh	70.00%	70.00%
14	PT Spice Digital Indonesia	(f)	Indonesia	100.00%	100.00%

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

S. No.	Name	Notes	Country of Incorporation	% Equity Interest	
				As at 31st March 2022	As at 31st March 2021
15	Omnia Pte. Ltd.	(e)	Singapore	100.00%	100.00%
16	S Mobility Pte. Ltd.	(d)	Singapore	100.00%	100.00%
17	Spice VAS (Africa) Pte. Limited	(d)	Singapore	80.00%	80.00%
18	Digispice Nigeria Limited (formerly known as Spice Digital Nigeria Limited)	(e)	Nigeria	100.00%	100.00%
19	Spice VAS Kenya Limited	(e) & (h)	Kenya	100.00%	100.00%
20	Digispice Uganda Limited (formerly known as Spice VAS Uganda Limited)	(e)	Uganda	75.00%	75.00%
21	Digispice Ghana LTD (formerly known as Spice VAS Ghana Limited)	(e)	Ghana	70.00%	100.00%
22	Digispice Zambia Limited (formerly known as Spice VAS Zambia Limited)	(e)	Zambia	100.00%	100.00%
23	Digispice Tanzania Limited (formerly known as Spice VAS Tanzania Limited)	(e) & (g)	Tanzania	100.00%	100.00%
24	Spice VAS RDC	(e)	Democratic Republic of Congo	100.00%	100.00%
25	Spice Digital FZCO	(d)	UAE	100.00%	100.00%

- a) Subsidiary through Spice Money Limited
- b) Subsidiary through Hindustan Retail Private Limited.
- c) Subsidiary through New Spice Sales & Solutions Limited.
- d) Subsidiary through S Global Services Pte. Ltd.
- e) Subsidiary through Spice VAS (Africa) Pte. Limited.
- f) Subsidiary through Omnia Pte. Ltd.
- g) 0.1% an equity interest in the subsidiary company is held by a subsidiary company namely Spice VAS (Africa) Pte. Limited jointly with a third party.
- h) An equity interest of 20% in the subsidiary company is held by a third party on behalf of a subsidiary company namely Spice VAS (Africa) Pte. Limited.
- i) An equity interest of 1.45% (Previous year: 0.1%) in the subsidiary company is held by a third party.
- j) The Company is in the process of seeking necessary approval under FEMA to subscribe 5,00,000 equity shares having face value of NPR 10 each aggregating NPR 50,00,000 which is equivalent to ₹ 31.30 Lakhs as at reporting date.
- k) Additionally an equity interest of 33.33% in E-Arth Travel Solutions Private Limited is held by a subsidiary company namely Spice Money Limited.
- l) Additionally an equity interest of 49% in Vikasni Fintech Private Limited is held by a subsidiary company namely Spice Money Limited.

Ultimate Holding Company

Smart Global Corporate Holdings Private Limited

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

Holding Company

Spice Connect Private Limited

Name of associates and joint venture	Nature	Country of Incorporation	% Equity Interest	
			As at 31st March 2022	As at 31st March 2021
Sunstone Learning Private Limited, an associate of the company	Associate	India	41.61%	41.61%
Creative Functionapps Lab Private Limited, an associate of the company	Associate	India	26.00%	26.00%
Ziiki Media SA (Pty) Ltd (formerly known as Spice Digital South Africa (Pty) Limited), an associate of the company#	Associate	South Africa	-	-

#Ziiki Media SA(Pty) Ltd (formerly known as Spice Digital South Africa(Pty) Limited) ceased to be associate w.e.f. 30.06.2020

39. Employee Benefit

A. Defined Contribution Plan

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

	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Employer's contribution to provident and pension fund	449.86	314.35

*Includes ₹ 0.20 Lakhs (31 March 2021 ₹ 0.45 Lakhs) for discontinued operations.

B. Defined Benefit Plan

The Company and its subsidiaries have a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months. The scheme was partially funded with an insurance company in the form of a qualifying insurance policy. The level of benefits provided depends on the member's length of service and salary at the time of departure.

The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the plans:

(I) Liability for defined benefit obligation as at Balance sheet date:

	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Gratuity plan*	607.39	623.38
Total	607.39	623.38

*Includes ₹ 0.15 Lakhs (31 March 2021 ₹ 1.35 Lakhs) for discontinued operations.

(II) Components of defined benefit cost recognised in the statement of profit and loss under employee benefit expense:

	(Amount in ₹ Lakhs)	
	Gratuity	
	As at 31st March 2022	As at 31st March 2021
Current service cost	108.79	89.24
Interest cost on benefit obligation	41.10	37.70
Net benefit expense*	149.89	126.94

*Netted ₹ 1.2 Lakhs (31 March 2021 ₹ Nil Lakhs) for discontinued operations.

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

(III) Changes in the present value of the defined benefit obligation are as follows:

	(Amount in ₹ Lakhs)	
	Gratuity	
	As at 31st March 2022	As at 31st March 2021
Opening defined benefit obligation	623.38	571.04
Acquisition adjustment	0.00	0.00
Current service cost	108.79	89.24
Interest cost	41.10	37.70
Contribution paid from the Fund	-	-
Actuarial loss arising from change in demographic assumption	0.00	-
Expenses Recognised in Profit and loss statement	149.89	126.94
Benefits paid	(128.93)	(136.15)
Actuarial (Gain)/Loss arising from change in financial assumption	(21.30)	64.28
Actuarial (Gain)/Loss arising from experience adjustment	(15.65)	(2.73)
Actuarial (Gain)/Loss arising from change in demographic adjustment	-	-
Total Change in defined benefit obligation due to change in actuarial losses/(gains) recognised in OCI	(36.95)	61.55
Liability transferred to third party due to change in ownership	-	-
Closing defined benefit obligation*	607.39	623.38

*Includes ₹ Nil Lakhs (31 March 2021 ₹ 1.35 Lakhs) for discontinued operations.

(IV) Changes in the fair value of plan assets are as follows:

	(Amount in ₹ Lakhs)	
	Gratuity	
	As at 31st March 2022	As at 31st March 2021
Opening fair value of plan assets	-	-
Expected return	-	-
Benefit Paid	-	-
Actuarial gain /(loss) for the year on asset recognised in OCI	-	-
Liability transferred to third party due to change in ownership	-	-
Closing fair value of plan assets	-	-

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	As at 31st March 2022	As at 31st March 2021
Investments with insurer	-	-

(V) The principal assumptions used in determining gratuity for the Group's plans are shown below:

	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Discount rate	7.18%	6.80%
Future salary increase	8.00%	8.00%
Retirement age	58 Years	58 Years
Employee turnover		
- Upto 30 years	4% to 15%	4% to 15%
- 31-44 years	4% to 15%	4% to 15%
- Above 44 years	1% to 15%	1% to 15%
Mortality rate	100% of IALM	

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

A quantitative sensitivity analysis for significant assumption as at 31 March 2022 is as shown below:

	Amount in ₹ Lakhs			
	As at 31st March 2022		As at 31st March 2022	
	Discount Rate		Future Salary Increase	
Sensitivity level	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Impact on defined benefit obligation	(24.32)	26.10	25.78	(24.25)

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

	Amount in ₹ Lakhs			
	As at 31st March 2021		As at 31st March 2021	
	Discount Rate		Future Salary Increase	
Sensitivity level	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Impact on defined benefit obligation	(26.12)	28.30	27.84	(25.96)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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

	Amount in ₹ Lakhs	
	Gratuity	
	As at 31st March 2022	As at 31st March 2021
Within the next 12 months (next annual reporting period)	40.01	87.88
Between 2-5 Years	204.30	175.97
Between 5-10 years	28.66	37.02
Beyond 10 years	334.42	322.51
Total expected payments	607.39	623.38

The average duration of the defined benefit plan obligation at the end of the reporting period is 2 to 26 years (31 March 2021: 2 to 26 years).

40. Commitments and contingencies

40A. Lease Disclosure

The Group incurred 46.67 Lakhs (31 March 2021: ₹ 177.46 Lakhs) for the year ended March 31, 2022 towards expenses relating to short-term leases and leases of low-value assets.

Group as lessor

The Group has leased out a portion of the office premises on operating lease. The lease term is for 11 months and thereafter renewable on mutual agreement. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements.

Property situated at	Date of Agreement	Lease Term	Lock in Period	Other Terms
Rampur	14-Oct-19	9 Years	-	Cancellable
Kolkata	01-Feb-21	11 Months	-	
Mumbai	14-Oct-19	9 Years	2 years	cancelled on 31 st Dec 2021

The Group has recognised rent income under the head of other income as follows:

	Amount in ₹ Lakhs	
	As at 31st March 2022	As at 31st March 2021
Rent received during the year	243.13	279.21

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

B. Commitments and contingencies

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 290.95 Lakhs (31 March 2021: ₹ 500.67 Lakhs).

C. Contingent liabilities

Demands and claims from government authorities

	Amount in ₹ Lakhs	
	As at 31st March 2022	As at 31st March 2021
1) Demand from excise/ / service tax and sales tax authorities		
a) Demand Includes penalty ₹ 56.96 Lakhs (31 March 2021: ₹ 56.96 Lakhs) in respect of non-registration of corporate office as a input service distributor and availment of input service CENVAT credit.	233.58	223.28
b) Demands raised by sales tax authorities**	4,363.28	4,363.28
2) Demands raised by income tax authorities		
a) Income tax demand of ₹ 246.28 (including interest) on enhancement of Income by the AO under section 40(a)(ia) of the Income Tax Act, 1961 for not deducting TDS under section 194(C) of the Act on reimbursement of expenses for the assessment year 2009-10 against which the Group has filled SLP in the Supreme Court.#	246.28	246.28
b) Income Tax demand being disputed by the Company. In respect of assessment year 2018-19, the Assessing Officer has made disallowance of ₹ 69.01 lakhs to the assessed income in the order of assessment passed u/s 143(3) and refunded the balance amount of ₹ 7.10 lacs. The Company has filed an appeal to the Commissioner of Income-tax (Appeals) against the said order on 7 April 2021.	14.89	14.89
3) Others		
a) Consumer disputes*	12.39	12.39
b) Labour case (Spice VAS Kenya Limited)	111.85	111.85
c) Demand of Interest on late payment by one of the vendor, disputed by the Company	113.29	113.29
d) One Vendor has filed a recovery suit against Spice Labs Pvt Ltd. (since merged with DiGiSpice Technologies Limited) for terminating the Master Service Agreement for getting the premises on lease for its office space, during the lock-in period. The parent company has disputed the claim of vendor and contended that the termination has been made by vendor, not by parent company.	54.88	54.88
e) Various other claims against the Group not acknowledged as debts	104.04	104.04
	5,254.48	5,244.18

* The cases are pending with various consumer disputes redressal forums. As per the management, the Group is made only a proforma party to these claims and liability, if any, arising out of these claims would be on the manufacturer and not likely to devolve on the Group.

**Includes the Hon'ble Supreme Court of India vide its order dated 17 December 2014 on the judgment in case of State of Punjab Vs. Nokia India Pvt. Ltd. has held that sales tax liability on battery charger sold along with mobile phone should be charged at sales tax rate applicable to chargers, which is higher than the sales tax rate applicable to mobile phones in few states. Demand of ₹ 110.35 Lakhs, ₹ 546.65 Lakhs, ₹ 275.97 Lakhs, ₹ 15.04 Lakhs and ₹ 7.19 Lakhs (31 March 2021 : ₹ 110.35 Lakhs, ₹ 546.65 Lakhs, ₹ 275.97 Lakhs, ₹ 15.04 Lakhs and ₹ 7.19 Lakhs) have been received from Punjab, Rajasthan, Haryana, Uttar Pradesh and Karnataka respectively.

D. Other Disputed matters, not considered as contingent liabilities

- (i) Income Tax Demand being disputed by the Company, pertaining to enhancement of income by ₹ 423.39 Lakhs having income tax impact (incl. Interest) of ₹ 149.36 lakhs relating to Assessment Year 2010-11 has been remanded back by ITAT to AO during the previous year and the assessment was not been completed as at 31 March 2022.#
- (ii) Income Tax Demands being disputed by the Company, pertaining to enhancement of income by ₹ 1,594.73 Lakhs having income tax impact (inc. interest) of ₹ 685.42 Lakhs relating to Assessment Year 2011-12 has been remanded back by ITAT to AO in the previous year and the assessment was not been completed as at 31 March 2022.

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

(iii) In June 2014, an audit was conducted by Service Tax department for the period 01.01.2013 to 31.03.2014 in the Company and determined inadmissible CENVAT Credit amounting to ₹ 72 Lakhs which was reversed by the company in July 2014 in service tax return. However Joint Commissioner has created a demand of ₹ 72 Lacs with Interest and Penalty of equivalent amount vide order dated 15.02.2019. NSSL had filed an appeal before Commissioner (Appeal) on 12.06.2019 after 3 months 18days along with application for condonation of delay. This appeal was to be filed with in 2 months from the date of communication of the order. Due to delay in filing appeal the Commissioner (Appeal) rejected the appeal stating that he has no power to condone delay of more than 30 days vide order dated 14.05.2020 which was received by us on 14.10.2020. The Appeal has been filed before CESTAT on 21.12.2020. Hearing awaited.

#The Income Tax Department has adjusted income tax refund of ₹ 395.63 lakhs against these demands.

