

Building a Financial Inclusion Network
for New India

 **Spice money**

तो **Life** बनी

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About us

With the purpose of fintech for good, DiGiSpice Technologies Limited, with its subsidiary Spice Money Limited, is building a network of nanopreneurs for emerging India and offering last-mile delivery of financial and non-financial services through its intuitive platform for emerging India.

Scriptcode

BSE: 517214

NSE: DIGISPICE

Market capitalisation: ₹ 43,993 lakh
(as on 31st March, 2023)

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Scan below QR to view our Annual Report 2022-23



Building a Financial Inclusion Network for New India

The emergence of "New India" is intricately woven with the transformative energies of rural and semi-urban regions, fuelling innovation, economic resilience, and inclusive progress across the nation. The paradigm shift is marked by evolution of economic and social forces, with a resurgence in access to education, technology, and financial services. This propels local communities to the forefront of this development journey.

These regions are driving India's journey towards holistic development, redefining its socio-economic landscape and creating opportunities that resonate with the aspirations of its diverse population. Further, Government initiatives designed to steer the nation towards comprehensive economic transformation act as a catalyst.

These regions are a key contributor to the nation's gross domestic product (GDP). Hence, empowerment of communities residing in these regions becomes extremely significant in the country's ambition to achieve a \$5 trillion economy. However, the financial landscape of these regions remains largely untapped owing to limited access to banking infrastructure, keeping the rural and semi-urban populace heavily reliant on cash for monetary transactions due to their limited financial and digital literacy and underlying trust issues.

Amidst this, our subsidiary Spice Money has ingeniously woven a tapestry of rural and semi-urban empowerment through its strong network of 1.2 million nanopreneurs (called Spice Money Adhikaris). This network is dynamically driving financial inclusion, penetrating the remotest corners of rural and semi-urban India. These Adhikaris act as the bridge narrowing the gap between the unbanked and the formal economy, offering secure avenues for credit and e-commerce.

Despite the challenges posed by the pandemic, Spice Money has charted an astonishing 66% compound annual growth rate (CAGR) in Gross Transaction Value (GTV) since 2020. This serves as a testament to the efficacy of our approach. Our mission is to not only sustain this growth but also harness the prevailing revenue opportunities by leveraging our existing platform and network of Adhikaris.

Simultaneously, we are nurturing the potential within the rural markets of today, encompassing financial and non-financial products and services. Further, we are poised to tap into this disruptive revenue stream of the future, aligning ourselves with the evolving needs of the emerging India.

In essence, our journey transcends financial transactions. It symbolises empowerment, progress, and a transformative leap towards an equitable, prosperous India-the New India.

FY 2022-23 highlights

₹ 1,015 crore

Revenue

+2.51% YoY

₹ 949 crore

Fintech revenue

+11% YoY

₹ 1,00,602 crore

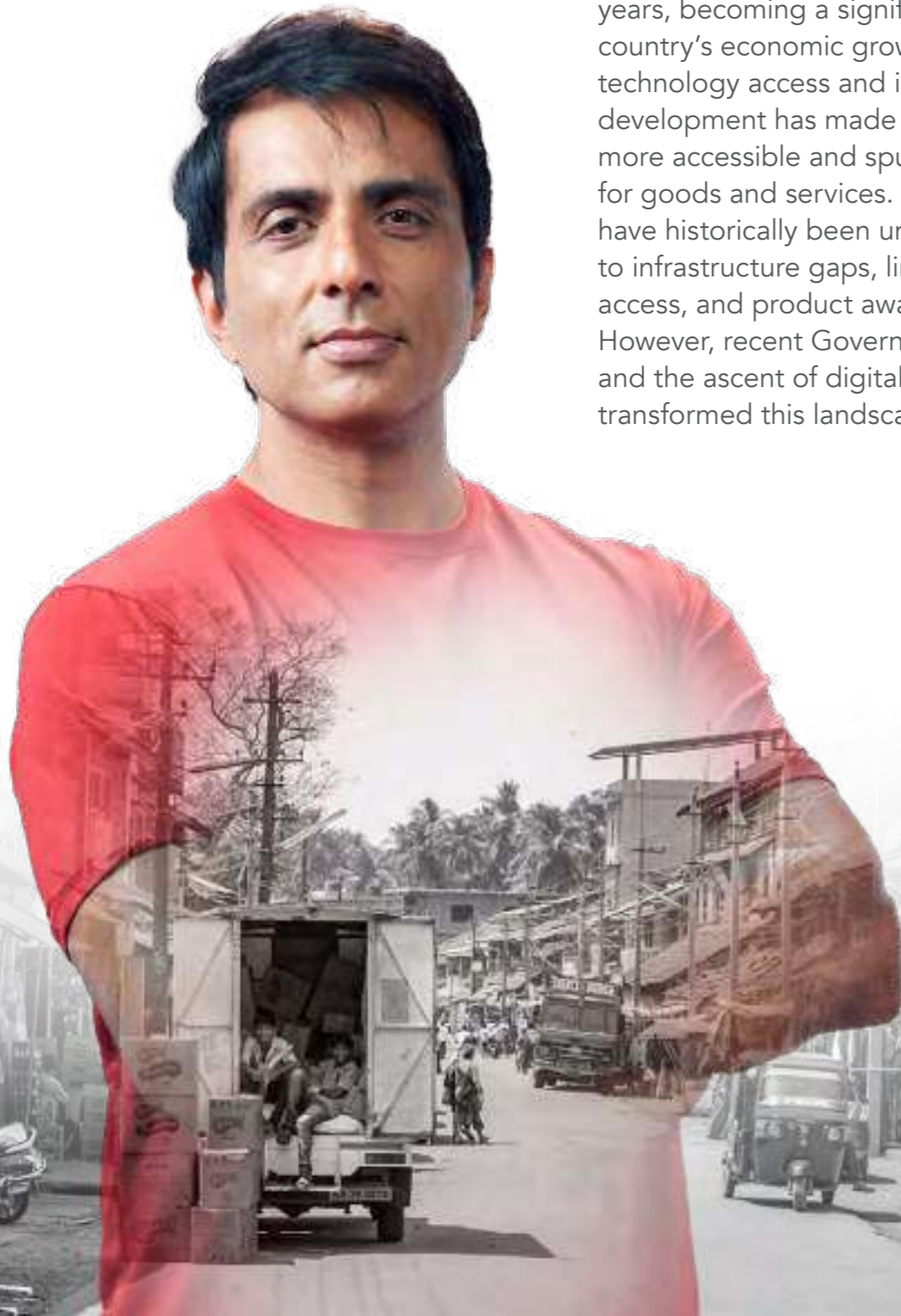
Spice Money customer GTV

+20% YoY

Feature Story

Semi-urban and Rural India: The Growth Engine of New India

India's vast rural and semi-urban economy has been steadily expanding in recent years, becoming a significant driver of the country's economic growth. Enhanced technology access and infrastructure development has made these regions more accessible and spurred demand for goods and services. These regions have historically been underserved due to infrastructure gaps, limited finance access, and product awareness challenges. However, recent Government initiatives and the ascent of digital platforms have transformed this landscape.



>65%

Of India's population lives in the rural and semi-urban regions

~14.2%

Annual growth in rural super rich households, fastest in the country

67.7%

Rural literacy rate

51%

Share of rural India in total MSME ecosystem

35%

Contribution of rural economy in the country

360 million

Rural internet users

However, semi-urban and rural India still lacks significant access to last-mile financial services, hindering the overall growth potential.

~20%

Of total ATMs in India are in rural areas, significantly lower than urban centres

22%

Of the rural population owns life insurance products

~\$530 billion

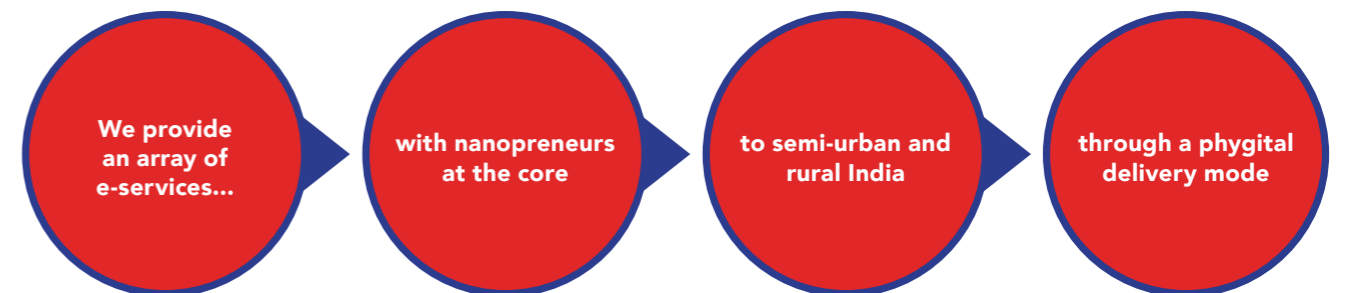
Rural credit gap

Spice Money providing financial and non-financial services at the doorstep

Spice Money brought banking and other services to rural and semi-urban India through a unique phygital model by appointing local community members as Spice Money Adhikaris. We have been able to cover more than 99% pin codes across the country and offer a plethora of products and services. These Adhikaris, being local community members, evoke trust among the residents due to their personal connections.



Essence of Spice Money



Feature Story

Digital Public Infrastructure: Game changer in India's financial inclusion quest



India's path toward digitalisation stands apart from the global landscape. It has established an extensive digital public infrastructure on an unprecedented scale. At the core of this infrastructure lies the 'India Stack,' a set of open Application Programming Interfaces (APIs) that are unlocking essential economic building blocks such as identity, payments, and data. This framework is instrumental in creating a network that streamlines transactions and enables the seamless provision of goods and services.

The India stack

The expansion of India Stack has spurred financial inclusion, providing a secure platform for digital payments and banking services. The integration of Aadhaar and biometrics streamlines authentication and identification, minimising time and effort to access financial services in rural areas. It has created a secure, open, and interoperable digital ecosystem for businesses and individuals and has three pillars that offer multiple services.

The three pillars of India stack



Identity

Giving every Indian a unique identity

- ♦ Aadhar
- ♦ eKYC
- ♦ eSign



Payments

Allowing anyone to pay anyone, anytime

- ♦ Unified payment interface or UPI
- ♦ Aadhar bridge
- ♦ Aadhar enabled payment system



Data empowerment

To enable secure data sharing

- ♦ Consent artifact
- ♦ DigiLocker
- ♦ Account Aggregator

Key components of India stack

Aadhaar identity system

At the heart of India Stack lies Aadhaar, which allows individuals to electronically prove their identity and access numerous services even if they lack traditional identification documents.

Unified payments interface (UPI)

UPI is a real-time payment system that enables users to link multiple bank accounts into a single mobile application. This simplifies peer-to-peer transfers, merchant payments, bill payments, and more, making it easier for residents to engage in cashless transactions.

Digital KYC (Know Your Customer)

India Stack's digital KYC enables remote verification of documents relating to identity and address, streamlining the onboarding process for financial services such as bank accounts, loans, and insurance.

e-Sign

This allows individuals to digitally sign documents and forms, eliminating the need for physically doing the paperwork and signing.

Digilocker

Digilocker provides a secure digital platform to store and access important documents electronically. It has streamlined the process of accessing and sharing essential documents for various financial transactions.

Impact

Accessibility

India Stack has brought financial services closer to rural residents. With a simple smartphone connected to the internet, individuals can access banking services, make payments, and avail various financial products.

Reduced costs

Digital transactions through India Stack have reduced the need for physical infrastructure and paperwork, thereby lowering transaction costs for both financial institutions and consumers.

Credit access

Through digital records and transactions, rural residents can build a credit history, making it easier for them to access loans and other credit facilities, which were otherwise out of reach due to lack of documentation.

Entrepreneurship and microfinance

The simplified digital processes have encouraged entrepreneurship in rural areas. Small businesses and entrepreneurs can access credit, receive payments, and manage their finances more efficiently.

Government benefit transfers

Direct benefit transfers for various Government schemes are now facilitated through India Stack, ensuring that subsidies and welfare programmes reach the intended beneficiaries without intermediaries.

Feature Story

Aadhaar-enabled Payment system – a trailblazer for rural and semi-urban India

Aadhaar-enabled Payment System (AePS) has brought a significant change to rural and semi-urban India’s financial landscape.

It acts as a powerful tool that connects the gap between traditional banking and people who were previously not part of the banking system. Introduced in 2016, AePS has become widely accepted, making up almost 40% of daily Aadhaar authentications, totaling around 8 crore. AePS has also enabled financial inclusion for those with lower incomes, allowing 219.3 million banking transactions to take place in March through micro-ATMs in remote areas.



Platform for bridging the gap

The expanding digitization through India Stack has spurred financial inclusion, providing a secure platform for digital payments and banking services access. The integration of Aadhaar and biometrics on Spice Money platform streamlines authentication and identification, minimizing time and effort to access financial services in rural and semi-urban areas. It has created a secure, open, and interoperable digital ecosystem for businesses and individuals, offering multiple services including Aadhaar, e-KYC, Digital Locker to create new PAN cards, open bank accounts and avail credit facilities among others.

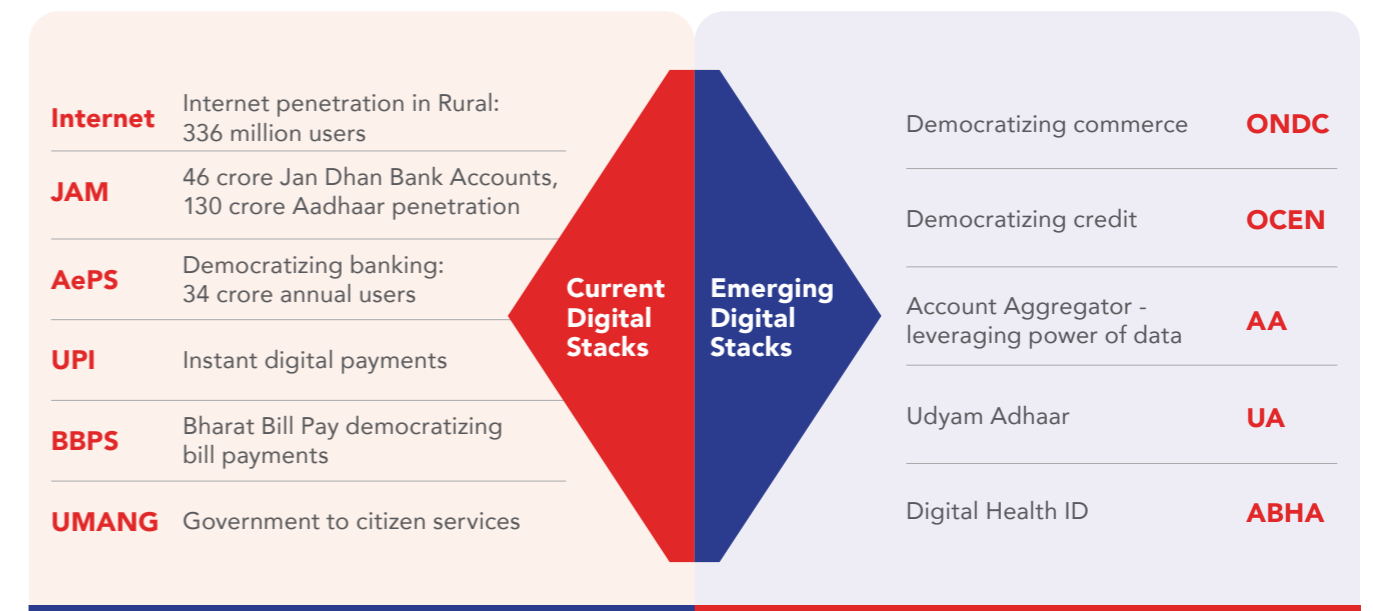


UPI – a remarkable success story

UPI is another Indian success story of digital innovation and financial inclusion. It has revolutionised the way Indians make payments. UPI accounted for 75% of retail digital transactions in the country during 2022-23.

It has become interoperable with other payment systems, such as Bharat QR, RuPay cards, FASTag, and Aadhaar-enabled Payment System (AePS). It reached a remarkable milestone of 1 billion daily transaction in January 2023.

Building on India digital stack



Feature Story

Fintechs Driving Financial Inclusion

In the recent past, financial technology companies in India has undergone a transformative change to bring about a significant impact on the country's economic landscape. They have been catalysts for driving financial inclusion, especially in rural and semi-urban India.



Providing digital alternatives

Traditional banking remained largely inaccessible for semi-urban and rural population owing to lack of documentation, remote locations and limited access to traditional banking. Fintech companies leveraged technology to offer alternatives for individuals to open accounts, access credit and make transactions without the physically present.



Driving digital payments

Fintech firms are leading the way in developing digital payment systems using mobile wallets and UPI-based applications to make digital transactions easier. This convenience has not only changed how people make payments but has also encouraged those who didn't have access to banking services to get involved in financial activities.



Ease of access

Fintech companies are creating mobile apps and web platforms to carry out financial and non-financial transactions.



Alternative credit scoring models

Fintech firms have introduced innovative models to measure creditworthiness. These methods consider different types of data like digital transaction records, social media usage, and online habits. This results to, more people now have access to credit options, even if they were considered ineligible using traditional credit evaluation methods.



Driving financial literacy

Fintech companies understand the significance of improving their customers' understanding of finance. Many fintechs are actively working on providing educational materials, holding workshops, and arranging online seminars to enhance people's financial knowledge. By giving individuals the right information, fintechs enable them to make better choices, steer clear of potential issues, and effectively manage their financial journey.



Spice Money providing access in rural and semi-urban regions

Spice Money stands as a transformative fintech platform, leveraging its technological prowess to elevate rural and semi-urban India with innovative financial solutions. By offering diverse services Spice Money enriches financial ecosystems. Beyond transactions, it empowers through financial literacy resources and local entrepreneurship support.

Feature Story

Creating a Financial Inclusion Network

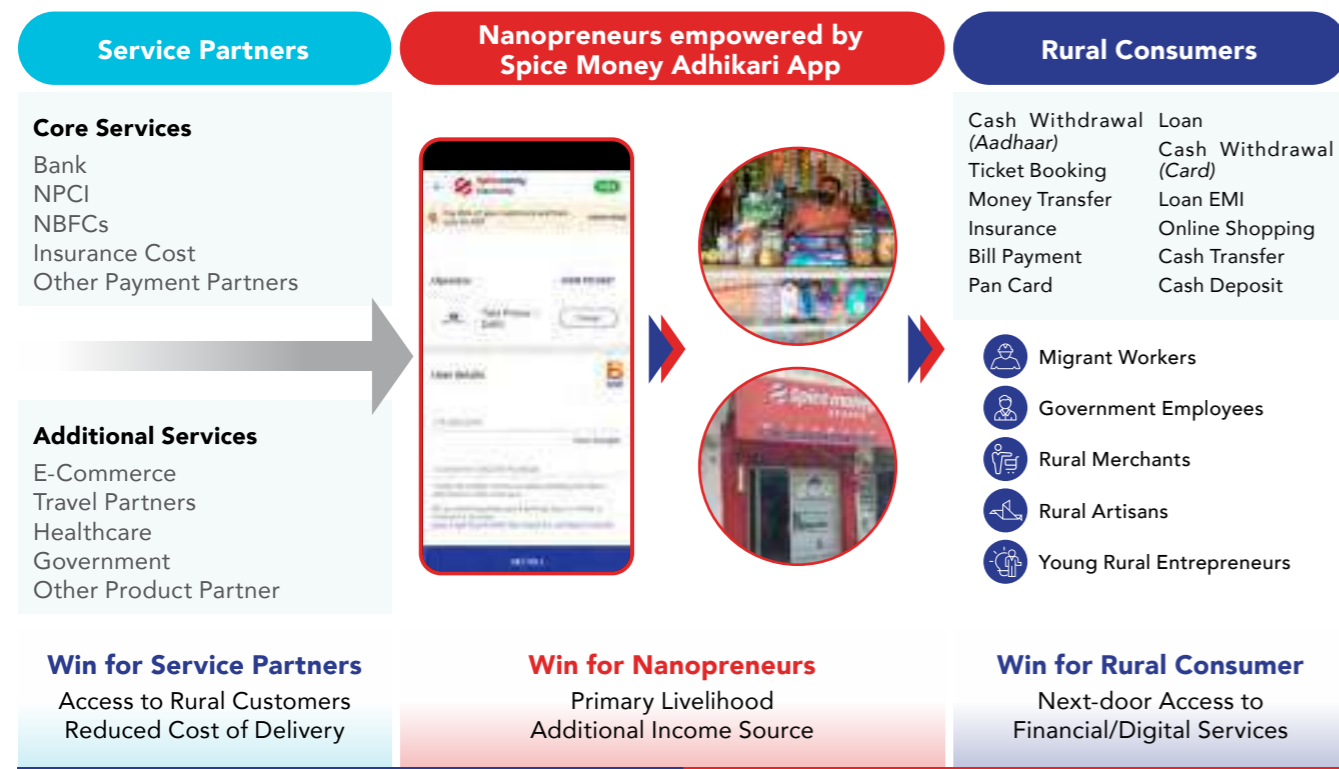
Spice Money’s journey began with the vision of bridging the rural-urban divide by addressing two major challenges—lack of access to banking and financial services as well as rising unemployment across the hinterlands of India. We have taken essential steps to provide rural consumers with a host of services owing to our technological expertise and deep understanding of rural markets, while creating employment opportunities through the creation of a nationwide network of nanopreneurs.

Vision

To be the largest platform for Fintech for good, delivering last mile Financial & Non-Financial e-Services for emerging India.

Mission

To Digitally & Financially Empower 10 Million Nanopreneurs for Emerging India.



With technology as the backbone, Spice Money created a unique phygital business model with a network of more than 1.2 Mn Adhikaris, covering more than 98% of the country’s pincodes. These local nanopreneurs, also called Spice Money Adhikaris, are embedded within the communities they serve, offering personalised assistance and building trust.

Spice Money harnesses the extensive Adhikari network and existing India digital public infrastructure to provide an extensive array of services. We’ve forged partnerships with diverse entities in banking, NBFCs, and insurance sectors, extending a gamut of financial offerings. Moreover, collaborations with e-commerce giants, and travel agencies have broadened our service spectrum, encompassing online shopping, ticket reservations, and more. Additionally, our Adhikaris play a pivotal

role, offering services like PAN Card registration, loans, and facilitating direct benefit transfers for various Governmental initiatives.

We have leveraged the biometric based identification system to offer services beyond financial products. We issued 19 Lakh PAN cards and over 1.5 Lakh Udyam Aadhaar cards to date through our Adhikari network spanning more than 2.37 Lakh villages continuing its effort to provide a host of Government services at the doorsteps of Bharat.

We are the only profitable rural fintech ecosystem that has a purpose-driven network and builds nanopreneurs for rural India. Our Adhikaris (nanopreneurs) are self-reliant and the most financially and technologically literate in the community.



RedBlue revolution

We introduced the RedBlue Revolution as an inventive approach, assigning “Smart Banking Points” a distinctive identity by blending red and blue hues for branding. Inspired by the 90s’ success of yellow in Public Calling Booths, this strategy aims to create memorable touchpoints for our customers.

Red conveys dynamism, symbolizing growth, while blue instills trust and safety. This amalgamation captivates attention and fosters reliability. Visually impactful, the colour scheme ensures visibility, even in crowded spaces, boosting footfall and business prospects. For outlet owners and communities, the revolution signifies unique local partnerships, addressing rural consumer needs, building trust, and solidifying community bonds. Our customers stand to gain as well, as the initiative ensures that they can easily spot and access their local banking outlets. This initiative was put into action to commemorate India’s 75th Independence Day and promote financial freedom in rural India.

Corporate Portrait

Leading the way in Financial Inclusion

Over the years, Digispice has acted as a key catalyst of financial inclusion in Rural India. Through our subsidiary Spice Money, we have created an ecosystem of rural nanopreneurs who provide wide array of products and services to the underserved population of our country. We leverage the power of digital technology to reach the rural masses and provide them ease financial transactions.

At Spice Money we offer essential digital and financial e-services such as cash deposits and Aadhar-led withdrawals, micro-ATM (m-ATM) services, and lots more to the rural citizens using the Spice Money Adhikari app (with a rating of 4.4 on Google Play Store) and web portal.

We are also building our largest m-ATM network that will help address the grappling issue of low penetration of ATMs and absence of a physical banking infrastructure for rural India residents.

1.2 million

Adhikaris

18,800+

Pin Codes

6,450+

Blocks

2.37 lakh+

Villages Served

10 crore

Households Served

700

Districts

जो अब तक थी बड़ी बात, mATM से हुई आसान

ग्राहकों को मिली सुविधा और आपकी दुकान को नई पहचान



Offerings

Banking Services at Doorstep

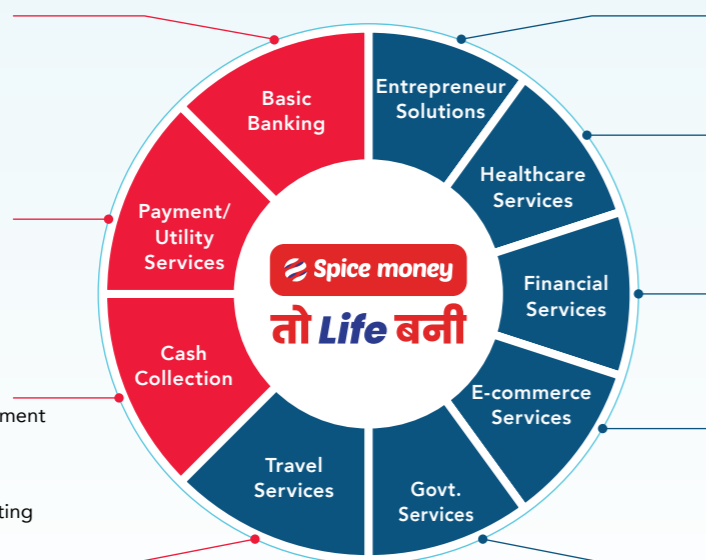
We offer solutions that cater to the financial and digital needs of rural India. Through our army of Spice Money Adhikaris, we deploy cutting-edge technologies to render our services across the country.



Digital platform for Nanopreneurs in Emerging India

Core Business Lines

- m-ATM
- Cash Withdrawal
- CASA
- Cash Deposit
- Balance Enquiry
- Remittance
- Digital Payment
- Bill Payment
- Mobile/DTH Recharge
- e-PAN Services
- Loan/EMI collection
- Enterprise Cash Management
- Railway/Bus/Flight Ticketing
- Tour Packages
- Hotel Booking



New Business Lines

- Digital payments
- CRM
- Khata
- E-Pharmacy
- Diagnostics
- Telemedicine
- Savings
- Investments
- Insurance
- Credit
- ONDC B2B & Buyer & Seller Apps
- G2C Services – UMANG

Tech & Data Enabled Platform Leveraging Adhikari Network



Banking services

We provide rural residents convenient access to services such as cash deposits, withdrawals, and money transfers through our extensive Spice Money Adhikari network. These services are easily reached using an Adhikari app and portal, employing an NPCI-enabled AePS stack, and connected devices for essential cash out services. To avail a range of financial services, like cash withdrawals and deposits, customers only need to provide their Aadhar card and bank details.



Payment services

Through our platform, we offer access to the country's most extensive micro-ATM network. This network enables card-based cash withdrawals and empowers rural citizens to use the card device for paying consumed services as well. Further, we are using Bharat Bill Pay System (BBPS) to provide bill payment services through the Spice Money Adhikari network.



Cash collection services

Spice Money Adhikari outlets serve as Cash Collection Points, facilitating the deposit of insurance premiums, loan EMIs, and other payments by agents, customers, and bank representatives.



Bill payment services

Our Adhikaris are empowered to receive payments for various utility bills like water, electricity, gas, and broadband using the Bharat Bill Payment System ('BBPS'). This service extends to other payments such as Fastag, Municipal Corporation Tax, LIC Premiums, and numerous additional services through the BBPS.



Loan services

Through extensive collaborations with several Banks and NBFCs, we have created a marketplace model to offer swift convenient, and attractive loan solutions to our Spice Money Adhikaris as well as rural customers.



Devices and other services

We equip our Adhikaris with relevant devices such as biometric scanners, printers, and micro-ATM devices, along with the necessary services. This empowers them to facilitate the issuance of PAN cards for consumers right at the Spice Money Smart Banking points.



Travel Union

Positioned as a leading travel brand catering to rural India, Travel Union stands out by presenting an exceptional inventory, competitive pricing, and cutting-edge technology-driven support systems tailored for travel agents, small enterprises, and corporations. We operate with a seamless onboarding process that entails no upfront costs and empowers travel businesses to effortlessly access and book trains, buses, flights, hotels, and comprehensive tour packages directly.



Message from the Chairman

Empowering Emerging India



Dear shareholders,

It's a pleasure to write to you once again to share the developments in the DiGiSpice business over the last year. As co-owners, you would be interested to know the details and reasoning behind how the business is performing, and what are our plans for the future. Every year, through this letter, I hope to provide this information.

In FY 22-23, we have reported a consolidated EBITDA loss of ₹ 14 crore compared to EBITDA profit of ₹ 14 crore in the previous financial year. An increase in losses within our legacy Telco VAS businesses (₹ 23 crore loss in FY 23 from ₹ 8 crore last year) and a decline in profits in the subsidiary Spice Money (₹ 9 crore EBITDA in FY 23 as compared with ₹ 22 crore last year) contributed almost equally to this. However this decline in profitability is due to reasons that are temporary and part of normal business growth which tends to ebb and flow. Importantly, we have made significant progress on our long term goals of expanding our network, rationalizing our product portfolio and working on attractive adjacent opportunities. We are today in a far better position to go after spaces that are bigger and will allow us continuous success and growth in the years to come. I am confident that as you read through the letter, you will share in this optimism.

DiGiSpice has 2 business segments - the legacy telco and enterprise services business which is reported in the standalone and consolidated financials and the fintech business housed in the subsidiary Spice Money, which gets reported as part of the consolidated accounts. Last year, I had mentioned to you that we have been facing challenges in our legacy telco & enterprise segment. We tried hard to find alternate growth areas, mainly because of our belief in the quality of management, and to honour our customer contracts, both of which have been with us for a long time. We had hoped that the business could run close to break-even and with time, might find and exploit new growth opportunities. However, despite our best efforts, we failed to arrest the decline. Thus at the start of the current financial year, the Board and the management, after considering the recurring losses, lack of product-market fit, and investments required just to remain sustainable, took the decision to exit from this business segment. We are working to ensure a smooth exit while honouring the interests of all stakeholders and are confident to complete the process before the end of this financial year.

Once this exit is complete, the Fintech segment housed in the subsidiary Spice Money, whose numbers are today reported as part of consolidated results, will comprise almost the whole of DiGiSpice business, and its performance and prospects will drive those of DiGiSpice.

As many of you are aware, Spice Money was formed on a simple but important insight – that the realities and requirements of Bharat are different from those of India and there are opportunities to profitably provide for these requirements by using technology creatively. I have spoken in detail about this, and how Spice Money came to be in my last letter with the Annual Report for FY22 (<https://bit.ly/ANNFY22>). Those of you who may not have read that but are interested to know more can refer to it.

Spice Money is today focused on addressing the challenges faced by the rural and semi-urban consumers and businesses due to limited access to formal financial services. Our journey started with AePS, an NPCI solution that allows account holders to access their accounts, make withdrawals and deposits using their Aadhaar numbers and thumb prints alone. Over time, AePS+Aadhaar is transforming into a fundamental identity protocol, facilitating a wide array of financial transactions beyond mere payments. Concurrently, our network of enterprising nanopreneurs, referred to as "Spice Money Adhikaris (SMAs)" has expanded across the entire nation. Initially established as service points for cash withdrawals and money transfer services, this network is now ready to offer an extended range of products and services. We have thus entered a virtuous cycle, introducing products to service growing needs of an expanding consumer base, thereby fostering network growth and loyalty, which in turn enhances our ability to attract partners who are able to deliver a more diverse set of products and services profitably. This forms our core strategic approach.

Message from the Chairman

I'd now like to emphasise a few noteworthy accomplishments in FY23, as we have progressed along this strategic approach –

- Our SMA base grew 24% from 1 million to 1.2 million, and we now reach 18,800 pin codes across the country which is about 98% of the total codes;
- Our Customer GTV or value of transactions done by end consumers on our network grew by 20% from ₹ 83,513 crore to ₹ 100,602 crore;
- AePS-based and MATM-based Cash withdrawal business which form our core product lines grew 16% and 3% respectively on a large base. On the other hand, our newer lines of Bill Payment and Cash Management Services for Enterprise continued to show very strong growth of 140% and 66% respectively and are now contributing upwards of 20% of our total GTV (from 14% last year and 2% the year before that); and
- Our Service fee revenues (or revenue we earn from which we meet our expenses and pay our SMAs) increased by 18% from ₹ 341 crore to ₹ 401 crore and Gross Margin growing 30% from ₹ 127 crore to ₹ 165 crore.

While our key performance indicators for the top line continue to demonstrate robust growth, the metrics at the bottom line did not align with this trend. As I have mentioned earlier, Spice Money EBITDA dropped from ₹ 22 crore in FY22, to ₹ 9 crore in FY23. This incongruity can be mainly explained by the investments we are channeling into starting and growing new product lines - that take time to break-even and start contributing to profits - this has been explained in detail by the management in the quarterly earnings call for Q4 of FY 22-23 (<https://bit.ly/Q4-IR>).

An additional factor contributing to decline in profitability is that while we have shown strong growth, our projections were to grow even faster leading us to invest ahead of the curve in certain business areas. Notably, cash withdrawals using AePS, our primary source of GTV, unexpectedly contracted in size in the last few quarters. We anticipate this dip to be temporary and remain in a state of readiness for growth to return. Meanwhile, we shifted our focus towards factors we can control – (1) we improved our market

share in AePS from 16.4% to 17.2%, and (2) we are judiciously adjusting the timing of our expenditures. We are optimistic that our future results will reflect the impact of these maneuvers.

We continue to make progress on our long term goal of transforming our SMA network from metaphorically speaking, an ATM like network today, into a comprehensive digital bank branch network. This will empower our target market consumers to access the full range of financial products and services at our SMA point. For banks and financial institutions, this will help them expand physical presence beyond their traditional branch locations which are currently feasible in a handful of economically viable locations across the country.

We recently entered into a partnership with a leading private Bank to open Current and Savings Accounts (CASA) through our SMA network using the AePS backbone (as I stated earlier, AePS is now more than just a cash withdrawal protocol). This is a first of its kind product that enables both businesses and consumers to open and operate a bank account using their biometrics at our SMA, a location that is convenient and familiar. This product is in high demand. In fact, we've had to limit its adoption. We are working with strongly regulated partners and need to prioritise caution. To grasp the scale of this opportunity, we can examine the growth in JanDhan accounts that focus on a similar group of consumers. According to latest reports, there are more than 50 crore accounts holding deposits exceeding ₹ 2 lakh crore. We believe no bank can overlook this opportunity for long, and we are ready to provide them with the necessary outreach and cost-effective economic model to serve this customer segment profitably.

We are also progressing well in enhancing our platform to provide credit services, marking our entry into the lending aspects of financial services. We started in partnership with some leading NBFCs, offering credit to our SMAs. This segment is familiar to us and it offers us a chance to gain insights and experience in this business with relatively low risk. We are seeing promising results. Our plan is to expand our credit offer to other merchants and MSMEs serviced by our SMAs, as well as the end consumers (Grahaks) of our SMAs.

“This forms a substantial opportunity. The present credit market for MSMEs in our target markets is around ₹ 33 lakh crore and is projected to grow at a CAGR of around 18% to rise over ₹ 75 lakh crore in the next 4-5 years. We are confident that we can claim a share of this growth, as our extensive network gives us an edge with lower customer acquisition and service costs compared to other models of distribution. As our confidence in our capabilities grows, we intend to take a more assertive approach - I am convinced that lenders will find our proposition highly appealing and will be eager to collaborate with us in order to cater to this market.”

We are constantly exploring and experimenting with other new product lines and ideas which are at different stages of development. As we make meaningful progress on these, we will share more details with you.