Based on technical/legal advise, The Group has fair chances of success in all these cases and likelihood of liability devolving on the Group is less than probable. Hence no provision in respect thereof has been made in the books.

41. Related party transactions

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

Entity with significant influence:

Ultimate Holding Company	Smart Global Corporate Holding Private Limited
Holding Company	Spice Connect Private Limited
Key Management Personnel	Mr. Dilip Modi (Non -Executive Chairman) Mr. Subramanian Murali (Non Executive Director) Ms. Rashmi Aggarwal (Independent Director) Mr. Mayank Jain (Independent Director) Mr. Suman Ghose Hazra (Independent Director) Ms. Preeti Das- Chief Executive Officer (upto 4 th May 2020) Mr. Rohit Ahuja (Executive Director w.e.f. 05 May 2020) Mr. Deepak Mehta- Chief Financial Officer (w.e.f 04 February 2020 till 30 th May 2020)# Mr. Ravindra Sarawagi- Chief Financial officer (w.e.f. 26 th June 2020 till 14 th Dec 2020)# Mr. Vinit Kishore-Chief Financial Officer (w.e.f. 12 th Feb 2021)# Mr. M R Bothra- Vice President- Corporate Affairs and Company Secretary (till 14 th April 2022)# # KMP under the Companies Act, 2013.
Names of other related parties with whom transactions have taken place during the year	
Enterprises directly or indirectly through one or more intermediaries are under common control with the Company	Wall Street Finance Limited E-arth Travel Solutions Private Limited (Subsidiary w.e.f. 6 th August,2021)
Associates and joint venture of the Group	Sunstone Learning Private Limited, an associate of the company Creative Function Apps Labs Private Limited, an associate of the company Ziiki Media SA (Pty) Ltd (formerly known as Spice Digital South Africa (Pty) Limited) (upto July 01, 2020),an associate of the company
Other Related Parties	Bharat BPO Services Limited

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

(Amount in ₹ Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Remuneration#	301.23	258.27
Ms. Preeti Das	-	93.73
Mr. M R Bothra#*	164.28	56.08
Mr. Deepak Mehta	-	16.22
Mr Rohit Ahuja#*	81.09	57.87
Mr. Ravindra Sarawagi	-	28.69
Mr. Vinit Kishore	55.86	5.68
Director sitting Fees*	37.75	19.00
Mr. Suman Ghose Hazra	16.75	11.25
Ms. Rashmi Aggarwal	16.50	6.00
Mr. Mayank Jain	4.50	1.75
*excluding Service Tax/GST.		
ESOP Issued during the year	82.81	-
Mr. Subramanian Murali (Non Executive Director)	29.81	-
Mr. M R Bothra	53.00	-
Cost of services rendered	-	457.02
Ziiki Media SA (Pty) Ltd	-	176.52
Bharat BPO Services Limited	-	280.50
Miscellaneous Expenses	17.46	83.95
Wall Street Finance Limited	17.46	-
Ziiki Media SA (Pty) Ltd	-	83.95
Rent Income	103.52	140.74
Spice Connect Private Limited	1.80	12.17
Smart Global Corporate Holding Private Limited	101.72	128.57
Reimbursement of Expenses (recovered)/Content recovered	-	33.09
Ziiki Media SA (Pty) Ltd	-	33.09
Reimbursement of Expenses (provided)	-	39.08
Ziiki Media SA (Pty) Ltd	-	31.70
E-Arth Travel Solutions Private Limited	-	7.38
Provision made/(reversed) for doubtful debts, loans, interest and other receivables	-	(61.65)
Bharat BPO Services Limited	-	(61.65)
Travel Commission	0.29	-
Mr. Dilip Modi	0.29	-
Interest Income	7.69	14.26
Bharat BPO Services Limited	7.69	14.26
Loan/Advance received back during the year	155.84	-
Bharat BPO Services Limited	155.84	-

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

(Amount in ₹ Lakhs)		
Outstanding balances at the end of year	As at 31st March 2022	As at 31st March 2021
Receivables	199.30	260.95
Bharat BPO Services Limited	199.30	260.95
Provision for doubtful receivables	199.30	199.30
Bharat BPO Services Limited	199.30	199.30
Payables	16.91	177.14
Ziiki Media SA (Pty) Ltd	15.99	13.85
Wall Street Finance Limited	0.15	1.52
Bharat BPO Services Limited	0.77	161.77
Loan/advances receivable	400.00	542.64
Bharat BPO Services Limited -Secured loan	-	142.64
Bharat BPO Services Limited-unsecured loan	400.00	400.00
Provision for doubtful debts and advances	400.00	400.00
Bharat BPO Services Limited	400.00	400.00
Other Receivable	174.75	51.38
Spice Connect Private Limited	-	-
Mr. Dilip Modi	20.10	-
Mr. Subramanian Murali	-	1.65
Mr. Rajneesh Arora	-	0.32
Smart Global Corporate Holding Private Limited	154.65	49.42
Interest accrued but not received	-	13.22
Bharat BPO Services Limited	-	13.22
Payables to KMP	25.14	21.88
Mr. Rohit Ahuja	4.39	4.49
Mr. M R Bothra	10.15	10.58
Mr Ravindra Sarawagi	-	3.82
Mr. Vinit Kishore	10.60	2.99

(Amount in ₹ Lakhs)		
Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Break up of remuneration	301.23	248.63
- Short term employee benefits#*	193.57	237.81
- Long term employee benefits	-	-
- Share based payment	107.66	-
- Other Long term employee benefits	-	-
- Post employment benefits#**	-	10.82

Remuneration to key managerial personnel as disclosed above does not include provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

The Group has granted Stock Options to eligible employees, including Executive Directors and certain KMPs, under its Employee Stock Option Schemes, 2018 [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014] (refer note no. 46). Since such Stock Options are not tradeable, no perquisite or benefit is immediately conferred upon the employee by grant of such Stock Options and accordingly the said grants have not been considered as remuneration. However, in accordance with Ind AS -102 'Share-based Payment', the Company has recorded employee benefits expense by way of share based payments to employees is attributable to Executive Directors and certain KMPs.

#* Include payment made towards compensated absences of ₹ 11.55 Lakhs (31st March 2021: 11.52 lakhs) during the year against the provisions made in earlier years.

#** Include payment made towards gratuity of ₹ Nil Lakhs (31st March 2021: 10.82 lakhs) during the year against the provisions made in earlier years.

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free (except for loan given) and settlement occurs in cash. This assessment for impairment of receivables relating to amounts owed by related parties is undertaken each financial year through examining the financial position of the related parties.

42. Segment information

Operating segments: Business Segments

The Spice Group has organized its operations into two primary business segments;

- Digital Technology Services (DiGiSPICE) - The segment is engaged in Information and Communication Technology business providing Value Added Services to the Telecom Operators and development and sale of telecom related software.
- Financial Technology Services (Spice Money) - The segment is engaged in providing financial technologies services such as Domestic Money Transfer(DMT) services, aadhar enabled payment services (AEPS), Bharat Bill payment system (BBPS) and other related services.

These are the reportable segments in terms of Ind AS-108 on Segment Reporting issued by Institute of Chartered Accountants of India. These have been identified taking into account the nature of activities carried out.

Segment Revenue & Segment Income/ Expense

(Amount in ₹ Lakhs)						
Particulars	Digital Technology Services (DiGiSPICE)		Financial Technology Services (Spice Money)		Total	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Revenue						
External revenue (including other operating revenue)	13,298.40	13,435.64	85,823.61	57,802.80	99,122.01	71,238.44
Inter segment revenue	61.39	28.00	-	-	61.39	28.00
Total revenue	13,237.01	13,407.64	85,823.61	57,802.80	99,060.62	71,210.44
Income/ (expense)						
Depreciation and amortisation	559.79	1,070.17	1,161.58	1,033.28	1,721.37	2,103.45
Share of profit/(loss) of associates and a joint venture	-	-	-	-	-	-
Segment profit	(376.98)	(587.18)	1,133.28	1,176.05	756.30	588.87
Segment assets	8,130.05	9,676.34	41,704.64	22,207.88	49,834.69	31,884.22
Segment liabilities	6,473.51	5,989.36	37,368.70	20,377.19	43,842.21	26,366.55
Other disclosures						
Investment in associates and a joint venture	-	-	-	-	-	-
Capital expenditure	-	-	-	-	-	-

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

Reconciliations to amounts reflected in the financial statements

Particulars	(Amount in ₹ Lakhs)	
	31 March 2022	31 March 2021
Reconciliation of profit		
Segment profit	756.30	588.87
Reconciliation items:-		
Interest income	1,429.32	965.47
Depreciation and amortisation	(268.58)	(162.90)
Interest Cost	(117.82)	(159.75)
Exceptional items	(100.00)	-
Unallocated (expenses)/income net off unallocated income/(expense)	(374.25)	73.26
Share of profit/(loss) of associates and a joint venture	(10.81)	(64.49)
Profit before tax from continuing operations	1,314.16	1,240.46
Profit/(Loss) before tax from Discontinued Operations	29.77	(38.64)
Profit/Loss before tax for Continued + Discontinued Operation	1,343.93	1,201.82

Reconciliation of assets

Particulars	(Amount in ₹ Lakhs)	
	31 March 2022	31 March 2021
Segment operating assets	49,834.69	31,884.22
Goodwill	5,179.46	5,165.90
Investment in associates accounted for by the equity method	39.31	50.12
Assets of a discontinued operations	405.54	420.00
Unallocated/Corporate assets	14,588.02	15,613.99
Total assets	70,047.02	53,134.23

Reconciliation of liabilities

Particulars	(Amount in ₹ Lakhs)	
	31 March 2022	31 March 2021
Segment operating liabilities	43,842.21	26,366.55
Liabilities of a discontinued operations	279.41	311.10
Unallocated/Corporate liabilities	594.69	2,327.75
Total liabilities	44,716.31	29,005.40

Information about geographical areas

The following table provides an analysis of the Company's sales by geography in which the customer is located, irrespective of the origin of the goods.

Secondary Segment Reporting (by Geographical Segments)

Geographical Segment	(Amount in ₹ Lakhs)	
	31 March 2022	31 March 2021
Revenue from the Domestic market	96,699.70	68,442.20
Revenue from the Overseas markets	2,360.92	2,768.24
Total Revenue	99,060.62	71,210.44

There are no major external customer where revenue exceeds more than 10% of the entity's revenue.

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

The following table shows the carrying amount of property, plant and equipment and additions to property, plant and equipment and intangible fixed assets by geographical area in which the assets are located:

Particulars	(Amount in ₹ Lakhs)					
	Carrying amount of Property Plant and Equipment, Intangible Assets and Investment Property*		Additions to Property Plant and Equipment, Intangible Assets and Investment Property		Carrying amount of other non current assets**	
	(₹ in Lakhs)		(₹ in Lakhs)		(₹ in Lakhs)	
	As at 31 March 2022	As at 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	As at 31 March 2022	As at 31 March 2021
Domestic Market	10,217.42	10,217.34	2,442.00	1,069.98	3,995.58	912.79
Overseas Markets	546.07	918.94	11.95	(8.85)	1.20	1.19
Total	10,763.49	11,136.28	2,453.95	1,061.13	3,996.78	913.98

* including capital work in progress, intangible assets under development and goodwill on consolidation.

** including carrying amount of non current loans, non current other financial assets and other non current assets by geographical area in which the assets are located.

43. Additional information pursuant to schedule III of Companies Act, 2013, "General instructions for the preparation of consolidated financials statement" for financials year 2021-22.