Before I end, let me enter into a slightly philosophical discussion on what drives our optimism about our long term prospects. If we step back, what we have created is a physical network to offer digital services. Our Spice Money Adhikaris act as the user interface (or smartphone touch screen) for non digitally-savvy consumers, allowing them to enjoy the same benefits of digitization as the digitally-savvy ones, without fear about security, privacy, fraud, losses etc. while this may seem trivial to many of us city dwellers, our experience

and our performance to date is proof of the need for this kind of solution in our target markets. From the perspective of a supplier who wants to reach and serve this customer segment, we have created a platform that is regularly used by a large number of consumers. These consumers interact with services offered on this platform at our Adhikari location, and they have the ability to identify themselves and make payments, thus completing a full transaction to get their desired jobs done. For consumers, we make it possible for them to do the things they wanted to do but could not do before, and do them conveniently and without fear. For suppliers, we allow them to lower their acquisition and service costs, enabling them to serve customer segments they could not have economically served otherwise. For SMAs, we provide a means for livelihood.

We believe we are creating a unique network that can be configured to deliver a variety of products and services. This network is benefiting from strong long-term tailwinds, such as - (1) the rising aspirations of every Indian, leading to increased demand for products and services, and a growing number of suppliers looking to fulfill this demand; (2) the realization that growth in Bharat is critical for India to realise its full potential - this has led to sustained efforts by the Government to ensure the opportunity for development are available across the board; and (3) recognition of importance of technology and finance in enabling the above - leading to an ever increasing focus on development and adoption of technologies comprising the India stack, which form the foundation for our solutions. We believe we have just started on this exciting journey - one that enables us to create shareholder value while doing good for the people and for the country - a dream for any entrepreneur.

In conclusion, I am confident that we have the foundation in place for sustained long-term growth. We are grateful for the hard work, determination, and commitment of our employees, SMAs, partners and all other stakeholders. Please join me in applauding their efforts that have brought us thus far, and in wishing them continued success. I would also like to thank all of you for believing in us and supporting our mission to help a billion people of our country integrate into the formal financial system and contribute significantly to the growth of our country.

With Best Wishes

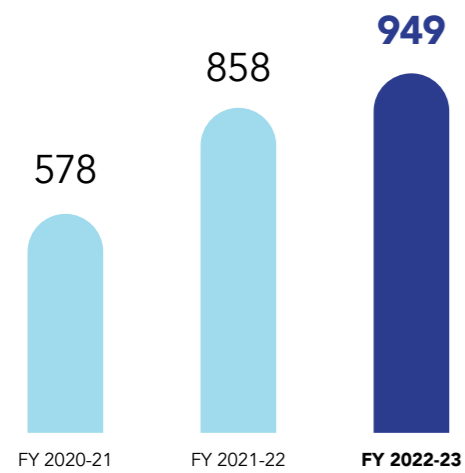
Dilip Modi
Chairman

Key Performance Indicators

Spice Money During the Year

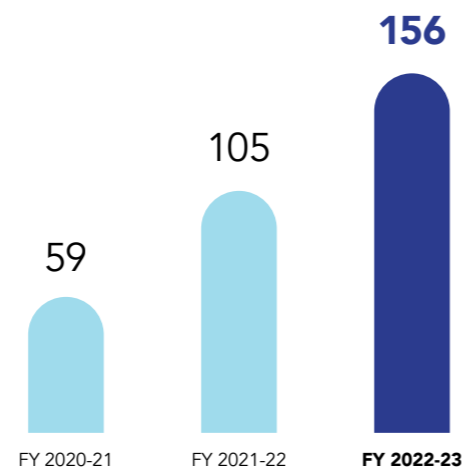
Revenue

(in ₹ crore)



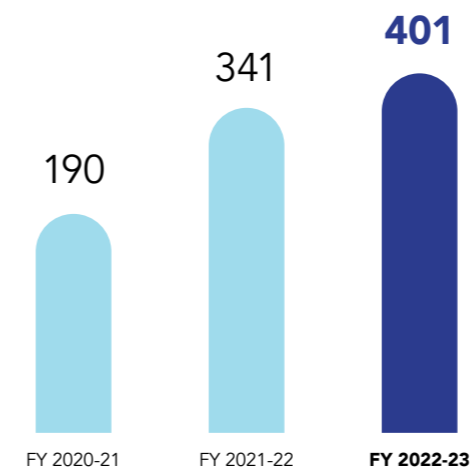
Indirect cost

(in ₹ crore)



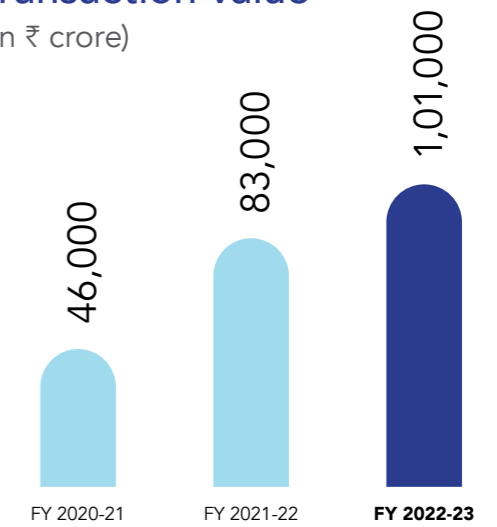
Spice Money service fee revenue

(in ₹ crore)



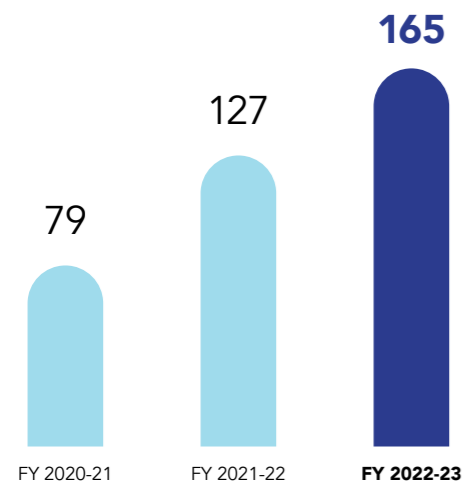
Customer gross transaction value

(in ₹ crore)



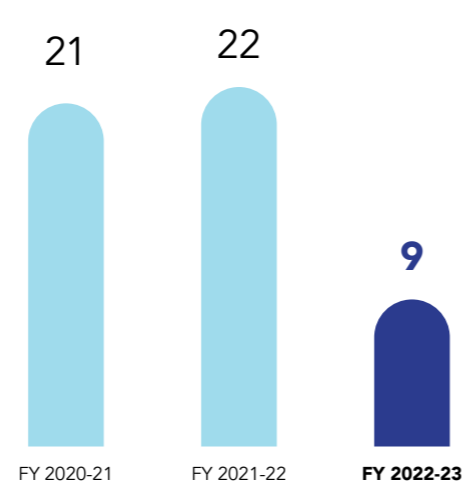
Gross Margin

(in ₹ crore)



EBITDA

(in ₹ crore)



Opportunity Landscape

Evolving Prospects of New India

With close to 830 Million people living in India's rural and semi-urban regions, it holds immense untapped potential and opportunities for economic growth and development. As traditional banking services are often limited in these areas, digital financial inclusion bridges the gap by providing access to banking, credit, insurance, and other essential financial services. This empowers individuals to save, invest, and build assets, fostering economic stability and resilience.

The rise of digital technology has revolutionised financial inclusion. Mobile banking, digital wallets, and fintech platforms have made financial services more accessible and convenient, even in remote areas. This digital revolution not only promotes financial access but also encourages entrepreneurship and innovation. As rural and semi-urban regions become more converge with the financial system, their contribution to the nation's GDP becomes significant, helping the country progress in its aspiration of becoming a \$ 5-trillion economy by FY 2024-25.

Growing rural internet penetration

- ♦ Rural India accounted for 425 million users, which was about 44% higher than the number of active internet users in urban areas
- ♦ 1 in every 3 internet users are a female in rural regions and is actively using the internet
- ♦ 74.8% of rural households owns a smartphone in 2022 against 36% in 2018

Financial inclusion initiatives

The trinity of Jan Dhan Yojana-Aadhaar-Mobile boosted rural financial inclusion. The system eased documentation requirements for processes like opening bank accounts and availing the benefits of Government schemes and subsidies. Of the 500 million accounts opened under the Pradhan Mantri Jan Dhan Yojana (PMJDY), close to 67% are opened in the rural and semi-urban areas.

500 million

Jan Dhan accounts opened as of August 2023

67%

Of the total Jan Dhan accounts opened were from rural and semi-urban India as of August 2023

MSME opportunity in India

India is a market of MSMEs with more than 7 crore MSMEs across the country. With more than 50% of them in the semi-urban and rural areas, these network of MSMEs offer a vast opportunity for bridging the urban and rural divide by onboarding them as Adhikaris. Further, they are an attractive target group for offering credit products owing to considerable unmet credit demand.

Rural credit demand

Rural credit demand has grown by more than 10% over the past few years, signifying the large, latent potential in these segments. With emphasis on land record digitisation, geospatial advances in land zoning, and the penetration of credit bureaus by microfinance institutions (MFIs), banks can penetrate deeper in the rural markets through targeted offerings.

Emerging digital stack

- ♦ The ONDC is set to revolutionise the e-commerce sector by transforming transactions from credit cards to marketplace or platform-based models. This initiative will empower small merchants and local retailers to establish their online presence. Currently, e-Commerce penetration in India stands at approximately 8%, a figure that ONDC seeks to elevate to 25% by FY 2024-25.
- ♦ Account Aggregator or AA marks a significant stride within the financial services domain. Also, known as financial data aggregation, it entails consolidating financial data from various origins into a singular platform. Going beyond the conventional assets evaluated by credit rating agencies, this process includes data related to cash flow and investment-based inputs. This encompasses diverse income sources, expenses, invoices, receipts, deposits, equity investments, tax returns, and more. AAs facilitate tailored financial offerings and services, as well as expedite credit evaluations by simplifying data exchange with authorised financial entities.

Our response

We are continuously strengthening our rural and semi-urban region-focused Spice Money platform backed by a growing network of Adhikaris to tap into a vast opportunity offered by our target markets. Our Adhikaris, members of the local communities, offer a host of financial and other services and promote financial inclusion of people in these regions.

1.2 million

Spice Money Adhikaris

₹ 1,00,602 crore

Annual GTV

2.37 lakh+

Village coverage

Future Ready

Widening Our Horizon

In a bid to constantly widen our offerings, we have created a phygital super app that goes beyond basic banking and providing services, such as travel, investment, modern banking, among others. Our vast network of nanopreneurs assists rural customers in availing the services through our phygital super app or web portal in a simple and secure manner.



Our offerings have evolved from fundamental banking and payment services to encompass travel solutions and our entrance into financial services this year. We are crafting tailored products with a focus on facilitating direct deposits and instant credit. To that end, we have identified overarching service categories. Pilot programmes for diverse use cases are underway for the same, with plans set for their commercialisation over the coming years.

We have also planned investments in distribution, technology, product platforms, and marketing to realise the vision of a comprehensive Super App. We are confident that this platform has the potential to successfully serve a billion people through strategic approaches and meaningful partnerships.

Expanding our offerings



Savings accounts

With an aim to bridge rural-urban divide, Spice Money partnered with a leading bank to facilitate opening of instant, zero balance savings or current accounts for rural populace through its strong network of Adhikari. This association helps Spice Money to bring cutting edge banking services to the doorstep of rural and semi-urban Indians.



Loan products

To provide access to loan products, we have partnered with financial institutions to provide customised loans at attractive rates to rural and semi-urban merchants as well consumers. Considering the massive credit gap in these regions, this partnership opens up massive opportunities for us, our Adhikaris as well as millions of rural and semi-urban merchants.



Successfully onboarding ONDC

Spice Money has boarded the Government promoted e-commerce platform ONDC. This enables Spice Money Adhikaris to act as facilitators to smaller merchants in rural and semi-urban regions with no access to e-commerce platforms to sell their products to a wider segment of buyers. We are the only rural fintech player as well as one of the four buyer-side apps to be on ONDC to have gone live for beta testing in Bengaluru Urban District.



Biometric based services

Leveraging existing technology along with Adhikaris, we have extended services such as issuing new PAN cards and updating and issuing Udhyaam Aadhar. Our robust and secure network ensures seamless service, making the entire process quick and hassle-free for our customers.



Expanding Network

Driving Inclusion Through a Strong Network

At the core of our success lies a robust network of rural nanopreneurs (Adhikaris), the driving force behind delivering our services to almost every corner of the country. Cultivating trust that enables meaningful financial transactions with our customers, these Adhikaris are integral members of the local community.

Through an array of incentives and offering ongoing training to improve financial literacy, we are equipping our Adhikaris to advance their enterprises with enthusiasm and honour. As they interact with customers, they impart the knowledge at their disposal, triggering a ripple effect that progressively encompasses individuals within their communities under the sphere of formal financial services effortlessly.

Our Adhikaris offer assisted banking and payment services, facilitating tasks such as money transfer,

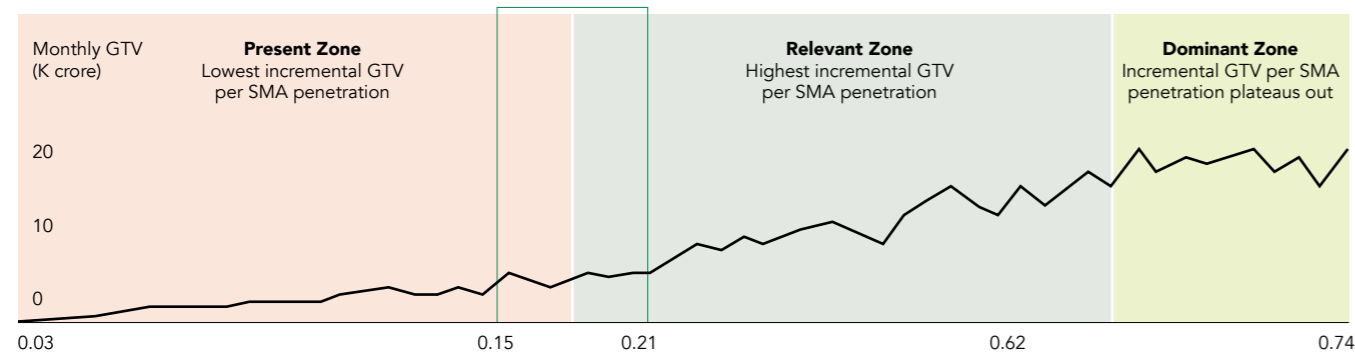
AePS, bill payment, cash transactions, loans, insurance, and more. These adhikaris belong to diverse backgrounds from local youth to specially abled individuals to women seeking financial stability. They invest capital to kick-start their journey, aiding our cash services for customers and generating returns within the ecosystem. No investment in cash logistics is needed, and subscription fees are waived for simplicity. Thorough background checks precede onboarding. Their presence in rural regions addresses challenges related to access effectively.



Strategy to further Spice Money Adhikari penetration

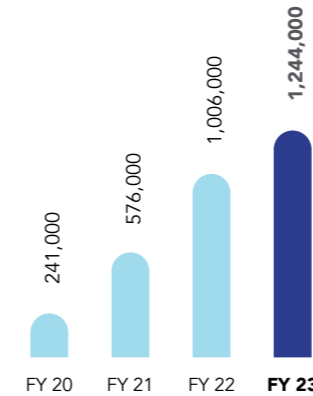
India is market for MSMEs with ~6-7 crore of them across the country including 1.3 crore kirana stores. At Spice Money we have just scratched the surface, onboarding only 2% of the MSMEs. With our study showing that increasing SMA density helps in driving incremental gross transaction value, driving Adhikari income as well as our revenues.

Movement of monthly GTV for our target market



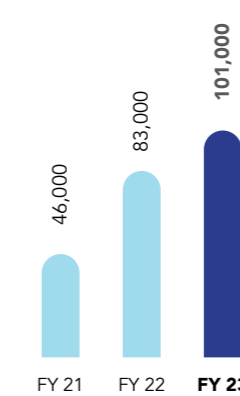
The network growing stronger

73% CAGR



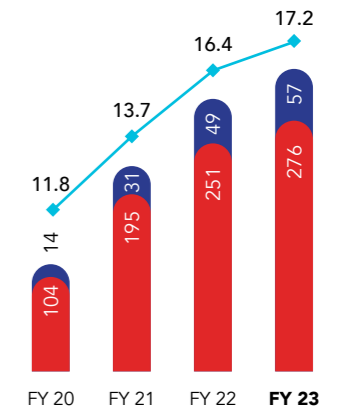
Consistently growing customer gross transaction value (₹ crore)

48% CAGR

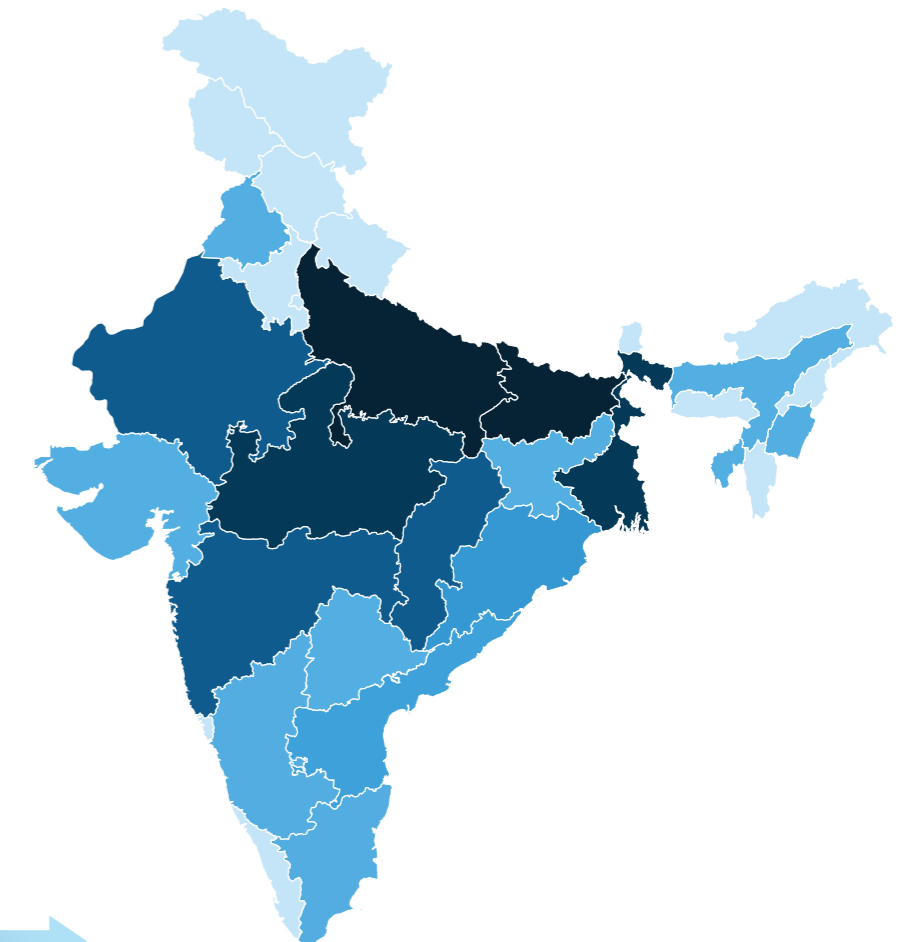


AePS Market share

Industry GTV ₹ '000 crore
Spice Money GTV ₹ '000 crore
Market share %



Pan-India presence



Spice Money Adhikari Geographical Presence Across

2.37 Lakhs villages
6,467 Blocks



Expanding Network

Engaging with Adhikaris

Chaupal

Hosted by our Founder, Mr. Dilip Modi, Chaupal aims to drive conversations that amplify the pace of transformation of the rural fintech landscape in India. In each of the episodes of this fireside chat, Mr. Modi speaks to movers and shakers of Fintech & other industries that are contributing to improving the lives of people in emerging India.

Panchayat

A monthly program designed to connect with Adhikaris and partners to build bonds and celebrate unity. We connect with them to understand their stories. This helps us build loyalty and trust and also gives us valuable and actionable inputs.

Academy

Spice Money Academy is an Online and automated program to educate Adhikaris on the best way to be a high performer. Here they gain an in-depth understanding of the product, get evaluated on their learning, and receive a certification for successful completion.

Samachar

An exclusive platform designed to keep our Adhikaris updated with the latest industry news, new product launches, valuable suggestions, and exciting offers.

Prachar

Prachar is an IP designed with the goal of providing creatives and designs to Adhikaris so they can download & implement at their level in a prompt & hassle-free manner. This kit is available on the App. & Web with various relevant POS & sales-tool designs for Adhikaris to download, print & implement at their shops.

Adhikari Utsav

An annual event on 15th August every year that celebrates Adhikaris and recognises their efforts providing them with a platform to celebrate their victory. Also a platform to showcase the best Spice Money has and launch new products.

Shehar se gaon tak

A program where Mr. Sanjeev Kumar (Co-Founder & CEO) traveled across villages to connect with Adhikaris and understand their challenges so better systems and policies could be designed with the ground team in the center.

Charcha

A regular video series created to recognise and highlight the best-performing Adhikaris. This platform is where we interact with them and share their story with our universe of Adhikaris.

Impact

Spice Impact is designed for Spice Money Partners (Distributors). This App helps the Partners manage their Adhikari tree in a more effective way and get more information on the Adhikari performance.

Mission Red Blue

A mission designed to bring a distinct Identity for all Smart Banking Points in India. At Spice Money, we continue to drive this cause in order to benefit all BCs (Banking Correspondents) whether or not they are connected with Spice Money.

Adda

A portal exclusively crafted for Adhikari communication where they can share their ideas, pictures, photos and other content freely which others can also enjoy. The adda sits on the Spice Money App and is very popular among Adhikaris.

Satark

A regular video series created to raise awareness & prevent fraud.



Aasifqbal Yusuf

Aasifqbal Yusuf is a dedicated and determined individual from the rural frontiers of Gujarat where financial accessibility and services used to be a real pain, when he took the reins in his hands. He discovered that his community encountered a lot of challenges like cash shortages and tiring queues for the banks.

Yusuf collaborated with Spice Money which offered an array of essential services to his community. He was the bridge between his fellow villagers and the financial solutions that they needed desperately. Through Spice Money, Aasifqbal Yusuf has been providing services like Aadhaar Enabled transactions, Micro ATMs, Direct Money Transfers, Railway bookings, EMI repayments, and more.



Chameli Roy

Chameli Roy is a name that doesn't need any formal introduction in the remote region of Gohana in Rajasthan. In the initial days, she would struggle to make ends meet owing to the lack of job opportunities and financial independence in her village. But, fortune favoured her when she joined Spice Money as a naari (lady) Adhikari.

Now, Roy quite capably runs her shop which is located in a rural area which is the only place in the vicinity that gives people access to financial services like AePS (Aadhar Enabled Payment System), money transfer, cash collection and railway ticket booking, serving around 100-150 customers daily.



Adhikari Utsav

Adhikari Utsav is a beacon of unity and progress, an annual celebration that breathes life into the ethos of achievement, camaraderie, and innovation.

Organised by Spice Money, this annual online festival of sorts has become a tradition that graces the calendar on the 15th of August each year, synchronizing with the auspicious occasion of Independence Day. It acts as a melting pot of ideas, a fertile ground for networking, and a forum for exchange. It spotlights the Adhikari who have shone exceptionally bright in their endeavours and are acknowledged as 'Adhikari Ratn'

Engaging with the community

We introduced a special campaign called "Waqt Hai Barabari Ka" on the occasion of International Women's Day during the year under review.

With this campaign, our vision was to become the most preferred platform for women merchants and customers. We took several initiatives to achieve this vision, including sensitising male Adhikaris on the importance of catering to women customers in their localities and offering instant loans and free Business Correspondents / Business Facilitators certification from Indian Institute of Banking & Finance (IIBF) certification training to existing and upcoming women Adhikaris.

To kick off the campaign, we released a video depicting how countless women manage the finances of their households, businesses, and more. From bill payments to money transfers to ticket booking, a lot of these activities are carried out by these women. This portrays how society has evolved and that women are now managing finances instead of just managing households.



Corporate Social Responsibility

Giving Back to Society

Apart from our commitment to transform the rural community through access to financial services, we have expanded our ambit to drive holistic development of communities through strategic partnership and impactful initiatives.

Ek Soch Foundation

The Ek Soch Foundation was established in the year 2011 with the objective of empowering entrepreneurs working at the grass-roots level such as agriculture, micro-entrepreneurship, sanitation, health, and education.

Having supported several initiatives and run multiple programmes in the holy city of Varanasi and five neighbouring districts, the Foundation moved focus to the Mathura – Vrindavan region in Uttar Pradesh. With over 200 million people, it is India's most populous state, rich in art and culture as well as fertile soil owing to the Ganga-Yamuna doab.

Our activities



Jalvik Kheti

To encourage the adoption of organic farming, the Government is offering a whopping 75% grant on bio-agents, fertilisers, and pesticides. However, despite the ongoing Government initiatives aimed at promoting the use of bio-pesticides, their availability remains erratic. To alleviate farmers' reliance on external sources, we are equipping them with sustainable methods to attain self-sufficiency and embrace the practice of jaivik kheti (organic farming). We also train them to make low-cost fertilisers, use locally available materials, and provide on-ground exposure.



Empowering women farmers

Female farmers dedicate approximately 3,300 hours during the seed-sowing and harvesting phase. This figure is nearly twice the amount contributed by their male counterparts (which stands at 1,860 hours, as outlined in a report from a prominent international organisation).

Women also constitute the majority among small and marginal farmers. Despite their substantial contributions, their market access remains limited. They often encounter disparities in compensation, receiving either lower pay or no compensation at all due to their relatively limited land ownership.



Micro entrepreneurship

Within the entrepreneurial ecosystem, there exists a dynamic space for sharing, networking, collaboration, and the exchange of ideas among fellow catalysts. This environment facilitates identifying synergies and exploring potential collaborative opportunities within the catalyst network. For that, we:

- ♦ provide complete mentoring support.
- ♦ 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.
- ♦ provide necessary guidance and make them create the best out of locally available input materials.
- ♦ thoroughly explore market opportunities and create linkages as rural entrepreneurs lack exposure to markets.
- ♦ help them to collaborate with a network so that they can make their enterprises thrive, i.e., linking potential entrepreneurs with direct customers, banks and markets.



System of rice integration

SRI stands as an exemplary technique focused on enhancing rice yields for paddy cultivators through the application of organic fertilisers. This approach not only harmonises with climate adaptation efforts but also contributes to mitigation of climate change by lowering methane emissions. While substantially reducing the water demand for paddy cultivation, SRI entails labour-intensive practices during its initial phases. Moreover, the method utilises a smaller quantity of seeds due to wider spacing during planting.

Board of Directors

Driving Good Governance



Dilip Modi
Chairman

Mr. Dilip Modi was appointed to the Board on 21st August, 2006 as the Director of the Company and has been its Chairman since 18th February, 2014 and was re-designated 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 the lives of people.

In the last two decades, he 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.

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 had the honour of being the youngest President of ASSOCHAM (Associated Chambers of Commerce). He has worked on key industry programmes, which includes '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.

Driven by the firm belief that technology can become a key enabler for achieving inclusive growth in the country, his group's current business interests in the fintech space exemplify this vision by furthering the digital and financial inclusion goals.

An alumnus of the prestigious Imperial College, 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.



Rohit Ahuja
Executive Director

Mr. Rohit Ahuja was appointed on the Board on 5th May, 2020 as an Executive Director. Mr. Ahuja has been an entrepreneur, strategic advisor and perpetual investor helping technology - first companies grow and scale. During his entrepreneurial journey of 25+ 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.

Mr. Ahuja became the Founder and Managing Director of a manufacturing facility, Menthol India, for mint-based products and aromatic chemicals, and had set up 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 a 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 the Group. He plays a key role in business development in new geographies for the group and also heads key strategic projects undertaken by Chairman Office. Mr. Ahuja completed his Bachelor's of Science in Accounting and Finance from USA in the year 1997.



Subramanian Murali
Non-Executive Director

Mr. Subramanian Murali was appointed on 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 37 years of experience in industries like IT, office automation, telecom and mobility, he has gained extensive knowledge and expertise in the areas of fundraising, 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 15 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).



Mrutyunjay Mahapatra
Independent Director

Mr. Mrutyunjay Mahapatra has over three decades of experience in senior leadership positions in general management and diverse areas of IT, innovation, strategy, decision support systems, corporate banking, international banking, syndications, private equity, investments, credit appraisal and administration, retail banking and branch management, forex operations, client relationship management, and personnel management in the banking sector.

He spent most of his career with State Bank of India, the largest public sector bank in the country and retired as the Deputy Managing Director – Digital, Strategy and Technology, from there. He has nearly eight years of overseas experience in senior and country head positions in USA and UK, multifarious international exposure through loan, investment, and M&A deals, working in global boards, wide travels, and advisory roles.

He was a former CEO of Syndicate Bank and worked on the boards of Canara Bank, C-edge (an IT company which is a JV of TCS), National Payment Corporation of India (NPCI), DSCI, SBI California and SBI Canada. He has also worked on the board of IIFCL, UK (an overseas infra-funding company) as GOI nominee. He was in the customer advisory boards of CISCO, HP, Red hat-Linux, and Infosys-Finacle. He worked as the Chairman of the fintech group of All India Mobile and Fintech Association of India (AIMFAI) and chairman of Indian Bank's CIO council of IDRBT.

Mr. Mahapatra is a well-known speaker in industry and a regular columnist in leading economic newspapers and magazines. He is also visiting professor of banking and finance in Manipal University teaching MBA classes on technology, leadership, and finance.

On the academic front, Mr. Mahapatra holds Masters of Science (Physics), Advanced Diploma in Management, and Diploma in Industrial Finance. He is a Certified Financial Planner, Honorary Fellow of Indian Institute of Bankers, and a distinguished alumnus of Berhampur University.

Board of Directors

**Mayank Jain**

Independent Director

Mr. Mayank Jain was appointed to the Board on 1st October, 2019 as an Independent Director. Mr. Jain started his career with Tata Motors and worked for two years in both Jamshedpur and Pune. Mr. Jain then worked at one of the Big Four consulting firms (Deloitte Consulting) in Toronto. 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 its new billing system for Broadband services.

After his stint at Deloitte, Mr. Jain 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. Jain held the position of Senior Director of Products for Automotive and Manufacturing industries for several years with Siebel.

In 2006, Mr. Jain moved back to India to pursue business opportunities. Over the last few years, he has built an internet and cyber security business spanning across five states in India and growing at a very fast pace. His company also partners with Facebook Express WiFi Project providing these services to many offices, hospitals, malls, and outdoor customers.

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

**Dr. (Ms.) Rashmi Aggarwal**

Independent Director

Dr. (Ms.) Rashmi Aggarwal was appointed to the Board on 2nd November, 2018 as an Independent Director. Dr. Aggarwal is currently Director, Online Center, Professor- Strategy and International Business, at the Shiv Nadar University, Institution of Eminence (IoE), and Chairperson-International Accreditation. Before joining the 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 in India and various 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 programmes as a facilitator and Program Director for In-company and Open Company and conducts workshops and training programmes for higher education accreditation.

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 a Bachelor of Science and Law Graduate and 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.

Awards and Accolades

Fintech Festival India Awards

Best Fintech services provider

ACEF Asian Leaders Awards

Social Impact

ETBrandEquity's Brand Bharat Awards

New Product Launch' for Travel Union

ETBrandEquity's Brand Bharat Awards

Use of Integrated Marketing

World BFSI Congress and Awards

Mr. Sanjeev Kumar won in the most admired payment professionals category

IFTA 2022

Best fintech initiative for social impact

SKOCH award

Best FinTech Growth Story

Board's Report

Dear Shareholders,

Your Directors have pleasure in presenting the 35th (Thirty Fifth) Annual Report together with the Audited Financial Statements of your Company ('the Company' or 'DiGiSPICE') for the financial year ended on 31st March, 2023.

Financial Results

The consolidated and standalone financial performance of the Company for the financial year ended 31st March, 2023 is summarised below:-

(Amount in ₹ Lakhs)

Particulars	For the Financial Year ended 31 st March 2023		For the Financial Year ended 31 st March, 2022	
	Consolidated	Standalone	Consolidated	Standalone
Total revenue from continuing operations	1,01,532.88	5,497.18	99,060.62	11,252.30
Other Income	2,711.09	970.02	2,070.14	807.72
Earnings before finance costs, tax, depreciation & amortization and exceptional items from continuing operation	1,256.01	(336.87)	3,532.74	34.63
Share of (profit)/loss of associates and a joint venture	1.30	-	(10.81)	-
Depreciation and amortization expense	2,543.88	402.75	1,989.95	257.00
Finance costs	129.76	58.32	117.82	94.01
Exceptional items	471.07	-	100.00	-
Profit/(Loss) before tax from continuing operations	(1,887.40)	(797.94)	1,314.16	(316.38)
Tax expenses				
- Current Income Tax	132.86	-	492.50	10.25
- Income Tax adjustment for earlier years (net)	(4.74)	-	(84.57)	58.39
- Deferred tax charge/(credit)	139.77	300.00	266.02	-
Profit/(Loss) for the year from continuing operation	(2,155.29)	(1,097.94)	640.21	(385.02)
Profit/(Loss) for the Year from discontinued operation	(8.37)	-	29.77	-
Total Profit/(Loss) for the year	(2,163.66)	(1,097.94)	669.98	(385.02)
Other comprehensive income for the year	215.05	(32.38)	(80.05)	27.73
Total comprehensive income for the year	(1,948.61)	(1,130.32)	589.93	(357.29)
Share of Minority in profits/(losses)	(102.39)	-	67.91	-
Profit/(Loss) for the year attributable to equity shareholders	(1,846.22)	(1,130.32)	522.02	(357.29)

Performance Review and State of the Company Affairs

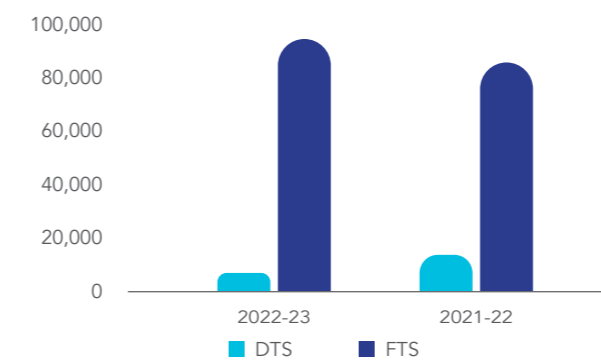
During the financial year ended 31st March, 2023, the Company was primarily engaged in the Information and Communication Technology business ('Digital Technology Services') providing Technology solutions and communication platform to domestic/ international Telecom Operators and Enterprises. The Company, through its material subsidiary 'Spice Money Limited' ('Spice Money'), is engaged in providing Financial Technologies Services, through Tech enabled hyper local payments network platform accessed by its authorised agents /merchants, including cash deposit, cash withdrawal, balance enquiry, bill payment services, Aadhar enabled Payment Services ('AePS'), Mini ATM services, Air time recharge, POS services, railway ticketing services, Enterprise cash drop services and other related services.

The Company, at the consolidated level, achieved a total income of ₹ 1,04,243.97 Lakhs for the year ended 31st March, 2023 as against ₹ 1,01,130.76 Lakhs for the previous year ended 31st March, 2022. The profit after tax at the consolidated level from continuing operations for the year ended 31st March, 2023 is ₹ (2,155.29) Lakhs as against profit after tax of ₹ 640.21 Lakhs in the previous year ended 31st March, 2022.

The Company, at the standalone level, has earned a total income of ₹ 6,467.20 Lakhs for the year ended 31st March, 2023 as against ₹ 12,060.02 Lakhs for the previous year ended 31st March, 2022. The Company has incurred a loss of ₹ (1,097.94) Lakhs for the year ended 31st March, 2023 as against a loss of ₹ (385.02) Lakhs in the previous year ended 31st March, 2022.

During the year under review, revenue from Digital Technology Services Segment ('DTS Segment') was ₹ 6,743.42 Lakhs (including inter segment revenue) as against ₹ 13,298.40 Lakhs during previous year. Revenue from the Financial Technology Services segment ('FTS') was ₹ 94,881.93 Lakhs during the year as against ₹ 85,823.61 Lakhs during previous year. The revenue from FTS constituted more than 90% of the consolidated revenue from continuing operations.