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount in ₹ Lakhs	As % of consolidated profit and loss	Amount in ₹ Lakhs	As % of consolidated other comprehensive income	Amount in ₹ Lakhs	As % of total comprehensive income	Amount in ₹ Lakhs
Company								
DiGiSPICE Technologies Limited								
Balance as at 31 March 2022	88.52%	21,887.40	-71.00%	(385.12)	-135.79%	27.73	-68.46%	(357.39)
Balance as at 31 March 2021	92.23%	21,931.00	-35.13%	(402.66)	3.25%	2.72	-32.51%	(399.94)
Subsidiaries								
Indian								
1 Spice Money Limited [^]								
Balance as at 31 March 2022	39.69%	9,813.04	226.79%	1,230.22	-32.56%	6.65	236.94%	1,236.87
Balance as at 31 March 2021	33.83%	8,044.58	93.36%	1,070.28	-55.38%	(46.40)	83.23%	1,023.88
2 Kimaan Exports Private Limited								
Balance as at 31 March 2022	5.03%	1,244.32	-34.33%	(186.20)	0.00%	-	-35.67%	(186.20)
Balance as at 31 March 2021	6.02%	1,430.52	1.89%	21.68	0.00%	-	1.76%	21.68
3 E-Arth Travel Solutions Private Limited								
Balance as at 31 March 2022	-0.12%	(30.01)	-5.58%	(30.29)	0.00%	-	-5.80%	(30.29)
Balance as at 31 March 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
4 Vikasni Fintech Private Limited								
Balance as at 31 March 2022	0.00%	0.34	-0.12%	(0.66)	0.00%	-	-0.13%	(0.66)
Balance as at 31 March 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
5 Hindustan Retail Private Limited								
Balance as at 31 March 2022	-2.38%	(588.68)	-0.73%	(3.95)	0.00%	-	-0.76%	(3.95)
Balance as at 31 March 2021	-2.46%	(584.49)	-0.15%	(1.72)	0.00%	-	-0.14%	(1.72)
4 New Spice Sales & Solutions Limited								
Balance as at 31 March 2022	-51.46%	(12,723.87)	60.92%	330.43	0.00%	-	63.30%	330.43
Balance as at 31 March 2021	-54.90%	(13,053.15)	-62.07%	(711.55)	0.00%	-	-57.84%	(711.55)

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount in ₹ Lakhs	As % of consolidated profit and loss	Amount in ₹ Lakhs	As % of consolidated other comprehensive income	Amount in ₹ Lakhs	As % of total comprehensive income	Amount in ₹ Lakhs
5 Cellucom Retail India Private Limited								
Balance as at 31 March 2022	-0.21%	(53.14)	-1.26%	(6.86)	0.00%	-	-1.31%	(6.86)
Balance as at 31 March 2021	-0.19%	(46.03)	-0.97%	(11.12)	0.00%	-	-0.90%	(11.12)
Foreign								
1 Spice Digital Bangladesh Limited								
Balance as at 31 March 2022	-1.71%	(422.28)	-45.52%	(246.95)	19.98%	(4.08)	-48.09%	(251.03)
Balance as at 31 March 2021	-0.72%	(171.27)	-30.69%	(351.83)	14.25%	11.94	-27.63%	(339.89)
2 S Global Services Pte. Ltd.								
Balance as at 31 March 2022	4.07%	1,006.26	-232.46%	(1,260.95)	0.00%	-	-241.55%	(1,260.95)
Balance as at 31 March 2021	9.33%	2,219.55	-333.78%	(3,826.33)	0.00%	-	-311.05%	(3,826.33)
3 Beoworld SDN. BHD								
Balance as at 31 March 2022	0.00%	-	0.44%	2.41	0.00%	-	0.46%	2.41
Balance as at 31 March 2021	-0.01%	(2.38)	-0.21%	(2.41)	0.00%	-	-0.20%	(2.41)
4 PT Spice Digital Indonesia								
Balance as at 31 March 2022	-1.10%	(272.25)	-54.29%	(294.49)	0.00%	-	-56.41%	(294.49)
Balance as at 31 March 2021	0.11%	24.97	34.37%	394.00	0.00%	-	32.03%	394.00
5 Omnia Pte. Ltd.								
Balance as at 31 March 2022	-4.46%	(1,101.78)	121.82%	660.81	0.00%	-	126.59%	660.81
Balance as at 31 March 2021	-7.25%	(1,722.74)	-26.91%	(308.48)	0.00%	-	-25.08%	(308.48)
6 S Mobility Pte. Ltd.								
Balance as at 31 March 2022	0.00%	-	2.27%	12.33	0.00%	-	2.36%	12.33
Balance as at 31 March 2021	-0.05%	(12.12)	-0.36%	(4.13)	0.00%	-	-0.34%	(4.13)
7 Spice VAS (Africa) Pte. Limited								
Balance as at 31 March 2022	5.83%	1,442.76	-271.31%	(1,471.71)	0.00%	-	-281.93%	(1,471.71)
Balance as at 31 March 2021	12.31%	2,926.10	-263.97%	(3,026.04)	0.00%	-	-245.99%	(3,026.04)
8 Digispice Nigeria Limited (formerly known as "Spice Digital Nigeria Limited")								
Balance as at 31 March 2022	-2.90%	(717.11)	20.82%	112.95	0.00%	-	21.64%	112.95
Balance as at 31 March 2021	-3.70%	(879.56)	-24.58%	(281.79)	0.00%	-	-22.91%	(281.79)
9 Spice VAS Kenya Limited								
Balance as at 31 March 2022	0.17%	41.23	13.52%	73.33	0.00%	-	14.05%	73.33
Balance as at 31 March 2021	-0.13%	(30.80)	15.35%	175.95	0.00%	-	14.30%	175.95
10 Digispice Uganda Limited (formerly known as "Spice VAS Uganda Limited")								
Balance as at 31 March 2022	-0.07%	(18.07)	-4.37%	(23.72)	0.00%	-	-4.54%	(23.72)
Balance as at 31 March 2021	0.02%	5.45	-1.41%	(16.18)	0.00%	-	-1.32%	(16.18)
11 Digispice Ghana LTD (formerly known as "Spice VAS Ghana Limited")								
Balance as at 31 March 2022	0.98%	241.49	25.32%	137.35	0.00%	-	26.31%	137.35
Balance as at 31 March 2021	0.66%	157.46	5.00%	57.37	0.00%	-	4.66%	57.37

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount in ₹ Lakhs	As % of consolidated profit and loss	Amount in ₹ Lakhs	As % of consolidated other comprehensive income	Amount in ₹ Lakhs	As % of total comprehensive income	Amount in ₹ Lakhs
12 Digispice Zambia Limited (formerly known as "Spice VAS Zambia Limited")								
Balance as at 31 March 2022	0.30%	73.97	1.93%	10.45	0.00%	-	2.00%	10.45
Balance as at 31 March 2021	0.21%	49.71	1.38%	15.78	0.00%	-	1.28%	15.78
13 Digispice Tanzania Limited (formerly known as "Spice VAS Tanzania Limited")								
Balance as at 31 March 2022	-2.29%	(566.79)	-15.29%	(82.92)	0.00%	-	-15.88%	(82.92)
Balance as at 31 March 2021	-1.97%	(467.27)	11.80%	135.27	0.00%	-	11.00%	135.27
14 Spice VAS RDC								
Balance as at 31 March 2022	-0.06%	(14.74)	-0.02%	(0.08)	0.00%	-	-0.02%	(0.08)
Balance as at 31 March 2021	-0.06%	(14.36)	-0.11%	(1.24)	0.00%	-	-0.10%	(1.24)
15 S Mobility (HK) Limited								
Balance as at 31 March 2022	0.00%	(0.00)	1.45%	7.87	0.00%	-	1.51%	7.87
Balance as at 31 March 2021	-0.03%	(7.87)	-0.47%	(5.34)	0.00%	-	-0.43%	(5.34)
16 Spice Digital FZCO								
Balance as at 31 March 2022	-2.74%	(678.41)	-11.36%	(61.62)	0.00%	-	-11.80%	(61.62)
Balance as at 31 March 2021	-2.51%	(597.45)	-7.27%	(83.32)	0.00%	-	-6.77%	(83.32)
17 Fast Track IT Solutions Ltd								
Balance as at 31 March 2022	0.06%	14.06	2.33%	12.67	0.00%	-	2.43%	12.67
Balance as at 31 March 2021	0.01%	1.32	-0.01%	(0.11)	0.00%	-	-0.01%	(0.11)
18 Digispice Nepal Pvt. Limited								
Balance as at 31 March 2022	-0.14%	(33.70)	-3.55%	(19.27)	-3.80%	0.78	-3.54%	(18.49)
Balance as at 31 March 2021	-0.06%	(15.21)	-1.82%	(20.91)	0.67%	0.56	-1.65%	(20.35)
Non-controlling interests in all subsidiaries								
Balance as at 31 March 2022	-2.44%	(603.83)	-23.51%	(127.54)	-291.98%	59.63	-13.01%	(67.91)
Balance as at 31 March 2021	-1.48%	(351.40)	51.25%	587.48	-34.41%	(28.83)	45.41%	558.65
Associates								
1 Creative Functionapps Lab Private Limited								
Balance as at 31 March 2022	0.00%	-	-1.99%	(10.81)	0.00%	-	-2.07%	(10.81)
Balance as at 31 March 2021	0.00%	-	-1.27%	(14.54)	0.00%	-	-1.18%	(14.54)
2 Ziiki Media SA (Pty) Ltd (formely known as Spice Digital South Africa (Pty) Limited) (from 7 February 2019)								
Balance as at 31 March 2022	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Balance as at 31 March 2021	0.00%	-	-4.36%	(49.95)	0.00%	-	-4.06%	(49.95)
Joint Venture								
Eliminations								
Balance as at 31 March 2022	27.45%	6,786.66	399.07%	2,164.75	544.15%	(111.13)	393.40%	2,053.62
Balance as at 31 March 2021	20.79%	4,942.88	681.14%	7,808.19	171.63%	143.79	646.44%	7,951.98
Total								
Balance as at 31 March 2022	100.00%	24,726.88	100.00%	542.44	100.00%	(20.42)	100.00%	522.02
Balance as at 31 March 2021	100.00%	23,777.43	100.00%	1,146.35	100.00%	83.78	100.00%	1,230.13

^ The Board of Directors of Spice Money Limited ("SML") at its meeting held on 24th May, 2022, has proposed the dividend at the rate of 5% on Compulsorily Convertible Preference Shares ("CCPS"), subject to approval of the Shareholders at forthcoming Annual General Meeting of SML.

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

44. Business combinations

Acquisitions during the year ended 31 March 2022

On 04 August 2021, the Group acquired 100% of the voting shares of E-Arth Travel Solutions Private Limited, a non-listed company based in India, which is engaged in providing travel related services.

Assets acquired and liabilities assumed

The values of the identifiable assets and liabilities of E-Arth Travel Solutions Private Limited as at the date of acquisition were:

	Values recognised on acquisition
Assets	
Property, plant and equipment	-
Other intangible assets	-
Deferred tax assets (Net)	-
Non current tax assets	-
Cash and cash equivalents	7.66
Other bank balances	-
Other financial assets	-
Total assets	7.66
Liabilities	
Trade payables	-
Other financial liabilities	-
Other current liabilities	7.63
Total liabilities	7.63
Total identifiable net assets	0.03
Calculation of Goodwill	
Consideration transferred	1.50
Less: Net identifiable assets acquired	(0.03)
Goodwill	1.47
Analysis of cash flows on acquisition:	
Transaction costs of the acquisition (included in cash flows from operating activities)	-
Net cash acquired with the subsidiary (included in cash flows from investing activities)	7.66
Transaction costs attributable to issuance of shares (included in cash flows from financing activities, net of tax)	-
Net cash flow on acquisition	7.66

45. Investment in associates and a joint venture

Particulars	31 March 2022		31 March 2021	
	Carrying value of investment	Sharing of profit/(loss) during the year	Carrying value of investment	Sharing of profit/(loss) during the year
Investment in associates				
Nil (31 March 2021: Nil) Ziiki Media SA Pty. Ltd. (Formerly known as Spice Digital South Africa Pty. Ltd.)*	-	-	-	(49.95)
3,514 (31 March 2021 : 3,514) equity share of Re 10 each in Creative Functionapps Lab Pvt. Ltd	39.31	(10.81)	50.12	(14.54)
95,058 (31 March 2021 : 95,508) equity share of Re 1 each in Sunstone Learning Pvt. Ltd**	-	-	-	-
Total	39.31	(10.81)	50.12	(64.49)

* ceased to be Associate w.e.f. July 01, 2020.

** Fully impaired in earlier years.

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

46. Share-based payments

1) SML Employees stock option Plan (ESOP) 2018 of the Parent Company

The Parent Company has granted stock options under the SML Employees stock option Plan 2018 (ESOP) to the eligible employees of the Group. Under ESOP, the parent company has granted 21,381,000 options on September 18, 2018 and 3,439,000 options on February 05, 2019. 40%, 30% and 30% of total options granted would vest in after one year, two year and three year from the date of respective grant subject to fulfilment of vesting conditions. The maximum period for exercise of options is three year from the date of vesting. Each option when exercised would be converted into one fully paid-up equity share of ₹ 3 each of the Company. The options granted under ESOP carry no rights to dividends and voting rights till the date of exercise.

The fair value of the options are estimated at the grant dates using Black and Scholes Model, taking into account the terms and conditions upon which the options were granted.

During the year, certain unvested options were cancelled on non-fulfilment of certain vesting conditions under ESOP. As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at 31 March 2022		As at 31 March 2021	
	No of Options	Weighted Average exercise price (₹)	No of Options	Weighted Average exercise price (₹)
Options outstanding at the beginning of the year (1)	1,03,50,186	-	1,14,82,250	-
Options granted under ESOP 2018 (2)	-	13.25	-	-
Options exercised during the year	25,38,227	-	4,94,314	-
Options cancelled/provision for attrition during the year	7,53,300	13.25	6,37,750	13.25
Options expired during the year	-	-	-	-
Options outstanding at the end of the year (3)	70,58,659	13.25	1,03,50,186	13.25
Options exercisable at the end of the year	70,58,659	13.25	1,03,50,186	13.25
Range of exercise price of outstanding options (₹)	13.25	-	13.25	-
Remaining contractual life of outstanding options granted on September 18, 2018	0.47 years (40% vesting) 1.47 years (30% vesting) 2.47 years (30% vesting)		1.47 years (40% vesting) 2.47 years (30% vesting) 3.47 years (30% vesting)	
Remaining contractual life of outstanding options granted on February 05, 2019	0.85 years (40% vesting) 1.85 years (30% vesting) 2.85 years (30% vesting)		1.85 years (40% vesting) 2.85 years (30% vesting) 3.85 years (30% vesting)	

- 1) a) Options outstanding at the beginning of the current year includes 52,32,000 options hold by employees of Holding company (48,93,000 options) and subsidiary companies (3,39,000 options).
- b) Options outstanding at the beginning of the previous year includes 52,86,750 options hold by employees of Holding company (48,95,000 options) and subsidiary companies (3,91,750 options).
- 2) a) Current Year- Options Exercised includes 4,62,500 options granted to employees of Holding company (4,62,500 options) and subsidiary Companies (Nil).
- b) Previous Year- Options Exercised includes 2,000 options granted to employees of Holding company (2,000 options) and subsidiary Companies (Nil).
- 3) a) Current Year- Options cancelled includes 42,000 options granted to employees of Holding company (Nil options) and subsidiary Companies (42,000 options).
- b) Previous year - Options cancelled includes 52,750 options granted to employees of Holding company (Nil options) and subsidiary Companies (52,750 options).
- 4) a) Current year Options outstanding at the end of the year includes options 47,27,500 options hold by employees of Holding company (44,30,500 options) and subsidiary Companies (2,97,000 options).
- b) Previous year Options outstanding at the end of the year includes options 52,32,000 options hold by employees of Holding company (48,93,000 options) and subsidiary Companies (3,39,000 options).