Revenue distribution by business segment (₹ in Lakhs)



The Board of Directors of the Company, in its meeting held on 7th April, 2023 approved, in principle, to exit DTS Segment. This is in keeping with the repositioning of the overall group strategy to focus on Financial Technology Services opportunities, mainly through its subsidiary Spice Money and other group entities. Consequently, DTS Segment has been classified as discontinued operations with effect from 1st April, 2023 in the books of the Company and the discontinued operations results are being shown separately in the financial results published to Stock Exchanges for the first quarter ended 30th June, 2023.

Accordingly, the performance of continuing operations is provided in the Management Discussion and Analysis Report.

Subsidiary Companies, Joint Ventures or Associate Companies

During the financial year ended 31st March 2023:

- S Mobility Pte. Ltd., a step down subsidiary of the Company, registered in Singapore, was struck off from the Register of Accounting and Corporate Regulatory Authority, Singapore and ceased to exist effective 4th July, 2022.
- Hindustan Retail Private Limited ('HRPL'), a direct wholly owned subsidiary of the Company, acquired from New Spice Sales and Solutions Limited ('NSSSL'), a direct wholly owned subsidiary of HRPL, 100% equity stake in Cellucom Retail India Private Limited ('CRPL'). Consequent to above, CRPL became a direct wholly owned subsidiary of HRPL, and an indirect wholly owned subsidiary on the Company.

The Company had total 24 subsidiaries (8 direct subsidiaries including material subsidiary and 16 step down subsidiaries) and 2 associates as on 31st March, 2023.

After the close of financial year:

- Entire investment of the Company in HRPL, was sold by the Company. Consequently, HRPL along with its two subsidiaries viz. NSSSL and CRPL, all being inoperative, ceased to be subsidiary(ies) of DiGiSPICE with effect from 1st June, 2023.
- S Mobility (HK) Limited, a wholly owned subsidiary registered in Hong Kong was dissolved by deregistration and hence, ceased to exist with effect from 28th April, 2023.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013 (the 'Act') 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.

Holding Company

As on 31st March, 2023, Spice Connect Private Limited, the holding company, holds 73.18% of the issued, subscribed and paid up share capital of the Company.

Highlights of Performance of Subsidiaries, Associates and Joint Ventures

The performance highlights of Spice Money, material subsidiary is given below:

Spice Money 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 authorised agents.

It achieved a total income of ₹ 96,132.31 Lakhs for the year ended 31st March, 2023 (31st March, 2022: ₹ 86,840.89 Lakhs). It reported a net loss of ₹ (617.65) Lakhs for the year ended 31st March, 2023 (31st March, 2022: ₹ 1,230.21 Lakhs).

The salient features 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, 2023 and forms an integral part of the Annual Report.

Further, pursuant to the provisions of Section 136 of the Act and Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), financial statements of subsidiary Companies are available on the Company's website at www.digispice.com.

Board's Report

Cash Flow Statement

In conformity with the provisions of the Act and Regulation 34 of the Listing Regulations, the Cash Flow Statement for the year ended on 31st March, 2023 as prepared under the provisions of Indian Accounting Standard - 7 as notified under provisions of Section 133 of the Act is attached as a part of the Financial Statements of the Company.

Share Capital

As on 31st March, 2023, the authorised 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 6,06,800 equity shares of ₹ 3/- each under DTL Employees Stock Option Plan-2018 (Erstwhile 'SML Employees Stock Option Plan-2018'). As on 31st March, 2023, paid-up equity share capital of the Company was ₹ 6,946.24 Lakhs (divided into 23,15,41,406 fully paid-up equity shares of ₹ 3/- each).

After closure of the financial year, the Company has allotted 21,700 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 ₹ 6,946.89 Lakhs (divided into 23,15,63,106 fully paid-up equity shares of ₹ 3/- each) as on date of this report. The said equity shares rank pari-passu with the existing equity shares of the Company.

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 2023-24 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, 2023.

Dividend

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

The 'Dividend Distribution Policy' in terms of the Regulation 43A of the Listing Regulations is available on the Company's website at https://investorrelations.digispice.com/articles/845005173_Dividend%20Distribution%20Policy.pdf

Transfer of unclaimed dividend and equity shares to Investor Education and Protection Fund

Pursuant to provisions of Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), dividend which remains unpaid/unclaimed for a period of seven years from the date of its transfer to

the unpaid dividend account are liable to be transferred to the Investor Education and Protection Fund Authority ('IEPF Authority') established by the Central Government of India. Further, 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 also liable to be transferred to the IEPF Authority.

During the year under review, the Company was not liable to transfer any unclaimed/unpaid dividend/ shares to IEPF Authority.

The shareholders whose dividends /shares which have been transferred to IEPF Authority during any previous years, may claim such 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

Pursuant to the provisions of Section 139 of the Act read with rules made thereunder, M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), were appointed as the Statutory Auditors of the Company to hold office for a period of five consecutive years from the conclusion of the 30th Annual General Meeting ('AGM') till the conclusion of 35th AGM of the Company to be held in the calendar year 2023. Their existing terms as Statutory Auditors will be completed at conclusion of the ensuing 35th AGM.

The Board recommends to Shareholders appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, having ICAI Firm Registration No. 301003E/E300005, as the Statutory Auditors of your Company to hold office from the conclusion of 35th AGM till the conclusion of the 40th AGM. The Company has received the eligibility, consent letter and other relevant confirmations / declarations from M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, including a confirmation that their appointment, if made, would be within the limits as specified under provisions of Section 139 of the Act.

The Company has received a special notice in terms of provisions of Section 140(4) of the Act to consider the appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for a term of five consecutive years from the conclusion of ensuing 35th AGM till conclusion of 40th AGM to be held in calendar year 2028, in place of retiring Statutory Auditors, M/s. Singhi & Co., Chartered Accountants.

Your Board of Directors place on record appreciation of M/s. Singhi & Co., Chartered Accountants for the valuable services rendered by them as Statutory Auditors of your Company.

Auditors' Report

The Auditors' Reports for the financial year 2022-23 does not contain any qualification, reservation, adverse remark or disclaimer. The report is enclosed with the Financial Statements.

Secretarial Audit

As required under provisions of Section 204(1) of the Act 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 2022-23. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer. The Report forms part of this Annual Report.

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 2022-23 of Spice Money, a material subsidiary of the Company, forms part of the Annual Report.

Reporting of frauds by auditors

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

Internal Auditors

The Board, on the recommendation of Audit Committee, in its meeting held on 19th May, 2023, re-appointed M/s. GSA & Associates LLP, Chartered Accountants, as Internal Auditors of the Company for the quarter ended 30th June, 2023.

Further, in the meeting held on 27th July, 2023, the Board appointed M/s. T R Chadha & Co LLP, Chartered Accountants, as Internal Auditors of the Company for internal audit of the period from 1st July, 2023 to 31st March, 2024, on the recommendation of the Audit Committee.

The Internal Auditors directly report to the Audit Committee.

Number of Board Meetings

During the financial year ended 31st March, 2023, six (6) meetings of the Board of Directors were held on 16th April, 2022, 25th May, 2022, 26th May, 2022 (adjournment of meeting commenced on 25th May, 2022), 10th August, 2022, 11th November, 2022 and 25th January, 2023. The details of attendance of the Directors in said meetings are given in the Corporate Governance Report, which forms part of the Annual report.

Directors and Key Managerial Personnel ('KMP')

At present 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 in compliance with provisions of Section 203 of the Act.

The changes in Directors and KMP during the year ended 31st March, 2023, were as under:

Appointments:

- Ms. Ruchi Mehta was appointed as the Company Secretary and Compliance Officer of the Company with effect from 15th April, 2022;
- Mr. Chandrachur Ghosh was appointed as the Chief Executive Officer of the Company with effect from 14th November, 2022; and
- Mr. Mrutyunjay Mahapatra (DIN: 03168761) was appointed as an Additional Director in the category of Non-Executive Independent Director with effect from 21st December, 2022. The Shareholders of the Company approved the appointment of Mr. Mrutyunjay Mahapatra as Non-Executive Independent Director of the Company through postal ballot on 19th March, 2023.

Resignations:

- Mr. M.R. Bothra, Vice President Corporate Affairs & Company Secretary resigned with effect from the close of business hours of 14th April, 2022;
- Mr. Suman Ghose Hazra (DIN: 00012223), Non-Executive Independent Director, resigned from Directorship with effect from end of the day of 29th September, 2022; and
- Mr. Chandrachur Ghosh resigned from the office of Chief Executive Officer of the Company with effect from close of business hours of 31st January, 2023.

The Board places on record its sincere appreciation for their contributions to the Company.

There is no change in Directors or KMP after the close of the financial year till date of this report.

Mr. Dilip Modi (DIN: 00029062), Non-Executive Director of the Company, whose office is liable to retire by rotation at the ensuing AGM and, being eligible, offers himself for re- appointment.

Dr. (Ms.) Rashmi Aggarwal (DIN:07181938) was appointed as a Non-Executive Independent Director of the Company for first term of five consecutive years from 2nd November, 2018 to 1st November, 2023, by the Shareholders at their 31st AGM held on 27th September, 2019. Her first term as Non-Executive Independent Director of the Company will expire on 1st November, 2023.

Board's Report

The Nomination and Remuneration Committee ('NRC') and the Board at their respective meetings held on 27th July, 2023, after taking into account the performance evaluation of Dr. (Ms.) Rashmi Aggarwal during first term and considering her knowledge, acumen, experience including proficiency, skills and based on declaration of independence, eligibility etc. and consent received from her, has recommended to the Shareholders her re-appointment for second term of five consecutive years. In opinion of the Board, she is a person of integrity and possesses the relevant expertise and experience (including the proficiency) and fulfills the conditions specified in the Act and Rules made thereunder and the Listing Regulations for reappointment as an Independent Director, she is independent of the management and her re-appointment as an Independent Director for the second term would be of benefit to the Company.

As required under Regulation 36 of the Listing Regulations, the relevant provisions of the Act and Secretarial Standard on General Meetings, a brief resume, nature of expertise / details of experience and other Directorships/ Committee memberships/Chairmanships held by Mr. Modi and Dr. Aggarwal in other Companies etc., forms part of the Notice convening the 35th 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.

Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under provisions of Section 149(6) of the Act, 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 possess requisite integrity, expertise, experience and proficiency and are independent of the Management of the Company.

In terms of provisions of Section 150 of the Act 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 Director's Databank as maintained by the Indian Institute of Corporate Affairs, Manesar ('IICA').

Mr. Mrutyunjay Mahapatra 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 22nd March, 2023, 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.

Committees of the Board of Directors

As on 31st March, 2023, there were Six (6) Committees of the Board of Directors, viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee and Investment 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 constituted the Investment Committee and reconstituted other Committee(ies) from time to time to perform such functions as assigned by the Board during the year under review.

After the close of the financial year, the Board of Directors constituted a 'Structure Committee'. The said Committee was assigned the responsibility for necessary actions, including appointment of consulting firm(s) with appropriate expertise and of international standing, and evaluate options to create a suitable structure and report to the Board for

necessary perusal and corporate actions. The name of 'Investment Committee' was changed to 'Investment and Finance Committee'.

Audit Committee

In compliance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations, the Company has a duly constituted Audit Committee. The Audit Committee comprises of the following Directors as at 31st March, 2023:

- | | | | |
|----|---------------------------|---|----------|
| 1. | Mr. Mrutyunjay Mahapatra | – | Chairman |
| 2. | Dr. (Ms.) Rashmi Aggarwal | – | Member |
| 3. | Mr. Subramanian Murali | – | Member |

Mr. Suman Ghose Hazra had resigned as a Member and Chairman of the Committee with effect from the end of the day of 29th September, 2022 on account of personal reasons.

Mr. Mayank Jain was nominated as the Chairman of the Committee from 21st October, 2022 to 15th January, 2023.

Mr. Mrutyunjay Mahapatra was appointed as a Member and Chairman of the Audit Committee w.e.f. 16th January, 2023.

During the year, the Audit Committee has made several recommendations including quarterly Financial Results and Financial Statements, appointment of Internal Auditors, Statutory Auditors, Secretarial Auditors and other statutory matters and the Board accepted all the recommendations made by the Audit Committee.

Risk Management Committee and Risk Management Policy

The Board of Directors has a Risk Management Committee comprising the following members:

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

Mr. M. R. Bothra was a member of the Committee till 14th April, 2022.

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 recommending to the Board any amendments or modifications thereof.

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 minimise 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 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 24th May, 2022. All Committee 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 Act, 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.

Board's Report

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 (poor) to 5 (outstanding) 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 Act and the Listing Regulations.

Directors' Responsibility Statement

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

- (i) in the preparation of annual accounts for the financial year ended 31st March, 2023, 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, 2023 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 Act 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 provisions of Section 133 of the Act read with rules made thereunder.

These affirmations are based on the system of 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 Regulation 34 of the Listing Regulations, Management Discussion and Analysis ('MDA') Report forms an integral part of this Report.

Business Responsibility & Sustainability Report ('BRSR')

The Company has not been part of the top 1000 Companies based on market capitalization as on 31st March, 2022 of the Stock Exchanges, where the equity shares of the Company are listed, hence, BRSR reporting is not applicable to the Company.

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.

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. In opinion of the Statutory Auditors, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2023.

Annual Return

In accordance with the provisions of Sections 92(3) and 134(3)(a) of the Act, the Annual Return (Form MGT-7) for the financial year 2022-23, is available on the Company's website at link <https://investorrelations.digispice.com/files/Annual-return-2022-23.pdf>

Particulars of Loans, Guarantees or Investments

The details of Loans, Guarantees or Investments made under provisions of Section 186 of the Act are provided in the Note 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 Act read with the Companies (Cost Records and Audit) Rules, 2014, hence, 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 Act and no amount of interest or principal was outstanding as on 31st March, 2023.

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 Act and the Listing Regulations. Further, no contracts, arrangements or transactions entered into during the reporting year required approval from Shareholders.

As required under the Regulation 23 of Listing Regulations, all related party transactions are placed before the Audit Committee for its approval. 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 details of transactions with related parties are placed at the Audit Committee quarterly for its review.

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 of the Company.

The disclosure of related party transactions as required under provisions of Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for the year ended 31st March, 2023 and hence does not form part of this report. The details of the transactions with related parties are provided in Note 36 of standalone financial statements and Note 41 of the consolidated financial statements. Disclosures of transactions with Spice Connect Private Limited (Promoter) who hold 10% or more shareholding in the Company, are provided in the Note 36 of the Standalone Financial Statements.

Vigil Mechanism

Pursuant to provisions of Section 177 of the Act, 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 avails of the mechanism and also provides

Board's Report

for direct access to the Chairman of the Audit Committee in exceptional cases. The Audit Committee is authorised 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>

Company's policy on Directors' appointment and Remuneration

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee ('NRC') of the Company, had framed a Policy for nomination and appointment of Directors. As required under provisions of Section 178(3) of the Act and Regulation 19 read with Schedule II of the Listing Regulations, the NRC 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 policy in terms of Section 178(3) of the Act is available at <https://investorrelations.digispice.com/information.php?page=policies>.

The Board on the recommendation of the NRC appoints the Senior Management Personnel from time to time.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees to Independent Directors, allotment of shares against options allotted under ESOP scheme and reimbursement of expenses, wherever applicable.

Employees Stock Option Plan

The Nomination and Remuneration Committee ('NRC') 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 Option Scheme - 2018') ('ESOP Scheme') to eligible employees.

During the year under review, (a) the name of the ESOP Scheme of the Company was changed from 'SML Employee Stock Options Scheme - 2018' to 'DTL Employee Stock Option Scheme 2018'; and (b) in order to provide the maximum benefits to the employees covered under the ESOP Scheme, the exercise period of options has been extended to a period of 5 (Five) years, from the 3 (Three) years from the respective vesting for the options granted on 18th September, 2018 and 5th February 2019, under the ESOP Scheme.

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

The applicable disclosures as on 31st March, 2023, as stipulated under the aforesaid 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-2023.pdf>

Particulars of Employees

In terms of the provisions of Section 197(12) of the Act 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 rule 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 Complaints Committee.

The statement of complaints filed, disposed of and pending as on 31st March, 2023 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 Act 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 the 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

The Board of directors of Company, in its meeting held on 7th April, 2023 has approved, in principle, to exit the Digital Technology Services Segment. This is in keeping with the repositioning of the overall group strategy to focus on Financial Technology Services opportunities, mainly through its subsidiary Spice Money and other group entities.

Shareholders of the Company have also granted their approval for sale/disposal of investment(s)/ asset(s)/ property(ies)/undertaking(s) on 25th May, 2023 through postal ballot.

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

Your 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 employees of the Company at all levels.

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

Date: 4th September, 2023
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, government's push towards digitisation, and concerted efforts of the government and socially responsible organisations to facilitate financial inclusion in semi-urban and rural India.



Spice Money Limited ('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 the underserved citizens from Semi Urban and Rural India who have limited or no access to banking services, in a technology enabled assisted model.

Spice Money holds many licenses and approvals such as Prepaid Payment Instruments license, Bharat Bill Payment license, IRCTC Principal Agency license etc.

The Company was also working in the Digital Technology Services segment providing digital platform and solutions for Telcos, BFSI and other Enterprises across Asia and Africa.

The Board of directors of DiGiSpice Technologies Limited, in its meeting held on 7th April 2023 has approved, in principle, to exit Digital Technology Services Business. This is in keeping with the repositioning of the overall group strategy to focus on Financial Technology Services opportunities, mainly through its subsidiary Spice Money and other group entities

Overview

India's rural economy has been a significant contributor to the country's rapid economic growth, accounting for around 25-30% of GDP.

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.

67.77%

Literacy rate in rural India

Source: Census of India, Office of Registrar General, India

360 million

Rural Internet subscribers

Source: IAMAI-Kantar report

6%

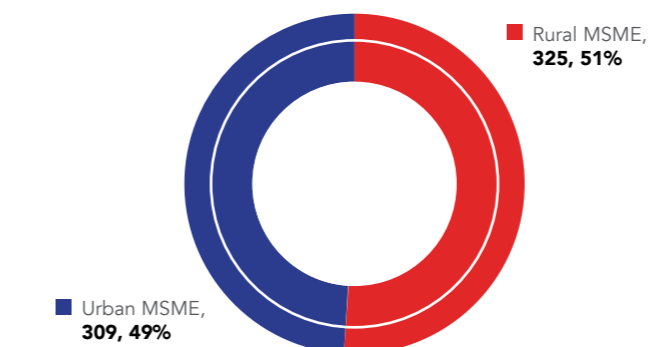
Expected CAGR (till FY 2026) in smartphone penetration

Source: Deloitte.

Further, India is home to around 63.4 million MSMEs. The role of MSMEs will be very critical in developing rural industrialisation. Their share in national gross value added is about 32%. They provide employment to about **111 million workers**. The share of MSME-related products in exports was about 48% during 2018-19. The government is gearing to increase their contribution in the gross value added to 50%, and in exports to 75%. It projects to generate jobs for about 150 million workers. Such overwhelming targets will require huge investment to create necessary infrastructure; effective institutions for enabling MSMEs to have access to technologies, finance and markets; and vocational education and skill development in manufacturing and business planning and will act as a **key economic growth engine**.

India is market for MSMEs with ~6-7 crore of them across the country including 13 Mn *kirana* stores. At Spice Money we have just scratched the surface, onboarding only 2% of the MSMEs. With our study showing that increasing SMA density helps in driving incremental gross transaction value, driving Adhikari income as well as our revenues.

Percentage Share of Rural and Urban MSMEs in India (Number in Lakh)



Source: MSME Annual Report FY23, Government of India

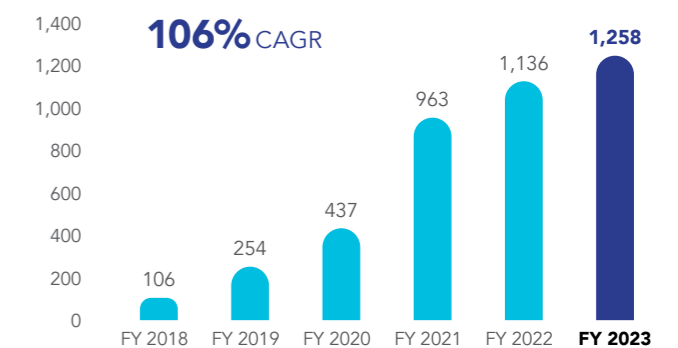
The gap and the opportunity- Financial Services & beyond

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, on the back of digital public infrastructure for good such as the JAM Trinity (Jan Dhan, Aadhaar and Mobile), to integrate people's identities and mobile infrastructure with banking and payment 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 Unique Payment Interface (UPI), National Electronic Toll Collection (NETC), Bharat Bill Pay Service (BBPS), AePS (Aadhaar-enabled payment system), IMPS, 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 third-party application providers on the UPI platform, has furthered the adoption of digital payments in India.

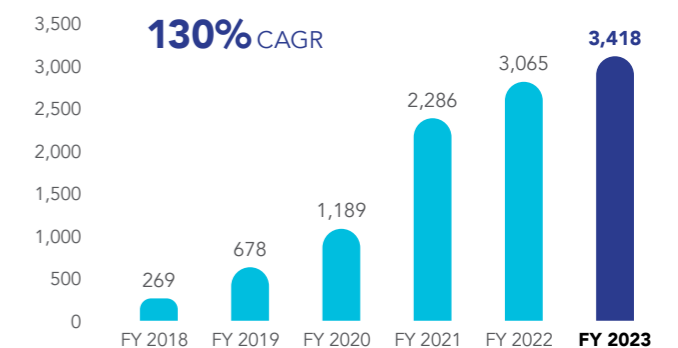
One of the major growth drivers for digital payments in rural India is AePS which has seen a strong growth in its transaction volume and value in recent years. The onset of COVID-19 spiked its usage, indicating the increasing convenience of this channel as well as the pandemic-induced change in consumer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

AePS Transaction Volume (in Million)



Source: NPCI Data

AePS Transaction Value (in Million)



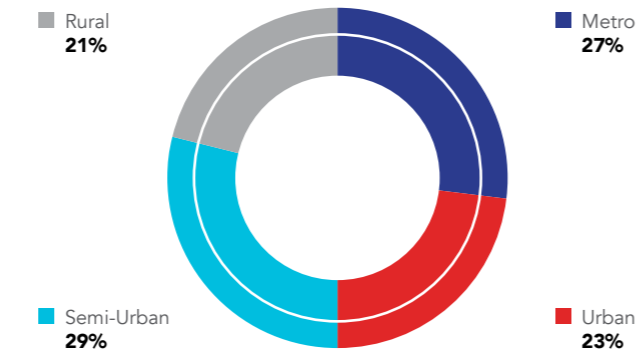
Source: NPCI Data

Management Discussion and Analysis

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 is a great opportunity in this space, 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 outsized 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 nanpreneurs, which we have launched and are capitalising on, for accelerated growth.

Region-wise deployment of ATMs as at 31st March 2023



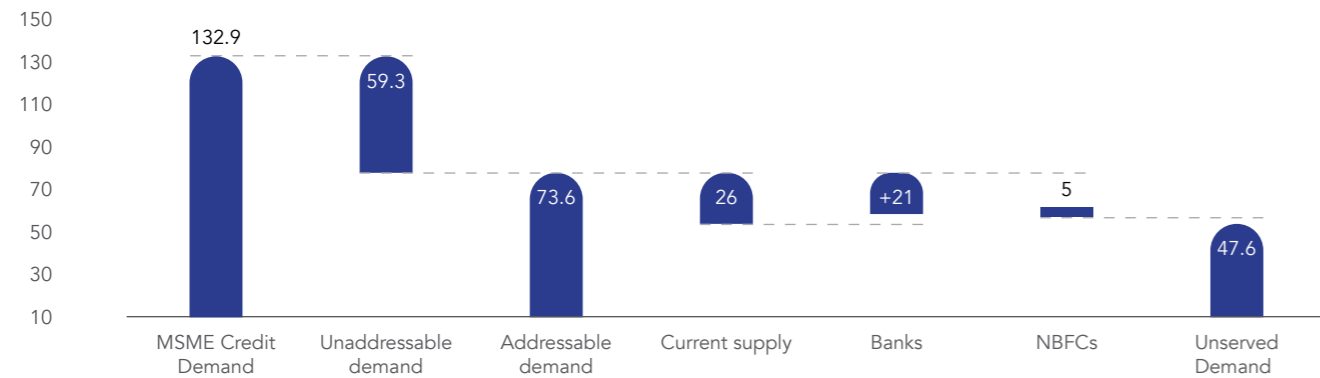
Source: RBI

ATMs deployed in rural & semi-urban areas is only 0.16 ATMs/ thousand population against 0.34 ATMs/ thousand population in urban & metro areas.

Large Unmet Credit Demand

Large unmet credit demand continues among MSMEs/Nanopreneurs even as MSME financing market grows. Hence, there is a sizeable opportunity in MSME lending. Most of the unserved demand is from smaller segments that aligns with Spice Money's Adhikaris ('SMA') presence.

High unmet credit demand in MSME financing (FY 2023) (in Million)



Source: Avendus capital, CRISIL, CRIF

~3 crore B2C MSME Merchants are using QR Codes and ~2.5 crore MSMEs are registered on Udyam. Hence, there is a big opportunity for formal credit.

(Source: NPCI, MSME Gov Dashboard)



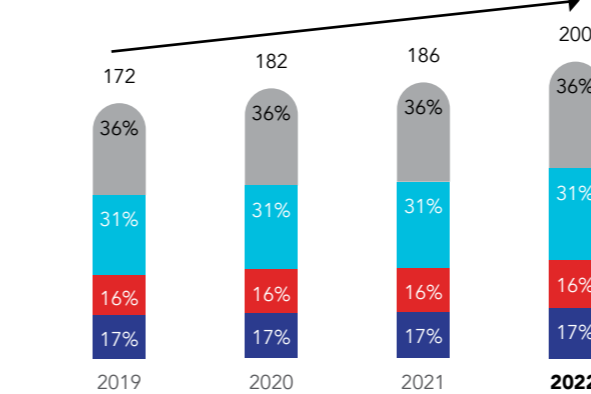
Banking Opportunity

Current Accounts & Saving Accounts (CASA)

CASA has shown steady growth, with rural and semi-urban commanding two third of accounts nationwide; there is a strong digital opportunity for niche players.

Total number of open Current and Savings accounts (in %)

5% CAGR

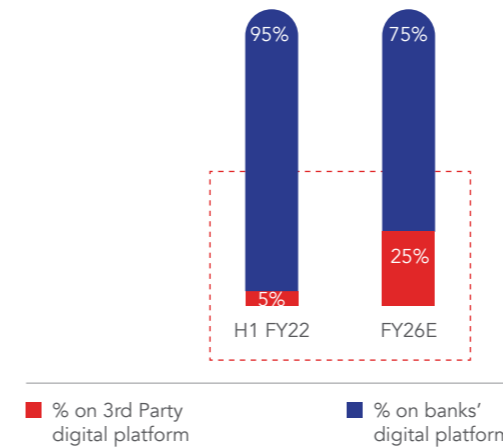


CAGR

Rural	5.5%	Urban	4.6%
Semi-urban	5.1%	Metropolitan	4.7%

Source: Database on Indian Economy, RBI

Savings accounts opened digitally conventional banks & new-age fin-techs (Volume in %)



Source: Database on Indian Economy, RBI



Spice Money: Enabling last-mile access of financial services & beyond

Spice Money is targeting to build Nanopreneurs for Emerging India. The Company is India's leading rural fintech revolutionising the way Bharat banks, with over 1.2 million Adhikaris (nanopreneurs) offering cash deposit, Aadhar enabled payment system for cash withdrawal, mini ATM, credit, loans, bill payments, cash collection centres for customer/ agents/ representatives of NBFC/Banks, airtime recharge, tours & travel, insurance, online shopping, Pan Card and mPoS services.

Nanopreneur Opportunity Landscape

Spice Money is a digital platform with a physical infrastructure making an array of e-services accessible to Emerging India, by placing the Nanopreneur at the centre.

1.2 Mn
SMAs onboarded on Spice Money

- ~95% SMAs present in rural (45%), semi-urban (50%) areas today; 5% in urban areas
- Rural and semi-urban SMAs account for ~94% of GTV
- SMAs present across 99% pin-codes, 2L+ villages pan India today

2% of total MSMEs

Management Discussion and Analysis

Spice Money has done a Gross Transaction Value ('GTV') of ₹ 1.61 Lakh crore In FY 2023 (CAGR of 40% over FY 2021).

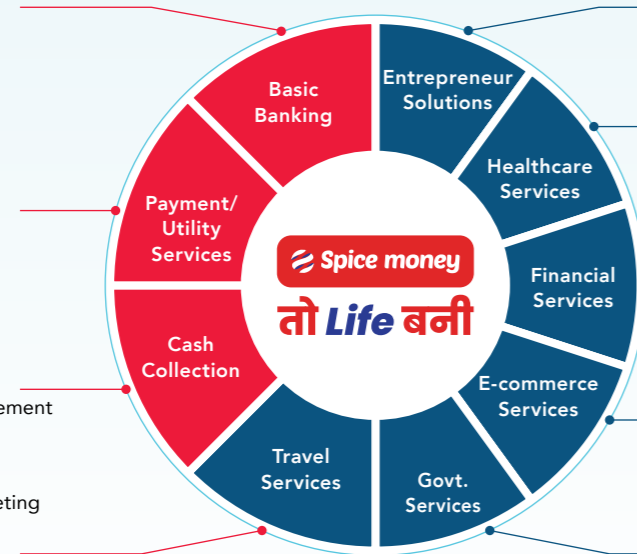
The vast Adhikari network covers 2.5 lakh villages and serves over 20 million customers every month. Spice Money services are available through Spice Money App (Adhikari App) and web portal. The user-friendly interface and superior technology platform have earned the app a 4.4-star rating, best in industry, 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.

We are serving these Nanopreneurs through our Spice Money App.

Digital platform for Nanopreneurs in Emerging India

Core Business Lines

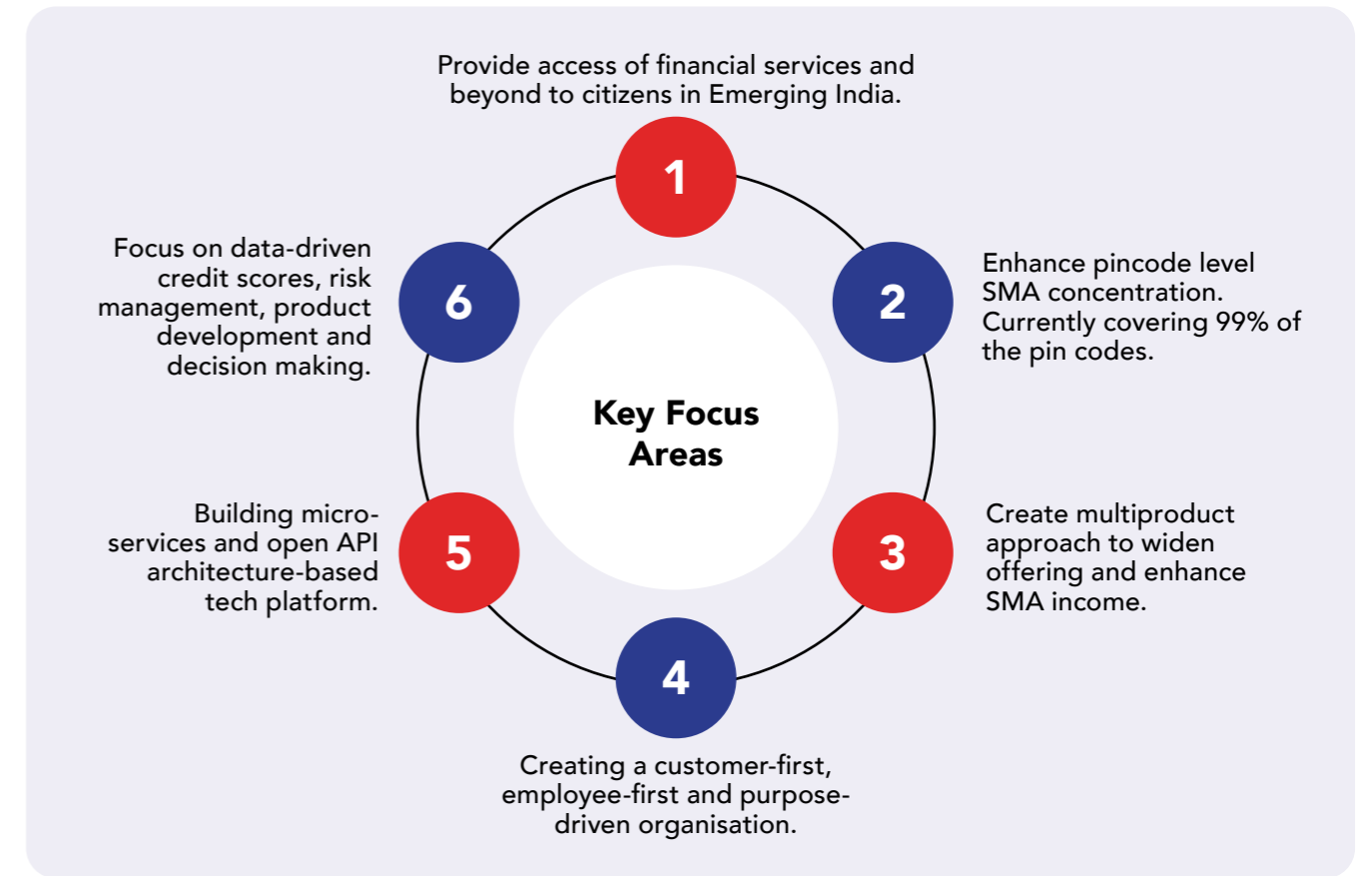
- m-ATM
- Cash Withdrawal
- CASA
- Cash Deposit
- Balance Enquiry
- Remittance
- Digital Payment
- Bill Payment
- Mobile/DTH Recharge
- e-PAN Services
- Loan/EMI collection
- Enterprise Cash Management
- Railway/Bus/Flight Ticketing
- Tour Packages
- Hotel Booking



New Business Lines

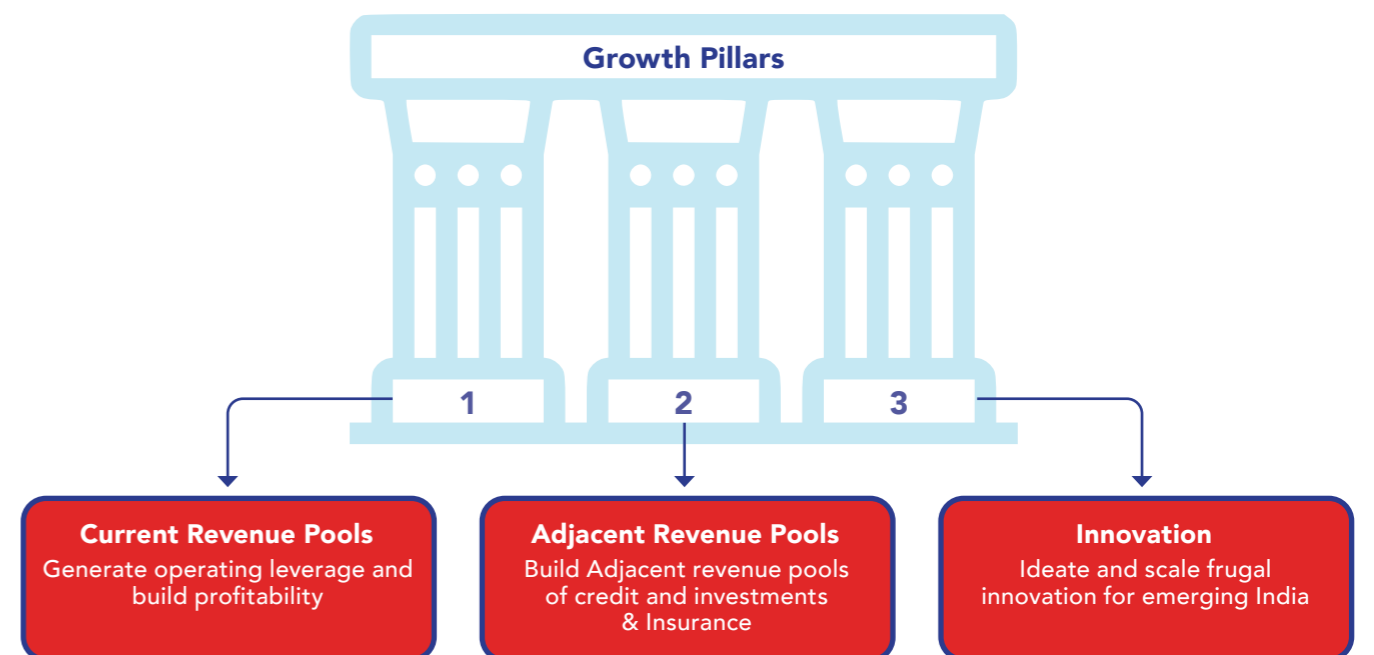
- Digital payments
- CRM
- Khata
- E-Pharmacy
- Diagnostics
- Telemedicine
- Savings
- Investments
- Insurance
- Credit
- ONDC B2B & Buyer & Seller Apps
- G2C Services – UMANG