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	18 September 2018	5 February 2019	18 September 2018	5 February 2019
Grant Date				
No of options outstanding at the end of the year	70,43,859	14,800	1,02,82,186	68,000
Dividend yield (%)	-	-	-	-
Expected life	2.50,3.50 and 4.50 yrs.			
Risk free interest rate (%)	8.06% (2.50 yrs.) 8.11% (3.50 yrs.) 8.23% (4.50 yrs.)	7.02% (2.50 yrs.) 7.27% (3.50 yrs.) 7.42% (4.50 yrs.)	8.06% (2.50 yrs.) 8.11% (3.50 yrs.) 8.23% (4.50 yrs.)	7.02% (2.50 yrs.) 7.27% (3.50 yrs.) 7.42% (4.50 yrs.)
Expected Volatility (%)	62.56%	69.49%	62.56%	69.49%
Market price on date of grant/re-pricing (₹)	13.25	9.70	13.25	9.70
Weighted Average Fair Value of option at grant date	6.73	4.43	6.73	4.43

2) 'SDL Employee Stock Option Plan 2015' of Spice Money Limited (Previously known as Spice Digital Limited), a subsidiary company

In May 2018, in order to motivate the employees of the Fintech Business Undertaking ('designed employees'), the Nomination and Remuneration Committee granted Options to the designated employees pursuant to the subsidiary company's stock option plan namely, 'SDL Employee Stock Option Plan 2015' ('ESOP 2015'). The Options so granted will vest over a period of 3 years from the date of grant in the manner given below:

Time Period	% of Options granted
1 st Vesting	40
2 nd Vesting	30
3 rd Vesting	30

The subsidiary company further granted options ("newly issued options") to employees in FY 2020-21 and FY 2021-22 under ESOP 2015.

The maximum period for exercise of options is 3 years from end of each vesting date. Each option, when exercised, would be converted into one fully paid-up equity share of 10 each of the subsidiary company. The options granted under ESOP 2015 carry no rights to dividends and no voting rights till the date of exercise.

The fair value of the share options is estimated at the grant date using Black and Scholes Model, taking into account the terms and conditions upon which the share options were granted.

During the year, certain unvested options were cancelled on non-fulfilment of certain vesting conditions under ESOP 2015. As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at 31 March 2022		As at 31 March 2021	
	No of Options	Weighted Average exercise price (₹)	No of Options	Weighted Average exercise price (₹)
Options outstanding at the beginning of the year- originally issued options	38,38,919	34.10	45,23,279	34.10
Options outstanding at the beginning of the year- newly issued options	27,53,560	33.80	-	-
Options granted under ESOP 2015- newly issued options	13,50,640	-	27,53,560	33.80
Options exercised during the year- originally issued options	5,51,500	-	-	-
Options cancelled during the year- originally issued options	20,92,679	34.10	6,84,360	34.10
Options cancelled during the year- newly issued options	2,01,600	-	-	-
Options expired during the year	-	-	-	-
Options outstanding at the end of the year- originally issued options	11,94,740	34.10	38,38,919	34.10
Options outstanding at the end of the year- newly issued options	39,02,600	33.80	27,53,560	33.80
Options exercisable at the end of the year	-	-	-	-

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

Particulars	As at 31 March 2022		As at 31 March 2021	
	No of Options	Weighted Average exercise price (₹)	No of Options	Weighted Average exercise price (₹)
Remaining contractual life of outstanding options (years)	1 yrs for 1st Vesting 2 yrs for 2nd Vesting 3 yrs for 3rd vesting		3 yrs for 1st Vesting 4 yrs for 2nd Vesting 5 yrs for 3rd vesting	
Remaining contractual life of outstanding options (years) (newly issued options)	3 yrs for 1st Vesting 4 yrs for 2nd Vesting 5 yrs for 3rd vesting		4 yrs for 1st Vesting 5 yrs for 2nd Vesting 6 yrs for 3rd vesting	

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

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

47. Discontinued operations

A. The Board of Directors of the Company had approved the sale of entire stake in Omniventures Pvt Ltd.(OVPL), a wholly owned subsidiary of the Company, subsequently, the shareholders of the Company have also approved the same through postal ballot. Consequent to sale of stake in OVPL, OVPL and its subsidiary companies i.e. Spice Online Pvt. Limited and Hotspot Sales & Solutions Private Limited have ceased to be the subsidiaries of the Company with effect from 13 February 2018. These subsidiaries were operating in retail business.

B. Pursuant to decision of board of directors of a step down subsidiary company on 10 February 2017, the said Company has discontinued "Spice" Brand mobile handset business.

Both the above being discontinued operation, Device segment is no longer presented in the segment note. Accordingly, assets and liabilities of the business have been classified separately as assets / liabilities related to discontinued operations.

The details of assets and liabilities as at 31 March 2022 and 31 March 2021 classified separately as assets / liabilities related to discontinued operations are given below:

	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Assets		
Financial Assets		
Loans	0.24	0.24
Others	0.20	0.20
Other assets	0.15	0.15
Non Current Tax Assets	33.89	40.67
Total non-current assets	34.49	41.27
Current assets		
Financial Assets		
Trade receivables	12.86	12.86
Cash and bank balances	4.39	5.71

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

	(Amount in ₹ Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Other Bank Balances	11.71	11.71
Loans	1.49	1.49
Others	4.90	4.33
Other assets	335.70	342.63
Total current assets	371.05	378.73
Assets directly associated with assets pertaining to discontinued operations	405.54	420.00
Non-current liabilities		
Financial Liabilities		
Others	92.09	92.09
Total non-current liabilities	92.09	92.09
Current liabilities		
Financial Liabilities		
Trade payables	(8.00)	12.19
Others	8.89	15.47
Other liabilities	186.27	189.41
Provisions	0.15	1.94
Total current liabilities	187.32	219.01
Liability directly associated with assets pertaining to discontinued operations	279.41	311.10
Net assets directly associated with discontinued operations	(126.12)	(108.90)

The following statement shows the revenue and expenses of discontinued operations, of the Company which has been discontinued.

	(Amount in ₹ Lakhs)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Income		
Revenue from operations	-	-
Revenue from operations (net)	-	-
Other income	56.57	9.49
Total revenue (I)	56.57	9.49
Expenses		
Employee benefits expense	4.95	12.98
Finance costs	-	-
Other expenses	21.85	35.15
Total (II)	26.80	48.13
Profit/(Loss) before exceptional items and tax from discontinued operations (I) – (II)	29.77	(38.64)
Exceptional items (refer note 53)	-	-
Profit/(Loss) before tax	29.77	(38.64)
Profit/(Loss) for the year from discontinued operations	29.77	(38.64)
Other comprehensive income from discontinued operations		
Items that will not be reclassified to profit or loss		
Remeasurement gain of defined benefit plan	-	-
Items that will be reclassified to profit or loss		
Exchange differences on translations of foreign operations	-	-
Total comprehensive income for the year from discontinued operations	29.77	(38.64)

The Net cash flow incurred by discontinued business are, as follows;

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

	(Amount in ₹ Lakhs)	
	31 March 2022	31 March 2021
Operating	11.23	72.11
Investing	-	0.00
Financing	-	-
Net cash (outflow)/inflow	11.23	72.11
Earning Per Share:		
Earnings per equity share from discontinued operations	0.01	(0.02)

48 A. Fair value

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

	(Amount in ₹ Lakhs)			
	As at 31st March 2022		As at 31st March 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Non current assets				
-Equity and other investment	5.00	5.00	5.00	5.00
-Loans and advances	10.69	10.69	159.29	159.29
-Other financial assets	3,880.59	3,880.59	659.86	659.86
Total non current assets	3,896.28	3,896.28	824.15	824.15
Current assets				
-Current investment	-	-	-	-
-Trade receivables	7,116.14	7,116.14	5,602.02	5,602.02
-Cash and cash equivalents	14,580.62	14,580.62	9,215.97	9,215.97
-Bank balances other than above	20,706.82	20,706.82	12,249.28	12,249.28
-Loans and advances	4.61	4.61	9.48	9.48
-Other financial assets	2,578.62	2,578.62	2,254.31	2,254.31
Total current assets	44,986.81	44,986.81	29,331.06	29,331.06
Total financial assets	48,883.09	48,883.09	30,155.21	30,155.21
Financial liabilities				
Non current liabilities				
-Borrowings	-	-	-	-
-Other financial liabilities	32.93	32.93	165.08	165.08
Total non current liabilities	32.93	32.93	165.08	165.08
Current liabilities				
-Borrowings	5,400.45	5,400.45	3,316.12	3,316.12
-Trade payables	6,986.34	6,986.34	5,792.22	5,792.22
-Other financial liabilities	2,804.32	2,804.32	1,071.69	1,071.69
Total current liabilities	15,191.11	15,191.11	10,180.03	10,180.03
Total financial liabilities	15,224.04	15,224.04	10,345.11	10,345.11

The Group has assessed that the fair value of trade receivables, cash and cash equivalents, other bank balances, other current financial assets, trade payables and other current financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

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

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

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

- The fair values of the FVTPL quoted financial investments are derived from quoted market prices in active markets.
- The fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

48B. Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The Group has assessed that the fair value of trade receivables, cash and cash equivalents, other bank balances, other current financial assets, trade payables and other current financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments. Where such items are

non-current in nature, the same has been classified as Level 3 and fair value determined present value. Similarly, unquoted equity instruments in associate company has been considered at cost less impairment, if any, and has been excluded in the fair value measurement disclosed below.

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

- Borrowings are evaluated by the Group based on parameters such as interest rates and specific country risk factors.
- The fair value of other financial liabilities, obligations under finance leases, is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The fair values of the FVTPL quoted financial investments are derived from quoted market prices in active markets.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2022:

Fair value measurement using

	(Amount in ₹ Lakhs)			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
-Equity and Other investment (excluding investment in joint venture and associates)	5.00	-	-	5.00
Total	5.00	-	-	5.00
Assets for which fair values are disclosed :				
Investment properties (Note 4)	4,413.00	-	-	4,413.00
Total	4,413.00	-	-	4,413.00
Non current assets				
-Loans and advances	10.69	-	-	10.69
-Other financial assets	3,880.59	-	-	3,880.59
Total	3,891.28	-	-	3,891.28

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

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2022:

	(Amount in ₹ Lakhs)			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:				
Non current liabilities				
-Borrowings	-	-	-	-
-Other financial liabilities	32.93	-	-	32.93
Total non current liabilities	32.93	-	-	32.93

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

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

Fair value measurement using

	(Amount in ₹ Lakhs)			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
-Equity and Other investment (excluding investment in joint venture and associates)	5.00	-	-	5.00
Total	5.00	-	-	5.00
Assets for which fair values are disclosed :				
Investment properties (Note 4)	4,254.00	-	-	4,254.00
Total	4,254.00	-	-	4,254.00
Non current assets				
-Loans and advances	159.29	-	-	159.29
-Other financial assets	659.86	-	-	659.86
Total	819.15	-	-	819.15

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

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

	(Amount in ₹ Lakhs)			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:				
Non current liabilities				
-Borrowings	-	-	-	-
-Other financial liabilities	165.08	-	-	165.08
Total non current liabilities	165.08	-	-	165.08

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

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

49. Financial risk management objectives and policies

The Group's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the Group's operations. The Group's principal financial assets include loans, trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations. The Group also holds FVTPL investments and investment in subsidiary companies, associates and a joint venture measured using the equity method.

The Group is exposed to market risk, credit risk and liquidity risk. The senior management of the Group advises on financial risks and the appropriate financial risk governance framework. The senior management provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarised below.

1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments. The Group is not effected by commodity risk.

The sensitivity analysis in the following sections relate to the position as at 31 March 2022 and 31 March 2021.

Interest rate sensitivity calculated on borrowing. The impact of change in interest rate is given below:-

	Increase/decrease in basis points	Effect on profit before tax
31st March 2022		
₹ Lakhs	50	(27.00)
₹ Lakhs	-50	27.00
31st March 2021		
₹ Lakhs	50	(16.58)
₹ Lakhs	-50	16.58

Fair value sensitivity analysis for fixed-rate instruments:

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, the group shall not be affected a change in interest rates at the reporting date.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt instruments are all constant.

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

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

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2022 and 31 March 2021.

The sensitivity of equity is calculated by considering the effect of any associated cash flow of a net investment in a foreign subsidiary at 31 March 2022 for the effects of the assumed changes of the underlying risk.

-Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the loan given, Security deposits received/paid and borrowing.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected, with all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, present rate is 8.75% equivalent to MCLR (P.Y. MCLR plus 1.10%), the impact of change in rate is as follows:

-Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, AFN, SGD, NPR and BDT exchange rates, with all other variables held constant. The impact on the Group's Continuing profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to other foreign currency is not material.