Tech & Data Enabled Platform Leveraging Adhikari Network



Growth Pillars

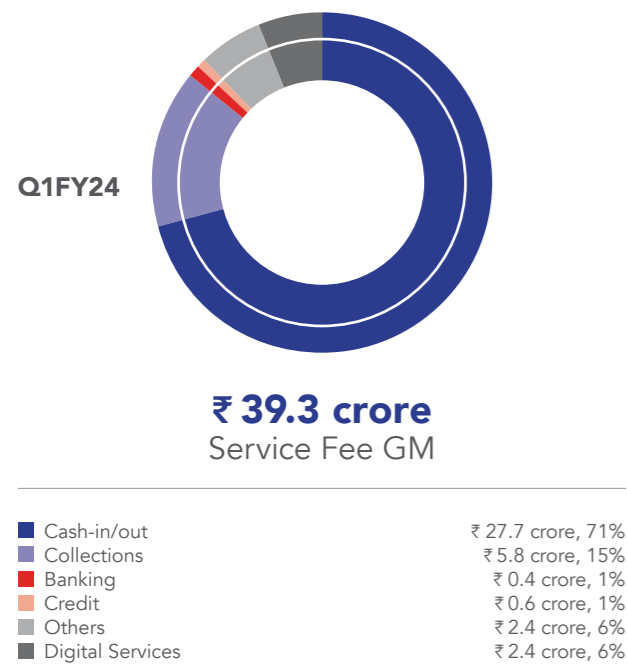
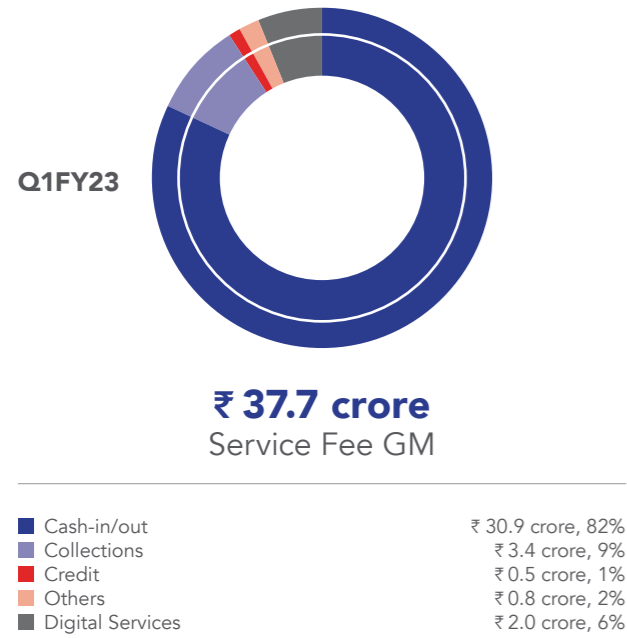
Spice Money will organise itself around and focus on three growth pillars:



Current and Adjacent Revenue Pools will target in growing the B2B2C business segment. The Company's approach will be to diversify its portfolio and move out from a Cash-out intensive business to a multi-product business.

Management Discussion and Analysis

Portfolio Diversification – Cash-out to Multi-product business

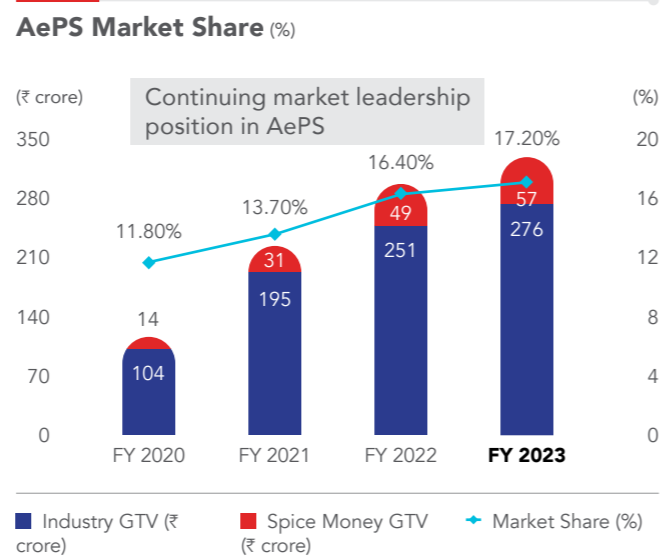


Cash in/out contribution has reduced from 82% to 71% in 1 year and share of Collections, Banking, and Digital services is increasing. Spice Money is pivoting to focus on all the 6 segments mentioned above.

CURRENT REVENUE POOL

(1) Cash-in Cash-Out

- Cash-Out Gross Margin (GM) from AePS and mATM cover approx. 49% of overall GM of the Company.
- Other Cash-In products and associated services cover 21.3% of overall GM.
- Having created a scalable business model in basic banking and payments, focus will now be on creating customer stickiness by subscription packs & increase in market share to continue growth in AePS.
- AePS market share increased from 11.8% in FY20 to 13.7% in FY21, to 16.4% in FY22 & to 17.2% in FY23.



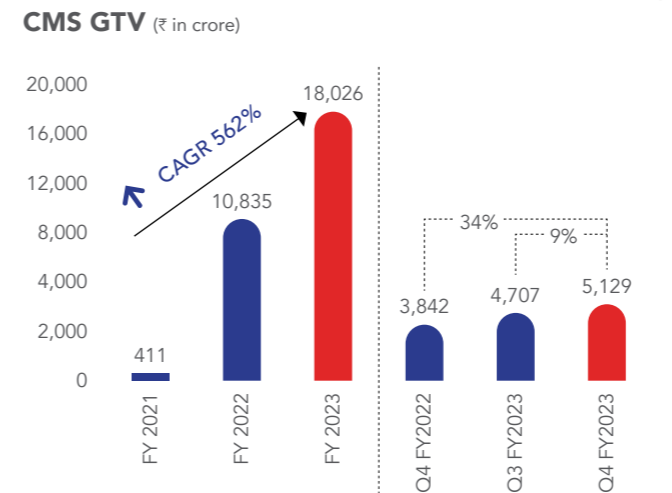
- **Rental packs:** Various rental packs have encouraged SMAs to consolidate transactions on Spice Money vs competition leading to ring fencing the business.

Other target area would be enabling relevant financial services like Collections, Banking, Credit and Insurance.



(2) Collections

- **CMS:** 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. CMS GTV grew to ₹ 18,026 Cr (66% ↑ y-o-y growth).



- **BBPS EMI Collections:** Customers of Enterprises (microfinance NBFCs, logistic companies in semi-urban and rural) can directly pay off their EMIs to Spice Money Adhikari in the village.

₹ 1.14 crore gross margin earned in FY 2022-23 as compared to ₹ 0.10 crore in FY 2021-22; higher by 992% ₹ y-o-y.

The growth in Collections suggest that these new initiatives have started showing traction.

(3) Banking

CASA are showing steady growth, with rural and semi-urban commanding two third of accounts, nationwide; strong digital opportunity for niche players. **Spice Money has opened 1.35 Lakh accounts within 6 months of launch of CASA business.**

ADJACENT REVENUE POOL

(4) Credit

The Company has been into the marketplace for facilitating SMA loans but now the Company is expanding its credit business by entering into other services such as unsecured credit, secured lending on Grahak Marketplace, QR, Gold Loans etc.

Horizon for next 3 Years

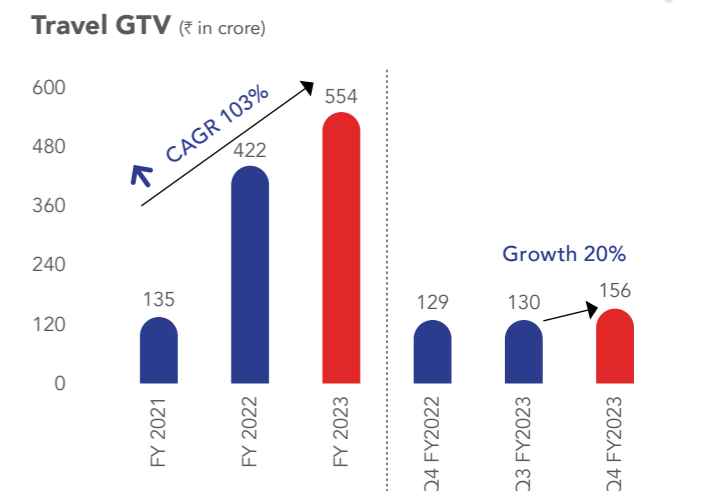
- Build capabilities and test secured loans
- Achieve right lending portfolio mix across unsecured and secured loans
- Expand stable portfolio of secured & unsecured loans.

₹ 2.6 crore gross margin earned in FY 2022-23; higher by 63% ↑ y-o-y.

16,484 Loans were disbursed in FY 2022-23 amounting to ₹ 45.45 crore.

(5) Digital Services

Travel: 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.



(6) Savings & Investments

The Company is planning to lay a foundation for key incubation products for savings & investments & promote commercialisation these products.

INNOVATION

The Company is now exploring business models for enabling consumer payments, rural commerce, rural insurance as well.

- **Spice Pay:** A PPI wallet similar to a bank account enabling all features for consumers except interest income. This has been built on an app having UPI, Card and Bill Pay features etc.

- **B2B e-Commerce:** A platform for B2B buyers and sellers for e-commerce.

Management Discussion and Analysis

Business Performance and Outlook

Over the last three years, we have significantly increased our retail network of nanopreneurs. Growth in number of SMAs, total GTV, average GTV per SMA, and other metrics are mentioned below:

Spice Money – Financial Highlights

Particular	(₹ crore)										
	FY20	FY21	FY22	FY23	Growth Y-o-Y	FY20-FY23 CAGR	Q4 FY22	Q3 FY23	Q4 FY23	Growth Q-o-Q	Growth Y-o-Y
Customer GTV (A)	22,155	46,178	83,513	1,00,602	20%	66%	24,320	24,913	25,505	2%	5%
Revenue	250	578	858	949			239	230	228		
– Service Fees (B)	98	190	341	401	18%	60%	101	99	101	1%	-
– Airtime/ Subscription/ Device	152	388	518	548			139	130	128		
Gross Margin	44	79	127	165			40	41	42		
– Service Fees (C)	28	65	114	145	27%	74%	36	36	38	7%	5%
– Airtime/ Subscription/ Device	17	14	13	19			4	5	4		
Indirect Cost	35	59	105	156			36	40	39		
EBITDA	9	21	22	9	-	-	4	0.6	3.5	-	-
EBIT	2	16	21	1	-	-	4	-1	1	-	-
Service Fee Revenue on Customer GTV (B/A)	0.44%	0.41%	0.41%	0.40%			0.41%	0.40%	0.39%		
Service Fee GM on Customer GTV (C/A)	0.12%	0.14%	0.14%	0.14%			0.15%	0.14%	0.15%		
Service Fee GM on Service Fee Revenue on Customer GTV (C/A)	28%	34%	34%	36%			36%	36%	38%		

Spice Money – Breakup of Core & New Business Lines

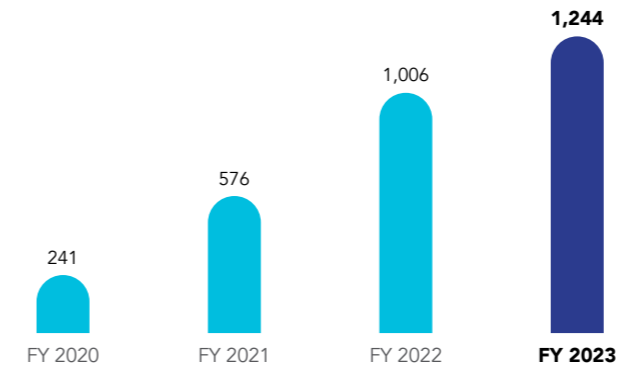
Particular	(₹ crore)			
	FY20	FY21	FY22	FY23
1. Revenue	250	578	858	949
– Core Business Lines**	248	574	839	928
– New Business Lines**	3	4	20	21
2. Gross Margin	44	79	127	165
– Core Business Lines	43	78	121	158
– New Business Lines	1	2	7	7
3. EBITDA (A)	9	21	22	10*
– Core Business Lines	8	21	21	21
– New Business Lines	1	0	2	-10
4. EBIT (A+B-C)	2	16	21	1
– Other Income (Excl. CSR Expense) (B)	1	6	10	12
– Depreciation & Amortisation (C)	8	10	12	20

* EBITDA – FY'23 is without considering strategic consultant cost.

** Refer to the wheel-chart for Super App in this report, for details of core and new business lines.

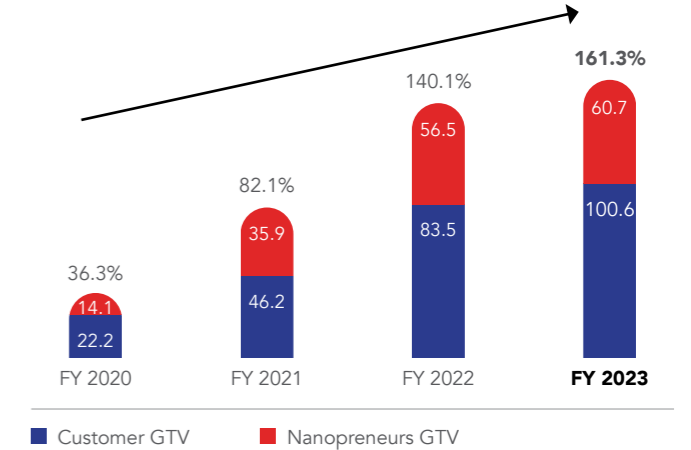
- Registered customer service points have had a towering CAGR of 73% in the last two years.

Spice Money Adhikaris (Nanopreneurs/Kirana Stores) ('000)



- 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 64% in the last three years.

Gross Transaction Value (₹ in crore)



Year	2020-21				2021-22				2022-23			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total GTV	18,824	19,213	21,069	23,005	31,116	32,495	36,338	40,081	42,546	39,262	39,515	39,955

Financial Performance- DiGiSPICE Consolidated Financials

Consolidated revenue from continuing operations is ₹ 1,015.33 crore for the financial year 2022-23 as against ₹ 990.60 crore of the financial year 2021-22.

Company's Net loss for the financial year ended 31st March, 2023 is ₹ 21.55 crore as against net profit of ₹ 6.4 crore during previous financial year ended 31st March 2022.

Management Discussion and Analysis

Financial Ratios

Digispice Consolidated

Key Ratios	Units	FY 2023	FY 2022	YOY change %
Debtors turnover ratio ⁽¹⁾	Times	19.32	15.58	24%
Interest Coverage Ratio ⁽²⁾	Times	-9.92	13.26	175%
Current Ratio	Times	1.07	1.10	-3%
Debt Equity Ratio ⁽³⁾	Times			
Operating Profit Margin (%) ⁽⁴⁾	%	-1.27%	1.58%	-180%
Net Profit Margin (%) ⁽⁵⁾	%	-1.39%	1.43%	-198%
Return on Net Worth ⁽⁶⁾	%	-7.26%	3.04%	-339%

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)

⁷ Y-o-y change in ratios is primarily due to losses in digital technology services business and investment in the expansion of Spice Money business

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.

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, 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 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 works on tech platform, contents and communication. This business has been inherently vulnerable to any IT and IP risks, associated with IT and platform companies in general. Since the business is already in process of discontinuation, the risk associated are not being dealt in detail, except the continuing currency risk. As the business was being operated, through subsidiaries, in international markets in Asia and Africa, which have a risk of currency devaluation and repatriation restrictions.

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.



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 disclosure 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, 2022 to 31st March, 2023 ('the Year'). To achieve the objectives of the principles including the protection of the rights of shareholders timely disclosures have been made by the Company on all material matters. The Company believes that Corporate Governance is a tool to generate long term wealth and create values for all its stakeholders. The Company follows 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 Composition and category of Directors

During the year, the composition of the Board of Directors of the Company has been in conformity with the requirements of Regulation 17 of the Listing Regulations. As on 31st March, 2023 the Company had total six (6) Directors. The Chairman of the Board is a Non-Executive Director and related to Promoter, the Board consisted of one (1) Executive Director and five (5) Non-Executive Directors (including three (3) Independent Directors), out of which one Director is Woman. None of the Non-Executive Directors of the Company has attained the age of seventy five years. The independence of a Director is determined by the criteria stipulated under Regulation 16 of the Listing Regulations and also provisions of Section 149 of the Companies Act, 2013 (the 'Act'). The Executive Director, Non-Executive Directors 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 under review, the Board of Directors of the Company met six (6) times on 16th April, 2022, 25th May, 2022, 26th May, 2022 (adjournment of meeting commenced on 25th May, 2022), 10th August, 2022, 11th November, 2022, and 25th January, 2023. The intervening period between the Board Meetings were within the maximum time gap of 120 days as prescribed under the Companies Act, 2013 and Regulation 17 of the Listing Regulations. The Board approved certain matters by circulation, from time to time, as permitted.

The necessary disclosures regarding Directorship and Committee positions in other companies as on 31st March, 2023 have been made by the Directors. As per the disclosures received from them, none of the directors of the Company:

- is holding directorship or serves as an independent director in more than seven listed Companies.
- is a whole time director / managing director in any listed entity and serving as an independent director in more than three listed entities;
- is a member of more than ten Committees (Audit committee and Stakeholders' Relationship Committee) across all public limited companies; or
- is a chairperson of more than five Committees (Audit Committee and Stakeholders' Relationship Committee) across all listed Companies in which he / she is a Director.