(Amount in ₹ Lakhs)				
	Currency	Change in rates	Effect on profit before tax	Effect on pre-tax equity
31st March 2022	USD (US Dollar)	5%	38.31	38.31
		-5%	(38.31)	(38.31)
	SGD (Singapore Dollar)	5%	-	-
		-5%	-	-
	AFN (Afghanistan Afghani)	5%	11.06	11.06
		-5%	(11.06)	(11.06)
BDT (Bangladeshi Taka)	5%	88.90	88.90	
	-5%	(88.90)	(88.90)	
31st March 2021	USD (US Dollar)	5%	49.64	49.64
		-5%	(49.64)	(49.64)
	SGD (Singapore Dollar)	5%	-	-
		-5%	-	-
	AFN (Afghanistan Afghani)	5%	7.35	7.35
		-5%	(7.35)	(7.35)
BDT (Bangladeshi Taka)	5%	53.60	53.60	
	-5%	(53.60)	(53.60)	

-Equity price risk

The Groups listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group don't engage in active trading of equity instruments. Reports on the equity portfolio are submitted to the Group senior management on a regular basis. The Board of Directors of Company reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed and unlisted equity securities at fair value is not material (excluding investment in subsidiaries).

- Other risk

The Group operates in a service sector on revenue sharing model. There is downward revision of revenue shares

The following table provides information about exposure to credit risk and expected credit loss for trade receivables for customers for the year ended 31 March 2022:

(Amount in ₹ Lakhs)			
In ₹ Lakhs	Gross Carrying Amount	Weighted-Average Loss Rate	Loss Allowance
Not Due	1,699.62	0%	-
1- 90 days	1,206.71	1%	7.61
91-180 days	5.82	159%	9.23
181-270 days	196.73	29%	56.63
271-360 days	57.19	100%	57.19
More than 360 days	2,995.07	92%	2,747.10
	6,161.13		2,877.76

frequently, as a result, the revenue of Group may reduce depending upon percentage decrease in revenue share of Group with the telecom operators.

2) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The Group has used a practical expedient and analysed the recoverable amount of the receivables on an individual basis by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information's.

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

The following table provides information about exposure to credit risk and expected credit loss for trade receivables for customers for the year ended 31 March 2021:

In ₹ Lakhs	(Amount in ₹ Lakhs)		
	Gross Carrying Amount	Weighted-Average Loss Rate	Loss Allowance
Not Due	428.10	0%	0.65
1- 90 days	1,929.98	1%	18.47
91-180 days	288.97	4%	10.86
181-270 days	915.66	28%	259.26
271-360 days	78.98	36%	28.57
More than 360 days	3,477.15	79%	2,761.74
	7,118.84		3,079.55

Movement in the expected credit loss allowance of receivables

	(Amount in ₹ Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Balance at beginning of the year	3,079.55	3,115.94
Add: provided during the year	76.77	387.69
Less: reversals of provision	(262.18)	(415.18)
Less: FCTR	(16.38)	(8.90)
Balance at the end of the year	2,877.76	3,079.55

-Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment and also based upon agreements/terms with respective customers. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 48A. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

-Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the Group policy. Investments of surplus funds are made only with approved counterparties

and based on the Investment Policy of the Group. All investments are reviewed by the Group Board of Directors on a quarterly basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

-Loans

Credit risk from the loan given to Hotspot Sales & Solutions Private Limited and Spice Online Private Limited amounting to ₹ 5,087.89 Lakhs and 99.82 Lakhs respectively has been reviewed by the Group's Board of Directors and entire amount has been impaired in the previous years based on their assessment of recoverability.

3) Liquidity risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bill discounting facility. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

The table below summarises the maturity profile of the Group financial liabilities based on contractual undiscounted payments.

As at 31st March 2022	(Amount in ₹ Lakhs)					
	On Demand	Less than 3 Months	3-12 Months	1-5 Years	> 5 years	Total
Borrowings	5,400.45	-	-	-	-	5,400.45
Other financial liabilities (non-current)	-	-	19.80	13.13	-	32.93
Other financial liabilities including lease liability (current)	3.65	2,660.76	146.02	-	-	2,810.43
Trade and other payables	-	4,919.66	1,250.85	815.83	-	6,986.34
Total	5,404.10	7,580.42	1,416.67	828.96	-	15,230.14

* Based on the maximum amount that can be called for under the financial guarantee contract.

As at 31st March 2021	(Amount in ₹ Lakhs)					
	On Demand	Less than 3 Months	3-12 Months	1-5 Years	> 5 years	Total
Borrowings	2,251.39	1,064.73	-	-	-	3,316.12
Other financial liabilities (non-current)	-	-	-	165.08	-	165.08
Other financial liabilities including lease liability (current)	19.82	945.12	171.67	-	-	1,136.61
Trade and other payables	-	4,460.25	1,331.97	-	-	5,792.22
Total	2,271.21	6,470.10	1,503.64	165.08	-	10,410.03

* Based on the maximum amount that can be called for under the financial guarantee contract.

-Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

-Collateral

The Group has pledged part of its fixed deposits with bank as margin money against issuance of bank/corporate guarantees in order to fulfil the collateral requirements for its various contracts. At 31 March 2022 and 31 March 2021, the fair values of fixed deposits pledged were ₹ 6,151.99 Lakhs (31 March 2021: 6,151.99 Lakhs). The Group has an obligation to repay the deposit to the counterparties upon settlement of the contracts. There are no other significant terms and conditions associated with the use of collateral (refer note 11 and 12).

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

Note 49 (a) Foreign currency risk exposure:

The Group's exposure to foreign currency risk at the end of the reporting period, are as follows:

(Amount in ₹ Lakhs)										
Date	Currency	Trade Receivables	Unbilled Revenue	Balances with banks	Advances	Net exposure to foreign currency risk (assets) (A)	Trade payable	Net exposure to foreign currency risk (liabilities) (B)	Net exposure to foreign currency risk (A-B)	Sensitivity at 50 basis points
As at 31 March 2022	Dirahm	21.08	11.15	-	-	32.24	-	-	32.24	1.61
	ID	-	-	-	-	-	-	-	-	-
	NPR	-	-	-	-	-	-	-	-	-
	SDG	-	-	-	-	-	-	-	-	-
	SLR	-	-	-	-	-	-	-	-	-
	AFN	212.42	8.81	-	-	221.24	-	-	221.24	11.06
	IDR	5.45	-	-	-	5.45	-	-	5.45	0.27
	MYR	-	-	-	-	-	-	-	-	-
	BDT	1,777.94	-	-	-	1,777.94	-	-	1,777.94	88.90
	LKR	2.22	0.22	-	-	2.44	-	-	2.44	0.12
	MMK	-	-	-	-	-	-	-	-	-
	GBP	-	-	-	-	-	-	-	-	-
	SGD	-	-	-	-	-	-	-	-	-
USD	876.02	33.02	785.48	-	1,694.53	928.29	928.29	766.23	38.31	
As at 31 March 2021	Dirahm	-	1.00	-	-	1.00	-	-	1.00	0.05
	ID	-	-	-	-	-	-	-	-	-
	NPR	-	0.59	-	-	0.59	-	-	0.59	0.03
	SDG	-	-	-	-	-	-	-	-	-
	SLR	-	-	-	-	-	-	-	-	-
	AFN	113.11	33.89	-	-	146.99	-	-	146.99	7.35
	IDR	16.19	-	-	-	16.19	-	-	16.19	0.81
	MYR	-	-	-	-	-	-	-	-	-
	BDT	1,045.28	26.67	-	-	1,071.95	-	-	1,071.95	53.60
	LKR	-	2.18	-	-	2.18	-	-	2.18	0.11
	MMK	-	0.06	-	-	0.06	-	-	0.06	0.00
	GBP	5.54	-	-	-	5.54	-	-	5.54	0.28
	SGD	-	-	-	-	-	-	-	-	-
USD	1,084.59	69.31	770.72	-	1,924.62	931.84	931.84	992.78	49.64	

50. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain

or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group's policy is to keep the gearing ratio less than 50%. The Group includes within net debt, interest bearing loans and borrowings, trade payable, other current liabilities, other financial liabilities and provisions, less cash and cash equivalents (excluding discontinued operations).

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

(Amount in ₹ Lakhs)		
	As at 31st March 2022	As at 31st March 2021
Borrowings	5,400.45	3,316.12
Less: cash and cash equivalents	14,580.62	9,215.97
Net debt	(9,180.17)	(5,899.85)
Equity	6,146.00	6,069.85
Other equity attributable	18,580.88	17,707.58
Total equity attributable to owner of the Company	24,726.88	23,777.43
Capital and net debt	15,546.71	17,877.58
Gearing ratio	Nil	Nil

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

51. As on 31st March, 2022, Independent Non-Promoter (Spice Employee Benefit) Trust ('EBT') holds 10,155,067 (March 31, 2021: 10,155,067) equity shares of the Company, for the benefit of the employees of the Company, its associates and subsidiaries and Independent Non-Promoter Trust ('NPT') holds

15,912,776 (March 31, 2021: 15,912,776) equity shares of the Company for the benefit of the Company. These equity shares were transferred to the Trusts pursuant to the Scheme of amalgamation of Spice Televentures Private Limited ('STPL'), the erstwhile holding company, with the Company, duly approved by High Court, Allahabad, at a value at which these equity shares were held in the books of STPL.

During the year the Company has received Nil (31 March 2021 ₹ Nil Lakhs), as a beneficiary, from the Independent Non-Promoter Trust including surplus arising from sale of its shares. The above receipts are shown as part of the Trust Reserve.

Taking a conservative interpretation of "Ind AS 32" face value of shares held by these trusts has been deducted from equity and amount over and above face value has been shown as deduction under the head "Trust shares" separately in other equity.

52. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

(Amount in ₹ Lakhs)		
	As at 31st March 2022	As at 31st March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
-Principal amount due to micro and small enterprises	90.65	54.39
-Interest due on above	0.01	0.01
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	0.58
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.71	0.70
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	0.71	0.70

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

53. Exceptional Items

RBI has imposed a penalty of ₹ 100 Lakhs for not maintaining net worth of ₹ 10,000 Lakhs of a subsidiary company as required under Payment and Settlement Systems Act, 2007. The subsidiary company has paid amount and charged to the statement of Profit and loss under exceptional items.

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

54. Goodwill on consolidation appearing in the financial statements denotes the goodwill in respect of subsidiaries acquired by the Group in the earlier years and during the year. The Group has recognized and is carrying forward goodwill of ₹ 464.90 Lakhs (31 March 2021: ₹ 452.87 Lakhs), ₹ 122.95 Lakhs (31 March 2021: ₹ 119.76 Lakhs), ₹ 1.99 Lakhs (31 March 2021: ₹ 1.94 Lakhs), ₹ 4,710.75 Lakhs (31 March 2021 : ₹ 4,710.75 Lakhs), ₹ 0.35 Lakhs (31 March 2021: ₹ 0.34 lakhs), and ₹ 1.47 Lakhs (31 March 2021: ₹ Nil lakhs) in respect of subsidiaries, Spice VAS Kenya Limited, Spice VAS Tanzania Limited, S Mobility Pte. Ltd., Kimaan Exports Private Limited, Fast Track IT Solutions Ltd and E-Arth Travel Solutions Private Limited respectively.

In respect of these entities, such goodwill has been tested for impairment using the cash flow projections, which are based on most recent financial budgets/forecasts approved by the management as on 31 March 2022. The group has already provided the provision for impairment amounting to ₹ 122.95 Lakhs (31 March 2021: ₹ 119.76 Lakhs) on investment in Spice VAS Tanzania Limited.

57. Disclosure required under Schedule V read with Regulation 34 (3) and 53 (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and disclosure required under section 186 (4) of the Companies Act, 2013

Particulars of Corporate guarantee given as required by Section 186(4) of Companies Act, 2013

Name of Loanee	Purpose	Rate of Interest	Outstanding balance as at 31 March 2022	Maximum balance in FY 2021-22	Outstanding balance as at 31 March 2021	Maximum balance in FY 2020-21
Bharat BPO Services Limited	General Corporate purposes	10%	-	142.65	142.65	142.65
Bharat BPO Services Limited	Advances against supply	0%	400.00	400.00	400.00	400.00

The Group has provided ₹ 400.00 Lakhs (Previous year - ₹ 400.00 Lakhs) against above loans as doubtful.

55. The Group is engaged in process of establishing a comprehensive system of maintenance of information and documents on a global basis across all global subsidiary companies by way of a composite document instead of company wise compliance with respective transfer pricing regulations. As a result, certain cross charge of expenses and income may change which shall get eliminated on consolidation and not impact the consolidated financial statements. However, the same may have an impact on the related income taxes and provision for taxation. The management of the Company believes its international transactions are at arm's length so that the aforesaid changes will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

56. The Hon'ble National Company Law Tribunal, New Delhi, Principal Bench ("NCLT"), has approved the Scheme of Arrangement between Spice Mobility Limited and Spice Digital Limited and Spice IOT Solutions Private Limited and Mobisoc Technology Private Limited and Spice Labs Private Limited and their respective shareholders and creditors ("Scheme") under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013. Necessary procedural formalities in this respect is under process. Pursuant to the said Scheme, the assets and liabilities of Digital Technology Services (DTS) Business of Spice Digital Limited and the amalgamating companies (Spice IOT Solutions Private Limited and Mobisoc Technology Private Limited and Spice Labs Private Limited) were transferred to and vested with the Company with effect from the appointed date viz. April 01, 2017. DTS business undertaking of Spice Digital Limited and other amalgamating companies are engaged in the business of providing Technology services and Value Added Services. The amalgamation being a common control transaction has been accounted for under the 'pooling of interest' method as prescribed by the Ind AS 103 (Business Combinations). Accordingly, the Scheme of Arrangement has been given effect from appointed date April 01, 2017 in previous year. The Scheme has become effective on June 01, 2019.

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

Loan to body corporate, the particulars of which are disclosed below as required by Section 186(4) of Companies Act, 2013:

Name of Loanee	Purpose	Rate of Interest	Due Date	Outstanding balance as at 31 March 2022 ₹ in Lakhs	Outstanding balance as at 31 March 2021 ₹ in Lakhs
Hotspot Sales and Solutions Private Limited	General Corporate purposes	11%	On demand	4,923.07	4,923.07
Spice Online Retail Private Limited			On demand	22.07	22.07

The Company has provided ₹ 4,945.14 Lakhs (Previous year - ₹ 4,945.14 Lakhs) against above loans as doubtful.

58. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Lease liability and Right of Use assets

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less

costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 4.

Taxes

The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group respective companies in the group which has recognised MAT credit will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward.

The tax assets of ₹ 586.26 Lakhs (31 March 2021: ₹ 1,007.78 Lakhs) recognised by the Group as 'MAT Credit Entitlement' under 'Non current Tax assets' in respect of MAT payment for earlier years, represents that portion of MAT liability which can be recovered and set off in subsequent years based on the provisions of Section 115JAA of the Income Tax Act, 1961. The management based on the present trend of profitability and also the future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Group to utilize MAT credit assets.

The Group has recognised Deferred tax assets on unabsorbed depreciation and carry forward business losses. The Group has concluded that the deferred tax assets on unabsorbed depreciation and carry forward business losses will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The Group is expected to generate taxable income in near future. The unabsorbed depreciation and carry forward losses can be carried forward as per local tax regulation and

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

the Group expects to recover the same in due course. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has short term and long term capital losses under the Income Tax Act, 1961 and certain provision for loss allowances against doubtful debts and impairment of investment which allowability under Income Tax Act is ambiguous. These losses may not be used to offset taxable income within prescribed time. The Group neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on these tax losses carried forward.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Defined benefit plans (gratuity benefits)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future, salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 39.

Intangible asset under development

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

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Allowance for bad and doubtful debts and advances

Trade receivables do not carry any interest and are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

Useful lives of depreciable assets

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

Notes Forming Part of Consolidated Financial Statements

As at and for the year ended 31st March 2022

Share based payments

The Group measures the cost of equity-settled transactions with employees using Black Scholes model to determine the fair value of options. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions relating to vesting of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 46.

59. The Group has considered and made an estimate of the possible effects that may result from COVID-19 in the preparation of these consolidated financial statements including the recoverability of carrying amounts of financial and non-financial assets. The Group has an adequate liquidity to discharge its obligations. However, the actual impact of COVID-19 on the Group's financial results may differ from that estimated and the

Group will continue to closely monitor any material changes to future economic conditions.

60. The Group has no transaction and/or outstanding balance with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 as identified to the extent of struck off companies details available on the public domain.
61. The Group has Complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with the companies (Restriction on number of layers) Rules,2017.
62. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
63. There are no proceedings initiated or are pending against the Group for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
64. The figures for the previous periods have been regrouped/ rearranged, wherever considered necessary, to conform current period classifications.

As per our report of even date attached
For **Singhi & Co.**
Chartered Accountants
ICAI Firm registration number: 302049E

Bimal Kumar Sipani
Partner
Membership no.: 088926

Place: Noida
Date: 26th May, 2022

For and on behalf of the board of directors

Rohit Ahuja
Executive Director
DIN : 00065417

Vinit Kishore
Chief Financial Officer

Subramanian Murali
Director
DIN : 00041261

Ruchi Mehta
Vice President- Legal, Corporate
Affairs and Company Secretary

Form AOC-1

Statement containing salient features of the financial statement of subsidiaries/ associate companies (Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part "A" : Subsidiaries

Sl. No.	Name of Subsidiary Company	Reporting period for the subsidiary*	Date when subsidiary was acquired	Reporting Currency	Exchange Rate on the last date of the FY to be given only in case of foreign subsidiaries)	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding investment made in subsidiaries)	Turnover / Total Income	Profit/(Loss) Before Tax	Provision For Tax	Profit/(Loss) After Tax	Proposed Dividend	% of shareholding#
1	Spice Money Limited [^]	1 st April'2021 to 31 st March'2022	04 November 2010	INR	1.00	4,408.99	5,404.06	50,432.45	50,432.45	-	86,840.89	1,739.72	509.51	1,230.21	-	96.83%
2	Hindustan Retail Private Limited	1 st April'2021 to 31 st March'2022	04 November 2010	INR	1.00	42,238.00	(42,826.68)	1.93	1.93	-	0.84	(3.95)	-	(3.95)	-	100.00%
3	Kimaan Export Private Limited	1 st April'2021 to 31 st March'2022	24 December 2010	INR	1.00	2.00	1,242.32	1,314.70	1,314.70	-	231.93	(165.71)	20.49	(186.20)	-	100.00%
4	S Mobility (HK) Limited	1 st April'2021 to 31 st March'2022	12 May 2011	USD	75.51	0.64	(0.64)	-	-	-	-	7.87	-	7.87	-	100.00%
5	New Spice Sales & Solutions Limited	1 st April'2021 to 31 st March'2022	04 November 2010	INR	1.00	9,971.74	(22,695.61)	387.19	387.19	-	-	330.43	-	330.43	-	100.00%
6	Cellucum Retail India Private Limited	1 st April'2021 to 31 st March'2022	04 November 2010	INR	1.00	5,000.00	(5,053.14)	16.42	16.42	-	-	(6.86)	-	(6.86)	-	100.00%
7	Spice Digital Bangladesh Limited	1 st April'2021 to 31 st March'2022	11 August 2012	BDT	0.86	81.26	(503.54)	444.01	444.01	-	(5.83)	(246.95)	-	(246.95)	-	100.00%
8	S Global Services Pte. Ltd (formerly known as S GIC Pte. Ltd.)	1 st April'2021 to 31 st March'2022	28 February 2008	SGD	55.78	8,776.59	(7,770.34)	1,108.00	1,108.00	-	7.46	(1,260.95)	-	(1,260.95)	-	100.00%
9	Beoworld SDN. BHD	1 st April'2021 to 31 st March'2022	02 December 2010	MYR	17.96	81.11	(81.11)	-	-	-	6.88	2.41	-	2.41	-	100.00%
10	Spice VAS (Africa) Pte. Limited	1 st April'2021 to 31 st March'2022	04 November 2010	SGD	55.78	3,596.95	(2,154.20)	1,999.10	1,999.10	-	261.00	(1,601.47)	(129.77)	(1,471.71)	-	80.00%
11	S Mobility Pte. Limited	1 st April'2021 to 31 st March'2022	20 October 2011	SGD	55.78	167.33	(167.33)	-	-	-	16.10	12.33	-	12.33	-	100.00%
12	PT Spice Digital Indonesia	1 st April'2021 to 31 st March'2022	07 April 2016	IDR	0.01	147.80	(420.05)	323.29	323.29	-	272.94	(294.49)	-	(294.49)	-	100.00%
13	Omnia Pte. Ltd.	1 st April'2021 to 31 st March'2022	17 February 2017	SGD	55.78	14.22	(1,116.00)	9.00	9.00	-	170.65	419.11	(241.70)	660.81	-	100.00%
14	Spice Digital FZCO	1 st April'2021 to 31 st March'2022	26 March 2017	AED	20.56	-	(678.41)	120.47	120.47	-	31.10	(61.62)	-	(61.62)	-	100.00%

Form AOC-1

Sl. No.	Name of Subsidiary Company	Reporting period for the subsidiary*	Date when subsidiary was acquired	Reporting Currency	Exchange Rate on the last date of the FY to be given only in case of foreign subsidiaries)	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding investment made in subsidiaries)	Turnover / Total Income	Profit/(Loss) Before Tax	Provision For Tax	Profit/(Loss) After Tax	Proposed Dividend	% of shareholding#
15	DigiSpice Nigeria Ltd. (FKA Spice Digital Nigeria Ltd.)	1 st April'2021 to 31 st March'2022	04 November 2010	NAIRA	0.18	49.27	(766.37)	121.08	121.08	-	140.22	404.59	291.64	112.95	-	100.00%
16	Spice VAS Kenya Limited	1 st April'2021 to 31 st March'2022	31 March 2011	KSH	0.66	0.86	40.38	436.11	436.11	-	593.71	112.42	39.09	73.33	-	100.00%
17	DigiSpice Uganda Ltd. (FKA Spice VAS Uganda Ltd.)	1 st April'2021 to 31 st March'2022	11 November 2010	UGX	0.02	0.31	(18.38)	8.97	8.97	-	2.42	(23.72)	-	(23.72)	-	75.00%
18	DigiSpice Ghana Ltd. (FKA Spice VAS Ghana Ltd.)	1 st April'2021 to 31 st March'2022	15 April 2011	GHS	10.09	41.02	200.47	1,180.48	1,180.48	-	1,388.70	186.25	48.89	137.35	-	70.00%
19	DigiSpice Zambia Ltd. (FKA Spice VAS Zambia Ltd.)	1 st April'2021 to 31 st March'2022	01 September 2011	ZMW	4.21	0.71	73.26	165.51	165.51	-	89.88	18.63	8.18	10.45	-	100.00%
20	DigiSpice Tanzania Ltd. (FKA Spice VAS Tanzania Ltd.)	1 st April'2021 to 31 st March'2022	29 November 2011	TZS	0.03	84.02	(650.81)	30.10	30.10	-	-	(82.92)	-	(82.92)	-	100.00%
21	Spice VAS RDC	1 st April'2021 to 31 st March'2022	08 April 2016	CDF	0.04	0.39	(15.13)	-	-	-	-	(0.08)	-	(0.08)	-	100.00%
22	Fast Track IT Solutions Ltd	1 st April'2021 to 31 st March'2022	27 November 2018	BDT	0.86	3.13	10.93	29.89	29.89	-	25.16	18.76	6.10	12.67	-	70.00%
23	DigiSpice Nepal Pvt. Ltd.	1 st April'2021 to 31 st March'2022	21 January 2019	NPR	0.63	-	(33.70)	713.44	713.44	-	63.47	(19.27)	-	(19.27)	-	100.00%
24	E-Arth Travel Solutions Private Limited	1 st April'2021 to 31 st March'2022	06 August 2021	INR	1.00	1.50	(31.51)	639.57	639.57	-	74.64	(41.96)	(11.67)	(30.29)	-	100.00%
25	Vikasni Fintech Private Limited	1 st April'2021 to 31 st March'2022	01 November 2021	INR	1.00	1.00	(0.66)	1.25	1.25	-	-	(0.91)	(0.25)	(0.66)	-	100.00%

* Subsidiaries whose reporting period is different from that of the Parent Company, financial statements used for the purpose of consolidation are drawn up to the same reporting date as that of the Parent Company i.e. year ended 31st March, 2022.

Refer Note no. 38 of the Consolidated Financial Statements.

^ The Board of Directors of Spice Money Limited ('SML') at its meeting held on 24th May, 2022, has proposed the dividend at the rate of 5% on Compulsorily Convertible Preference Shares ('CCPS'), subject to approval of the Shareholders at forthcoming Annual General Meeting of SML.

Form AOC-1

Part "B": Associates companies

Name of Associates / Joint Ventures	(Amount in ₹ Lakhs)	
	SunStone Learning Private Limited**	Creative Functionapps Lab Private Limited
1 Latest audited Balance Sheet Date	Unaudited	Unaudited
2 Date on which the Associate or Joint Venture was associated or acquired	12-Feb-15	1-Jul-15
3 Shares of Associate company held by the company on the year end No.	95508	3514
Amount of Investment in Associates	814.88	100.00
Extent of Holding%	41.6%	26.00%
4 Description of how there is significant influence	Associate	Associate
5 Reason why the associate company is not consolidated	NA	NA
6 Networth attributable to Shareholding as per latest audited Balance Sheet	-	(139.94)
7 Profit / (Loss) for the year		
(i) Considered in Consolidation	-	(10.81)
(ii) Not Considered in Consolidation	-	(30.77)

**The investment has been fully impaired in the financials as the networth is fully eroded

For and on behalf of the board of directors

Rohit Ahuja
Executive Director
DIN : 00065417

Subramanian Murali
Director
DIN : 00041261

Vinit Kishore
Chief Financial Officer

Ruchi Mehta
Vice President- Legal, Corporate
Affairs and Company Secretary

Place: Noida
Date: 26th May, 2022

Notes

DiGiSPICE

DiGiSPICE Technologies Limited

Registered Office: 622, 6th Floor, DLF Tower A, Jasola Distt. Centre, New Delhi - 110025
CIN: L72900DL1986PLC330369
Tel.: 011- 41251965; Email: complianceofficer@digispice.com; Website: www.digispice.com

DiGiSPICE

DiGiSPICE Technologies Limited

Registered Office: 622, 6th Floor, DLF Tower A, Jasola Distt. Centre, New Delhi -110025

CIN: L72900DL1986PLC330369

Tel.: 011- 41251965; Email: complianceofficer@digispice.com

Website: www.digispice.com

Notice

Notice is hereby given that the Thirty Fourth Annual General Meeting of DiGiSPICE Technologies Limited will be held on Thursday, the 29th September, 2022 at 12.00 noon through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a. the Audited Financial Statements for the financial year ended 31st March, 2022 along with the Board of Directors' and Auditors' Report thereon;
 - b. the Audited Consolidated Financial Statements for the financial year ended 31st March, 2022 and the Auditors' Report thereon.
2. To consider and appoint a Director in place of Mr. Rohit Ahuja (DIN: 00065417) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. **To approve revision in remuneration of Mr. Rohit Ahuja (DIN: 00065417), Executive Director of the Company.**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"Resolved that pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule V of the Act and the applicable Rules framed thereunder including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory amendment(s), modification(s) or re-enactment thereof for the time being in force), the Articles of Associations of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended, the Remuneration Policy; and subject to all other applicable laws, acts, rules, regulations, guidelines, circulars, directions and notifications and such other consent(s), permission(s) or sanction(s) including regulatory approvals, as may be required and subject to such terms and conditions, approval of shareholders be and are hereby accorded for revision in payment of remuneration to Mr. Rohit Ahuja (DIN: 00065417), Executive Director, as set out below for a period from 1st April, 2022 to 4th May, 2023;

a. Particulars	Amount Per Annum (₹ in Lakhs)
Basic Salary	50.00
Allowances and Perquisites (as per the Company policy)	75.00
Total Cost to Company (CTC)	125.00

b. Stock Options: 5,00,000 Options granted on 18th September, 2018 and 2,00,000 Options granted on 1st August, 2022 by the Nomination and Remuneration Committee in pursuance to the DTL Employees Stock Option Plan - 2018 (Erstwhile 'SML Employees Stock Option Plan' - 2018) ('ESOP Plan') at an Exercise Price of ₹ 13.25 per option and ₹ 29 per option respectively, or such other price as may be approved by the Nomination and Remuneration Committee from time to time and exercisable as per the ESOP Plan over a period of five years from the date of respective vesting in the ratio of 40:30:30 at the end of 1st, 2nd and 3rd year of date of respective grant;

Resolved further that save and except as aforesaid, all other existing terms and conditions of appointment of Mr. Rohit Ahuja, Executive Director as approved by the Shareholders at the 32nd Annual General Meeting shall continue to remain in full force and effect;

Resolved further that the aforesaid remuneration as approved by the Board of Directors of the Company or its duly authorized Committee shall be paid to Mr. Rohit Ahuja, as the minimum remuneration in case of loss or inadequacy of profits in any financial year, notwithstanding anything to the contrary contained in Section 197 of the Act, rules framed thereunder or Schedule V of the Act;

Resolved further that the Board of Directors of the Company or a duly authorized Committee thereof be and is hereby authorized to amend, alter or modify the terms, including to vary the overall remuneration, as may deem fit, payable to him as an Executive Director of the Company from time to time within the permissible limits, as may be allowed under the law during his remaining tenure as an Executive Director of the Company without requiring any further approval of the shareholders;

Resolved further that the Board of Directors of the Company or a duly authorised Committee thereof be and is hereby authorised to do all such acts, deeds and

things as it may think necessary or desirable to settle all question / doubts / queries / difficulties that may arise in order to give effect to the above resolution, at any stage without being required to seek any further consent or approval of the Shareholders of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and to seek such approval/consent from the Government or any other concerned authority, in connection with revision in remuneration of Mr. Rohit Ahuja, Executive Director, as may be required under the applicable law from time to time."

4. To approve the re-appointment of Mr. Rohit Ahuja (DIN: 00065417) as an Executive Director of the Company.

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"Resolved that pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule V of the Act and the applicable Rules framed thereunder including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory amendment(s), modification(s) or re-enactment thereof for the time being in force), the Articles of Associations of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended, the Remuneration Policy; and subject to all other applicable laws, acts, rules, regulations, guidelines, circulars, directions and notifications and such other consent(s), permission(s) or sanction(s) including regulatory approvals, as may be required and subject to such terms and conditions including modifications, as may be prescribed by any relevant authority, Mr. Rohit Ahuja (DIN: 00065417) be and is hereby re-appointed as an Executive Director of the Company, liable to retire by rotation, for another term of three years with effect from 5th May, 2023 to 4th May, 2026 (both days inclusive) on the following remuneration and other terms and conditions:

a. Particulars	Amount Per Annum (₹ in Lakhs)
Basic Salary	50.00
Allowances and Perquisites (as per the Company policy)	75.00
Total Cost to Company (CTC)	125.00

- b. Stock Options: 5,00,000 Options granted on 18th September, 2018 and 2,00,000 Options granted on 1st August, 2022 by the Nomination and Remuneration Committee in pursuance to the DTL Employees Stock Option Plan -2018 (Erstwhile 'SML Employees Stock Option Plan - 2018') ('ESOP Plan') at an Exercise Price of ₹ 13.25 per option

and ₹ 29 per option respectively or such other price as may be approved by the Nomination and Remuneration Committee from time to time and exercisable as per the ESOP Plan over a period of five years from the date of respective vesting in the ratio of 40:30:30 at the end of 1st, 2nd and 3rd year of date of respective grant;

Resolved further that Mr. Rohit Ahuja shall also be entitled to Mediciam Policy under the group Mediciam scheme for himself and his family members and such other benefits, perquisites and allowances as may be applicable to him, as per the policies of the Company and shall not be paid any sitting fee for attending the meeting of the Board or any Committee thereof;

Resolved further that the aforesaid remuneration as approved by the Board of Directors of the Company or its duly authorized Committee shall be paid to Mr. Rohit Ahuja, as the minimum remuneration in case of loss or inadequacy of profits in any financial year;

Resolved further that the Board of Directors of the Company or a duly authorized Committee thereof be and is hereby authorized to amend, alter or modify the terms including to vary the overall remuneration, as may deem fit, payable to him as an Executive Director of the Company from time to time within the permissible limits, as specified under Section 197 read with Schedule V of the Act, as may be allowed under the applicable provisions of the Act during his tenure as an Executive Director of the Company without requiring any further approval of the shareholders;

Resolved further that the Board of Directors of the Company or a duly authorised Committee thereof be and is hereby authorised to do all such acts, deeds and things as it may think necessary or desirable to settle all question / doubts / queries / difficulties that may arise in order to give effect to the above resolution, at any stage without being required to seek any further consent or approval of the Shareholders of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and to seek such approval/consent from the Government or any other concerned authority, in connection with the appointment of Mr. Rohit Ahuja as an Executive Director and/ or for making payment of remuneration, as may be required under the applicable law from time to time."

By Order of the Board

For **DiGiSPICE Technologies Limited**

Ruchi Mehta

Place: Noida
Date: 30th August, 2022

Vice President - Legal, Corporate
Affairs and Company Secretary

NOTES:

1. The Ministry of Corporate Affairs ('MCA') vide its circular no. 02/2022 dated 5th May, 2022 read together with circular no. 20/2020 dated 5th May, 2020, circular no. 17/2020 dated 13rd April, 2020, circular no. 14/2020 dated 8th April, 2020 ('MCA Circulars') and SEBI circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 read with SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 ('SEBI Circulars') (MCA Circulars and SEBI Circulars collectively referred as 'Circulars') has permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), without the physical presence of the members at a common venue and SEBI Circular has also provided relaxation upto 31st December, 2022, from requirements of sending hard copy of annual report, containing salient features of all the documents prescribed in Section 136 of the Companies Act, 2013 ('the Act'). In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Circulars, the AGM of the Company is being held through VC/OAVM. The deemed venue for this AGM shall be the Registered Office of the Company.
2. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. However, in terms of the MCA Circulars, since the physical attendance of members has been dispensed with, the facility for appointment of proxies by the members will not be available for the AGM and hence, the proxy form and attendance slip are not annexed to this Notice.
3. A statement pursuant to the provisions of Section 102(1) of the Act, relating to the Special Businesses to be transacted at the AGM, is annexed hereto. Further, additional information as required under Listing Regulations and relevant provisions of the Act / Circulars issued thereunder are also annexed.
4. Details of Directors retiring by rotation / seeking re-appointment at this Meeting are provided in the "Annexure-I" to the Notice.
5. Mr. Devesh Kumar Vasisht (COP No. 13700), failing him, Mr. Vijay K. Singhal (COP No. 10385), Partners of M/s. Sanjay Grover & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
6. The members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and Certificate by the Secretarial Auditors of the Company regarding ESOP Scheme as required under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 will be available

for inspection electronically by the members at the AGM upon log in to NSDL e-voting system.

8. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2022 to 29th September, 2022 (both days inclusive) for the purpose of AGM.
9. The Securities and Exchange Board of India ('SEBI') vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021 read with SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14th December, 2021 ('SEBI KYC Circulars') has mandated furnishing of PAN, KYC, nominations, contact details, (postal address, Mobile Number & E-mail), bank details and signature by holders of physical securities to the Registrar and Transfer Agent ('RTA') of the Company. RTA will not process, any service requests or complaints received from the shareholders till PAN, KYC and nomination documents / details are received by RTA.

The shareholders holding shares in physical form are requested to note that in case of failure to provide required documents and details as per aforesaid SEBI KYC Circulars, all folios of such shareholders shall be frozen on or after 1st April, 2023 by the RTA. If the folio(s) continue to remain frozen as on 31st December, 2025, the frozen folios shall be referred by RTA/ Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002.

In view of the above, shareholders of the Company holding securities in physical form are requested to quote their Ledger Folio Number in all their correspondence and intimate the following directly to the Company's RTA i.e. MAS Services Ltd.:

- a. PAN and details of KYC; (using Form ISR-1);
- b. Contact details including postal address with PIN code, Mobile Number, E-mail address (using Form ISR-1);
- c. Bank account details including bank name, branch, Bank account number and IFS code (using Form ISR-1);
- d. Specimen signature (using Form ISR-2);
- e. Request for making nominations as per the provisions contained in Section 72 of the Act in the prescribed Form SH-13 or submit declaration to 'Opt-out' in Form ISR-3;
- f. Any cancellation or change in nomination shall be provided in Form No.SH-14.

The above mentioned required documents/details to be sent at the office of the RTA. The shareholders can download the forms mentioned in the SEBI KYC Circulars from the website of the Company or RTA website i.e. www.masserv.com, as made available.

Members holding shares in dematerialized mode are requested to intimate the aforesaid changes directly to their Depository Participant.

Pursuant to Regulation 40 of the Listing Regulations, as amended, securities of the listed companies can

only be transferred in dematerialized form and in case of transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form.

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

Further, SEBI vide circular no. SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022, has mandated the listed Companies to issue securities in dematerialized form only while processing the following requests:

- a. Issue of duplicate share certificate;
- b. Claim from unclaimed suspense account;
- c. Renewal/exchange of securities certificate;
- d. Endorsement;
- e. Sub-division / splitting of securities certificate;
- f. Consolidation of securities certificates/folios;
- g. Transmission;
- h. Transposition.

For this purpose, the securities holder/claimant shall submit a duly filled up Form ISR-4 which is hosted on the website of the company as well as on the website of the Company's RTA.

10. Pursuant to Sections 124 and 125 of the Act, the dividend amount which remains unpaid/unclaimed for a period of seven years from the date of transfer to unpaid dividend accounts of the Company, is required to be transferred to the Investor Education and Protection Fund ('IEPF') of the Central Government. Accordingly, unpaid or unclaimed amount in respect of dividend till the Financial Year 2013-14 have been transferred to IEPF.

Members who have not encashed their dividend warrants are, therefore, requested to contact the Company's RTA, M/s. MAS Services Limited, for the dividend declared for the financial year 2018-19 and still remained unpaid / unclaimed and lying in the Company's unpaid dividend account. Kindly note that after transfer of the said amount to IEPF, the concerned members can claim the same only from IEPF Authority by making an application in the prescribed form and the manner. The details of unclaimed dividends lying with the Company has been uploaded on the website of the Company viz. www.digispice.com.

11. Members desiring any information with regard to Accounts/Reports are requested to submit their queries addressed to the Company Secretary of the Company atleast 5 days in advance of the AGM so that the information called for can be made available at the Meeting.
12. All documents, including those required to be kept for inspection, referred to in the accompanying Notice are available for electronic inspection up to the date of the

AGM. Members seeking to inspect such documents can send an email to investors@digispice.com.

13. In compliance with Circulars issued by MCA and SEBI, the Company has mailed Annual Report for FY 2021-22, containing the Balance Sheet, Statement of Profit & Loss, Cash Flow Statement, Board's Report, Auditors' Reports etc. and Notice of the AGM of the Company through electronic mode to only those Members whose email IDs are registered with the Company/ Depository Participant. Members may note that Notice of the AGM and the Annual Report for FY 2021-22 will also be made available on the Company's website at www.digispice.com, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of National Securities Depository Limited at www.evoting.nsdl.com. The Company will not dispatch physical copy of Annual Report and Notice of AGM to any Member.

Members are requested to update their e-mail ID with their Depository Participants in case the shares are held in demat mode and to the RTA of the Company or the Company in case the shares are held in physical mode to ensure that the documents reach to them on their preferred email address. Even after registering their e-mail addresses, members are entitled to receive the Notice of AGM and Annual Report in physical mode upon making a request for the same to the Company.

14. In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 9th December, 2020, the depository shall send SMS/email alerts regarding the details of the upcoming AGM to the demat holders atleast 2 days prior to the date of commencement of e-voting. Hence, members are requested to update the mobile no./email ID with their respective Depository Participants.
15. Since the AGM is being conducted through VC/OAVM, the Route map of the 34th AGM is not required.
16. Voting through electronic means:
 - a. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, from time to time and Regulation 44 of the Listing Regulations, the Company is pleased to offer remote electronic voting facility to its members for transacting all the businesses as stated in this Notice through e-voting services being provided by National Securities Depository Limited ('NSDL'). The member may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
 - b. Pursuant to the relevant Circulars issued by MCA, the facility for voting through e-voting facility will also be available at the AGM for those members who have not cast their vote through remote e-voting before the AGM and who are not otherwise debarred from doing so.

- c. The members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.
- d. The remote e-voting period commences on **26th September, 2022 at 9:00 A.M. and ends on 28th September, 2022 at 5:00 P.M.** During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. on **22nd September, 2022** may cast their votes electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- e. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. **22nd September, 2022**. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories/ Depository Participants as on the cut-off date will be entitled to cast their votes by remote e-voting or e-voting during the AGM. Those who are not Members on the cut-off date should accordingly treat this Notice as for information purposes only.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDEAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider – NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDEAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will get open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <p>   </p> <div style="display: flex; justify-content: space-around;">   </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL.	<ol style="list-style-type: none"> Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B. Login method for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- Password details for shareholders other than Individual shareholders are given below:
 - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you

- from NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.
- ii. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.
 4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 5. Upon confirmation, the message "Vote cast successfully" will be displayed.
 6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Body Corporate / Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are entitled to appoint authorised representatives for the purpose of voting through remote e-voting and participation in the AGM through VC/OAVM and cast their votes through e-voting during the AGM. Such Shareholder (i.e. other than individuals, HUF, NRI etc.) is required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sanjaygrover7@gmail.com with a copy marked to evoting@nsdl.co.in. They can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Assistant Vice President, NSDL at amitv@nsdl.co.in or Pallavi Mhatre, Manager NSDL at pallavid@nsdl.co.in or at evoting@nsdl.co.in

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
1. In case shares are held in physical mode please provide folio no., name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investor@masserv.com or investors@digispice.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary

ID), Name, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor@masserv.com or investors@digispice.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via

Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ have questions at the AGM. The members may register themselves atleast five (5) days in advance as a speaker by sending their request along with questions from their registered email address mentioning their name, DP ID and Client ID/Folio Number, PAN, mobile number at investors@digispice.com.
6. The shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time as appropriate for smooth conduct of the AGM.
7. Members who would like to express their views/have questions but do not want to attend the meeting may send their questions in advance mentioning their name, demat account number/Folio Number, email id, mobile number at investors@digispice.com. The same will be replied by the Company suitably.
8. Members can login and join the AGM 15 (fifteen) minutes prior to the scheduled time to start the AGM and the window for joining shall be kept open till the expiry of 15 minutes after the scheduled time to start the AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members, on first-come-first-served basis. However, the participation of large members (members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Auditors can attend the AGM without restriction of first-come-first served basis. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice.

Other Instructions for shareholders

1. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the Notice is sent through e-mail and holding shares as of the cut-off date i.e. 22nd September, 2022 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to the company at investors@digispice.com or MAS Services Limited, RTA at investor@masserv.com. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the

cut-off date i.e. 22nd September, 2022 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system.

Any member who has received the Notice of AGM but ceased to be a member as on cut-off date i.e. 22nd September, 2022 should treat this Notice for information purpose only.

In case of any grievance connected with voting by electronic means, you may contact Mr. Amit Vishal, Assistant Vice President, NSDL through e-mail at evoting@nsdl.co.in or amitv@nsdl.co.in or on toll free No.: 1800 1020 990 and 1800 22 44 30 or Mr. Sharwan Mangla, General Manager, MAS Services Limited, RTA at investor@masserv.com or on Telephone No.: 011 – 26387281.

2. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. 22nd September, 2022 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through e-voting.
3. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "E-voting" facility of NSDL for all those members who are attending the AGM but have not cast their votes by availing the remote e-voting facility.
4. The Scrutinizer shall make, within 2 working days from the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against whether through remote e-voting or through e-voting during AGM, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
5. Subject to receipt of requisite number of votes, the Resolution(s) shall be deemed to be passed on the date of AGM i.e. 29th September, 2022.
6. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.digispice.com and on the website of NSDL immediately after the declaration of result and communicate to the BSE Limited and National Stock Exchange of India Limited.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No(s). 3 & 4

Mr. Rohit Ahuja (DIN: 00065417) was appointed as Executive Director of the Company by the Board of Directors, in their meeting held on 4th May, 2020 for a period of three years effective from 5th May, 2020. The appointment was subsequently approved by the shareholders of the Company at 32nd Annual General Meeting ('AGM') of the Company held on 15th December, 2020.

Considering the contribution of Mr. Rohit Ahuja and in line with the industry standards, pursuant to provisions of Sections 196, 197, 198 and all other relevant provisions, if any of the Companies Act, 2013 ('the Act') readwith Schedule V of the Act and on recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company had approved:

1. the revision in remuneration of Mr. Ahuja from 1st April, 2022 till remaining tenor of his current term, i.e. 4th May, 2023, at its meeting held on 25th May, 2022, as stated in the Resolution no. 3 to the Notice; and
2. the reappointment of Mr. Ahuja as an Executive Director of the Company for another term of three years from 5th May, 2023 to 4th May, 2026 (both days inclusive), at its meeting held on 10th August, 2022, at remuneration and other terms as stated in Resolution no. 4 to the Notice.

Pursuant to proviso to Section 196(2) of the Act, no re-appointment of Managing Director, Whole-time Director or Manager shall be made earlier than one year before the expiry of his term and in accordance with Regulation 17(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company shall ensure that approval of Shareholders for appointment of a person on the Board of Directors is taken at next AGM or within a time period of three months from date of the appointment, (whichever is earlier). The current proposal as per Resolution no. 4 is in compliance with the above.

Pursuant to Section 197 and other applicable provisions of the Act readwith Schedule V of the Act, remuneration by way of salary, perquisites, and allowances as set out in the Resolution no(s). 3 & 4 respectively, be paid as minimum remuneration to Mr. Rohit Ahuja, as permissible in Schedule V of the Act, notwithstanding that in any financial year during his tenure as Executive Director, the Company may not make profits or profits are inadequate.

Mr. Rohit Ahuja satisfies all the conditions set out in Part-I of Schedule V to the Act and also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for the re-appointment. Mr. Rohit Ahuja has given his consent for the re-appointment as an Executive Director of the Company and has confirmed that he is not disqualified from being appointed as an Executive Director under Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Rohit Ahuja under Section 190 of the Act.

Details of Mr. Rohit Ahuja, pursuant to provisions of (i) Regulation 36 of the Listing Regulations and; (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, are provided in the "Annexure-I" hereto.

In the opinion of the Board, Mr. Rohit Ahuja fulfills the conditions specified in the Act, Schedule V of the Act and relevant Rules made thereunder for appointment as an Executive Director of the Company. The Board is of the view that his qualifications, experience and expertise would help the Company to achieve new heights. It would be in the best interest of the Company, if he is re-appointed as an Executive Director of the Company.

A copy of the letter of appointment of Mr. Rohit Ahuja setting out the terms and conditions of his appointment would be available for inspection by the members, without any fee, at the Registered Office of the Company on all working days, except Saturdays, Sundays and holidays, during business hours.

The Board recommends Resolution no. 3 for increase in remuneration of Mr. Rohit Ahuja and Resolution no. 4 for his re-appointment, as an Executive Director of the Company for a period of three years with effect from 5th May, 2023, by passing of the said resolution(s) by means of Special Resolution(s).

No Director (other than Mr. Rohit Ahuja, himself) and Key Managerial Personnel and their relatives, is in any way concerned or interested in this resolution.

The information as required pursuant to Section II, Part II of Schedule V of the Act for Resolution no(s). 3 & 4 collectively, are contained in the statement annexed as Annexure – II hereto.

"Annexure-I"

The information as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, in relation to the Director seeking appointment /re-appointment is given hereunder:

Name of the Director	Mr. Rohit Ahuja
DIN	00065417
Date of Birth	16 th September, 1975
Date of First Appointment on the Board	05 th May, 2020
No. of shares held as on 31 st March, 2022	Nil
Qualifications	Bachelor of Science in Accounting and Finance from USA.
Experience and expertise in specific Functional Area	A brief resume and nature of expertise in specific functional areas of Mr. Rohit Ahuja is given in the Board of Directors profile forms part of the Annual Report.
Terms and Conditions of his re-appointment	Re-appointment as an Executive Director of the Company for a period of three years with effect from 5 th May, 2023 and liable to retire by rotation.
Detail of Remuneration sought to be paid and the remuneration last drawn	As part of Resolution number no(s). 3&4 and explanatory statement(s) forms part of this Notice.
No. of Board Meetings attended during the year ended 31 st March, 2022	Seven (7) Board Meetings attended during the year ended 31 st March, 2022, out of Eight (8) Board Meetings held during the said period.
List of Directorship in Companies (Other than DiGiSPICE Technologies Limited)	Nil
Chairman / Member of the Committees of the Board of Directors of Companies (Other than DiGiSPICE Technologies Limited) on which he is a Director	Nil
Name of the listed entities from which he has resigned in the past three years	Nil

Disclosure of relationships between directors inter-se:

None of the directors has any relationship with other directors and Key Managerial Personnel of the Company.

By Order of the Board
For **DiGiSPICE Technologies Limited**

Ruchi Mehta

Vice President - Legal, Corporate
Affairs and Company Secretary

Place: Noida
Date: 30th August, 2022

Statement containing the information as required in Part II of Schedule V of the Companies Act, 2013 (for Item Nos. 3 & 4)

I. General information:

1. Nature of industry

The Company is primarily engaged into the Information and Communication Technology business providing Technology solutions and communication platform to telecom operators and enterprises.

2. Date or expected date of commencement of commercial production

The Company is an existing Company and has already commenced its business.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not Applicable

4. Financial performance based on given indicators

Particulars	(Amt. in ₹ Lakhs)		
	2021-22	2020-21	2019-20
Total Income	12,060.02	13,039.45	13,197.18
Profit/(Loss) before exceptional item and Tax	(316.38)	(233.18)	(1,276.24)
Exceptional items	0	(49.88)	(6,786.69)
(Tax Expense)/Deferred tax credit	68.64	119.60	(184.01)
Profit/(Loss) after Tax	(385.02)	(402.66)	(7,878.92)

5. Foreign investments or collaborations, if any.

The Company has made foreign investment, the details of which are available in Board's Report and Financial Statements.

II. Information about the appointee(s):

Particulars	Mr. Rohit Ahuja
1. Background details	A brief resume and nature of expertise in specific functional areas of Mr. Rohit Ahuja is given in the Board of Directors profile forms part of the Annual Report.
2. Past remuneration	FY 2021-22 - ₹ 81,09,375/-
3. Recognition or awards	Mr. Rohit Ahuja has also served as a Managing Director of Non-Banking Finance Company, Trozen Finance & Securities Pvt. Ltd., which specialize in real estate finance & investments. He had been a Founder & CEO of a IATA accredited Travel and Tourism Company, Odyssey World, which became the leading hospitality company in India serving Government Officials and Diplomats. He was also the Founder and Managing Director of Super Speciality Medical Centre, Empathy MedCare Pvt. Ltd., which had OPD, IPD by full time doctors from FORTIS Healthcare and Pathology Lab by Dr. Lal Path Labs, providing full medical treatment.
4. Job profile and his suitability	Mr. Rohit Ahuja, as Executive Director of DiGiSPICE Technologies Limited, is leading business operations of the Company and its subsidiaries, which include Telco and Enterprise business. He is also actively involved in looking at value prepositions and instrumental in defining strategy, growth and operational plans for strategic projects across the group.
5. Remuneration proposed	The details of the proposed remuneration to Mr. Rohit Ahuja have been given in the Resolution(s).

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

Taking into consideration the size of the Company and experience and knowledge of Mr. Rohit Ahuja and the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other Director, if any.

Besides the remuneration proposed, Mr. Rohit Ahuja does not have any other pecuniary relationship with the managerial personnel or any Director of the Company.

III. Other information:

1. Reasons of loss or inadequate profits

The reasons for inadequacy of profits in the financial year 2021-22 is summarized as under:

- Decline in traditional VAS Revenue and increase in resource cost due to shift towards digital business across geographies and change in product portfolio.
- Bad debts written off, net off provisions of doubtful receivables and loans amounting to ₹ 246 Lakhs and net loss on discard of old assets amounting to ₹ 39 Lakhs.

2. Steps taken or proposed to be taken for improvement

The Company has embarked on a series of strategic and operational measures that is expected to result in the improvement in the profitability present

situation. The Company is moving towards the below technologies which would lead in increase in sales and margins:

- Platform play across telcos and enterprises;
- Digital Value added Services;
- Communication Platform as a Service;
- Content monetization.

3. Expected increase in productivity and profits in measurable terms

With the initiative mentioned in Point (2) above, the profits and margins may show a decline in short term, however, the positive impact on sales, productivity and profitability shall be visible in medium term.