Mr. Dilip Modi, Non-Executive Chairman of the Company, does not serve as an Independent Director in any listed entity. As on 31st March, 2023, Dr. (Ms.) Rashmi Aggarwal, Independent Director of the Company, held directorship as an Independent Director in other listed entity viz. Dish TV India Limited. Further, Mr. Mrutyunjay Mahapatra held Directorship as an Independent Director in Netweb Technologies India Limited, whose shares got listed after 31st March, 2023.

Given below is 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, 2023 along with their attendance at Board Meetings and AGM of the Company during the year ended 31st March, 2023:

Name of Director(s)	Category of Director(s)	No. of positions held as on 31 st March, 2023 ³			No. of equity shares held by Non-Executive Director	Number of Board Meetings during the year ⁵		Attendance at last AGM (29 th September, 2022)
		No. of other Directorship	Committee ⁴ (including the Company)			Attended	Held	
			Membership	Chairmanship				
Mr. Dilip Modi	Non-Executive Chairman	1	Nil	Nil	10,12,395	5	6	Yes
Mr. Rohit Ahuja	Executive	Nil	1	Nil	Nil	6	6	Yes
Mr. Subramanian Murali	Non-Executive	Nil	2	1	5,60,606	6	6	Yes
Mr. Mayank Jain	Non-Executive – Independent	Nil	Nil	Nil	Nil	6	6	Yes
Dr. (Ms.) Rashmi Aggarwal	Non-Executive – Independent	4	7	3	Nil	6	6	Yes
Mr. Suman Ghose Hazra ¹	Non-Executive – Independent	1	3	2	Nil	3	4	Yes
Mr. Mrutyunjay Mahapatra ²	Non-Executive – Independent	6	5	3	Nil	1	1	NA

¹ Mr. Suman Ghose Hazra (DIN: 00012223), Non-Executive Independent Director has resigned from the Board of the Company with effect from the end of the day of 29th September, 2022.

² Mr. Mrutyunjay Mahapatra (DIN: 03168761) was appointed as an Additional Director in the category of Non-Executive Independent Director with effect from 22nd December, 2022. The Shareholders of the Company have approved through postal ballot, on 19th March, 2023, appointment of Mr. Mahapatra as an Independent Director on the Board of the Company in compliance with Regulation 17 of the Listing Regulations.

³ Excluding private limited companies which are not subsidiaries of a public limited companies, foreign companies, high value debt listed entities and companies incorporated under Section 8 of the Act.

⁴ For the purpose of determination of the limits of the Board committees, Chairmanship and Membership of the Audit Committee and Stakeholders Relationship Committee alone has been considered as per Regulation 26(1)(b) of the Listing Regulations.

⁵ Includes the adjourned Board Meeting held on 26th May, 2022 in continuation of Board Meeting which commenced on 25th May, 2022.

There is no inter-se relationship between the Board members of the Company.

(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 familiarise 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 statutes.

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 familiarisation programme as required under Listing Regulations is available at https://investorrelations.digispice.com/articles/811515596_DTL-Familiarization%20Programme_2023.pdf.

Corporate Governance Report

(d) Information supplied to the Board

During the year, all the relevant information as applicable to the Company 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 Act and relevant provisions of Secretarial Standard on General Meetings, the required information of Mr. Dilip Modi, Non-Executive Director and Dr. (Ms.) Rashmi Aggarwal, Non-Executive Independent Director, is set out in the Annexure-I to the Notice of AGM.

(f) Skill matrix of the Board

In context of Business of the Company and its subsidiaries during the year, 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. Mrutyunjay Mahapatra
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.	✓	✓	✓	✓	✓	✓
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	✓	✓		✓		✓
(a) Telecom, Information Technology, Digitalisation;						
(b) Financial Technologies Services (Fintech) 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 organisation, to be able to integrate these into the strategy of the Company.						

(g) Confirmation from Independent Directors

During the year under review, all Independent Directors have confirmed and submitted declarations 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 2023-24 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 confirmations 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

Mr. Suman Ghose Hazra was re-appointed for a second term of five consecutive years with effect from 7th May, 2020. During the year under review, Mr. Hazra, has resigned from the Board of the Company with effect from end of the day of 29th September, 2022, on account of personal reasons. As confirmed under the resignation letter, there is no other material reason other than the reason provided above.

3. Audit Committee

As required under the provisions of Section 177 of the Act and Regulation 18 of the 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 includes all the matters prescribed under the applicable

provisions of Companies Act, 2013 and the relevant regulations/schedule 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 periodically discussed in detail in the Audit Committee meetings. The Audit Committee scrutinises 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, wherever applicable. It also oversees the compliance under Vigil Mechanism/Whistle Blower Policy of the Company.

The Board has also authorised the Audit Committee to review compliance 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, 2023, the Audit Committee comprised of three (3) Directors out of which two (2) are Non-Executive Independent Directors and one (1) is Non-Executive Non-Independent Director. The Chairman of the Committee is an Independent Director. All members are financially literate and majority members of the Committee have accounting and/or financial management expertise.

During the year, the Members of the Audit Committee met five (5) times on 25th May, 2022, 9th August, 2022, 11th November, 2022, 25th January, 2023 and 24th March, 2023. The intervening period between Audit Committee Meetings were within the maximum time gap of one hundred and twenty (120) days as prescribed

Corporate Governance Report

under Regulation 18 of Listing Regulations. The composition of the Committee and attendance at the meetings held during the year under review was as follows:

Name of Directors	Designation	Category	Number of meeting during the financial year ended 31 st March, 2023	
			Attended	Held
Mr. Suman Ghose Hazra ¹	Chairman	Non-Executive – Independent	2	2
Dr. (Ms.) Rashmi Aggarwal	Member	Non-Executive – Independent	5	5
Mr. Subramanian Murali	Member	Non-Executive – Non-Independent	5	5
Mr. Mayank Jain ²	Chairman	Non-Executive – Independent	1	1
Mr. Mrutyunjay Mahapatra ³	Chairman	Non-Executive – Independent	2	2

¹ Ceased to be a Member with effect from the end of the day of 29th September, 2022.

² Appointed as a Member and Chairman of the Committee for a period from 21st October, 2022 to 15th January, 2023.

³ Appointed as a Member and Chairman of the Committee with effect from 16th January, 2023.

The Company Secretary acts as the Secretary to the Committee.

The Chairman of the Audit Committee was present at the last AGM of the Company.

The Chief Financial Officer of the Company and its material subsidiary and representatives of the Statutory and Internal Auditors, normally attend the meetings of the Committee by invitation. As and when deemed necessary, other executives of the Company and those of subsidiary companies are also invited and attended meetings of the Audit Committee. 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 comprises three (3) Non-Executive Directors out of which two (2) are Non-Executive 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 determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees.
- Preparation of a description of the role and capabilities required of an independent director.
- Formulation of criteria for evaluation of performance of individual directors, the board of directors and its Committee its Committee.
- Devising a policy on diversity of board of directors.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

- To decide on whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommendation to the board, all remuneration, in whatever form, payable to senior management.
- Administration and superintendence of the 'DTL Employees Stock Option Scheme-2018'.
- Formulation of the detailed terms and conditions of the schemes under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- Allotment of securities upon exercise of Options.
- Carrying out any other function as is mentioned in the terms of reference / roles and responsibilities of the NRC in compliance of the provisions of the Companies Act, 2013 and relevant rules framed thereunder, Listing Regulations and other applicable rules, regulations, circulars, notifications and Laws etc.

As required under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, 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 including Non-Executive Directors, Key Managerial Personnel(s) and Other employees. The same is available at web-link https://investorrelations.digispice.com/Rem_Policy.pdf. The NRC recommends to the Board all remuneration, in whatever form, payable to senior management.

During the year, NRC met Four (4) times on 6th May, 2022, 16th June, 2022, 1st August, 2022 and 11th November, 2022. The NRC has also approved from time to time the various proposals by circulation, as permitted.

The composition of NRC and attendance at the meetings held during the year under review was as follows:

Name of Directors	Designation	Category of Director	Number of meetings during the financial year ended 31 st March, 2023	
			Attended	Held
Dr. (Ms.) Rashmi Aggarwal	Chairperson	Non-Executive – Independent	4	4
Mr. Subramanian Murali	Member	Non-Executive – Non-Independent	4	4
Mr. Suman Ghose Hazra ¹	Member	Non-Executive – Independent	3	3
Mr. Mayank Jain ²	Member	Non-Executive – Independent	1	1

¹ Ceased to be a member of the Committee with effect from the end of the day 29th September, 2022.

² Appointed as a member of the Committee with effect from 21st October, 2022.

The Company Secretary acts as Secretary to the NRC.

The Chairperson of the NRC was present at the last AGM of the Company.

Pursuant to applicable provisions of the Act and 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 the Board, its Committee and individual Directors 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.

The Board Members had submitted their response on a scale of 1 (poor) – 5 (outstanding) 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 recommendations of the Nomination and Remuneration Committee and is determined on the basis of experience and expertise of the candidate concerned and prevailing market trend. Non-Executive Non-Independent Directors are not paid any remuneration for attending the Meetings of the Board and its various Committees 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 monetary 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, 2023 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 NRC in pursuance to 'DTL 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, 2023 is as under:

(₹ in Lakhs)	
Particulars	Mr. Rohit Ahuja
Salary and Allowances	124.78
Perquisites / Bonus	-
Stock Options	-
Provident Fund	0.22
Total	125.00

Corporate Governance Report

(b) Non-Executive Non-Independent Directors

During the financial year ended 31st March, 2023, Mr. Subramanian Murali, Non-Executive Non-Independent Director on the Board of the Company was allotted 3,50,000 equity shares of the Company, pursuant to exercise of Options granted to him, the details of which are appearing in Note 36 of the standalone financial statements of the Company. Other than this, no remuneration was paid to any Non-Executive Non-Independent Director of the Company during the year.

(c) Independent Directors

The Independent Directors were paid a sitting fee of ₹ 50,000/- per meeting for attending each meeting of the Board of Directors and a sitting fee of ₹ 25,000/- per meeting for attending each meeting 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, 2023 is as under:

(₹ in Lakhs)	
Name of Directors	Sitting Fees
Mr. Mayank Jain	3.75
Dr. (Ms.) Rashmi Aggarwal	6.00
Mr. Suman Ghose Hazra	3.25
Mr. Mrutyunjay Mahapatra	1.00

There were no pecuniary relationships or transactions of the Non-Executive Non-Independent Directors except payment of exercise price and allotment of shares pursuant to ESOP Plan. There were no other pecuniary relationship or transactions of Non-Executive Independent Directors vis-à-vis the Company.

During the year, SRC met two (2) times on 12th April, 2022 and 24th March, 2023. The composition of SRC and attendance at the meetings of SRC held during the year under review was as follows:

Name of Directors	Designation	Category	Number of meetings during the financial year ended 31 st March, 2023	
			Attended	Held
Mr. Subramanian Murali	Chairman	Non-Executive – Non-Independent	2	2
Dr. (Ms.) Rashmi Aggarwal	Member	Non-Executive – Independent	2	2
Mr. Suman Ghose Hazra ¹	Member	Non-Executive – Independent	1	1
Mr. Rohit Ahuja ²	Member	Executive	1	1

¹ Ceased to be a member of the Committee with effect from end of the day of 29th September, 2022.

² Appointed as a member of the Committee with effect from 21st October, 2022.

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 SRC was present at the last AGM of the Company.

During the financial year ended 31st March, 2023, the Company has not received any complaint. No complaint is pending at the end of 31st March, 2023.

6. Stakeholders' Relationship Committee

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

SRC has been formed by the Board of Directors to look into matters relating to Investors Service Requests 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 Act.

The terms of reference and role of SRC 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 duplicate certificates, 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.

SRC *inter-alia* approves transmission of shares issued by the Company, issue of letter of confirmation in lieu of duplicate certificates and certificates after split/consolidation/rematerialisation. The Committee regularly reports to the Board on various developments taking place in the investor's relations and action taken by it.

7. Risk Management Committee

The Company has constituted the Risk Management Committee ('RMC') in compliance with Regulation 21 of the Listing Regulations.

The terms of reference and role of the RMC includes:

- To formulate a detailed risk management policy, which shall include:
 - 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;
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- To review the appointment, removal and terms of remuneration of the Chief Risk Officer, if any;
- To review and recommend Risk Assessment Report and Risk Management Report for approval of the Board; and
- To carry out such functions and responsibilities as may be assigned to it by the Board from time to time.

During the year, RMC met three (3) times on 6th June, 2022, 20th September, 2022 and 17th March, 2023. The composition of RMC and the attendance at the meetings held during the year under review was as follows:

Name of Members	Designation	Category	Number of meetings during the financial year ended 31 st March, 2023	
			Attended	Held
Mr. Rohit Ahuja	Chairman	Executive Director	3	3
Dr. (Ms.) Rashmi Aggarwal	Member	Independent Director	3	3
Mr. Mayank Jain	Member	Independent Director	3	3
Ms. Ruchi Mehta ¹	Member	Company Secretary	3	3
Mr. Vinit Kishore	Member	Chief Financial Officer	3	3

¹ Ms. Ruchi Mehta appointed as a Member of the Committee with effect from 15th April, 2022 in place of Mr. M.R. Bothra who resigned and ceased to be a member of the Committee from the close of business hours with effect from 14th April, 2022.

Mr. Sunil Kapoor, Chief Financial Officer of the Material Subsidiary Company is permanent invitee to the meetings of RMC.

8. General Body Meetings

I. Meeting details

Location and time where last three AGMs were held:

Year	Location	Day/Date	Time
2022	Through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM')	Thursday, 29 th September, 2022	12:00 Noon
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.

Corporate Governance Report

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

AGM held on 29th September, 2022:

- To approve revision in remuneration of Mr. Rohit Ahuja (DIN: 00065417), Executive Director of the Company;
- To approve the re-appointment of Mr. Rohit Ahuja (DIN: 00065417) as an Executive Director of the Company.

AGM held on 30th September, 2021:

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

II. Postal Ballot

- During the financial year ended 31st March, 2023, special resolution for approval of 'appointment of Mr. Mrutyunjay Mahapatra (DIN: 03168761) as Non-Executive Independent Director of the Company' was passed through postal ballot on 19th March, 2023. Mr. Kapil Dev Taneja, Company Secretary in whole-time practice (Membership No.F4019), partner of M/s. Sanjay Grover & Associates, Company Secretaries, acted as Scrutiniser for the said postal ballot.

Details of the voting pattern in the above mentioned postal ballot was as under:

Particulars	Special Resolution				Percentage of valid votes
	Number of valid votes				
	No. of Shareholders	E-votes	Postal Ballot	Total	
Assent	157	19,55,88,088	N.A.	19,55,88,088	99.9972
Dissent	17	5,547		5,547	0.0028
Total	174	19,55,93,635		19,55,93,635	100.00

- After 31st March, 2023, special resolution for 'approval for sale / disposal of investment(s) / asset(s) / property(ies) / undertaking(s)' was passed through postal ballot on 25th May, 2023. Mr. Kapil Dev Taneja, Company Secretary in whole-time practice (Membership No.F4019), partner of M/s. Sanjay Grover & Associates, Company Secretaries, acted as Scrutiniser for the said postal ballot.

Details of the voting pattern in the above mentioned postal ballot was as under:

Particulars	Special Resolution				Percentage of valid votes
	Number of valid votes				
	No. of Shareholders	E-votes	Postal Ballot	Total	
Assent	157	19,55,75,461	N.A.	19,55,75,461	99.9855
Dissent	30	28,266		28,266	0.0145
Total	187	19,56,03,727		19,56,03,727	100.00

The postal ballot(s) were carried out as per the provisions of Sections 108 and 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations, Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India ('SS-2'), as amended and in accordance with the framework prescribed by the Ministry of Corporate Affairs ('MCA') for passing of ordinary and special resolutions by the Company under the provisions of the Act and General Circular(s) issued by the Ministry of Corporate Affairs ('MCA') from time to time for voting through electronic means ('remote e-voting').

- None of the businesses proposed to be conducted at the ensuing AGM requires passing of resolution mandatorily through Postal Ballot.

AGM held on 15th December, 2020:

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

9. Means of Communication

The quarterly and annual financial results of the Company were announced within the prescribed period and published in "Mint" (National daily - English) and "Hindustan" (Regional daily - Hindi), except that financial results of the quarter ended 30th September, 2022 were published in the newspaper Financial Express (National daily - English) and Jansatta (Regional daily - Hindi). The Notices to shareholders were published in the newspaper Financial Express (National daily - English) and Jansatta (Regional daily - Hindi).

All applicable 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 Management of the Company, at regular intervals, shares the performance of the Company and its material subsidiary Company and satisfies the queries raised by the Stakeholders from time to time.

Presentations made during the quarterly Investors/Analyst calls, recording and transcript thereof: The schedule of Investors/analysts call 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 Investors/Analyst calls every quarter, after the announcement of results. The transcript of Investors/Analyst calls and video recording are posted on the website of the Company and respective Stock Exchange(s).

10. General Shareholder Information

(a) Annual General Meeting

Date	: 28 th September, 2023
Time	: 11.00 A.M.
Venue	: Through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM')

(b) Financial Year: April, 2022 – March, 2023

(c) Dividend Pay-out 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 2022-23 and 2023-24.

(e) Scrip Code/Scrip Symbol of the Company as on 31st March, 2023:

BSE Limited

Security ID DIGISPICE
Scrip code 517214

National Stock Exchange of India Limited

Scrip Symbol DIGISPICE

Corporate Governance Report

(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, 2023 are as under:

BSE Limited (BSE)

(Face Value Rs. 3/- per share)

Month	BSE Prices		S&P BSE SMALLCAP	
	High Price (₹)	Low Price (₹)	High	Low
April-2022	38.75	31.10	30,001.68	28,298.41
May-2022	33.50	27.05	28,572.71	24,592.41
June-2022	33.10	24.25	26,944.59	23,261.39
July-2022	32.00	26.75	27,076.40	24,494.80
August-2022	35.00	28.30	28,674.75	27,111.96
September-2022	31.35	26.35	30,185.95	27,616.79
October-2022	28.05	24.40	29,201.19	28,159.86
November-2022	27.10	22.40	29,560.28	28,649.73
December-2022	29.70	22.20	30,104.74	27,051.92
January-2023	29.05	20.55	29,311.16	27,353.31
February-2023	25.00	18.25	28,612.06	27,162.03
March-2023	21.74	18.70	28,321.36	26,120.32

(source: www.bseindia.com)

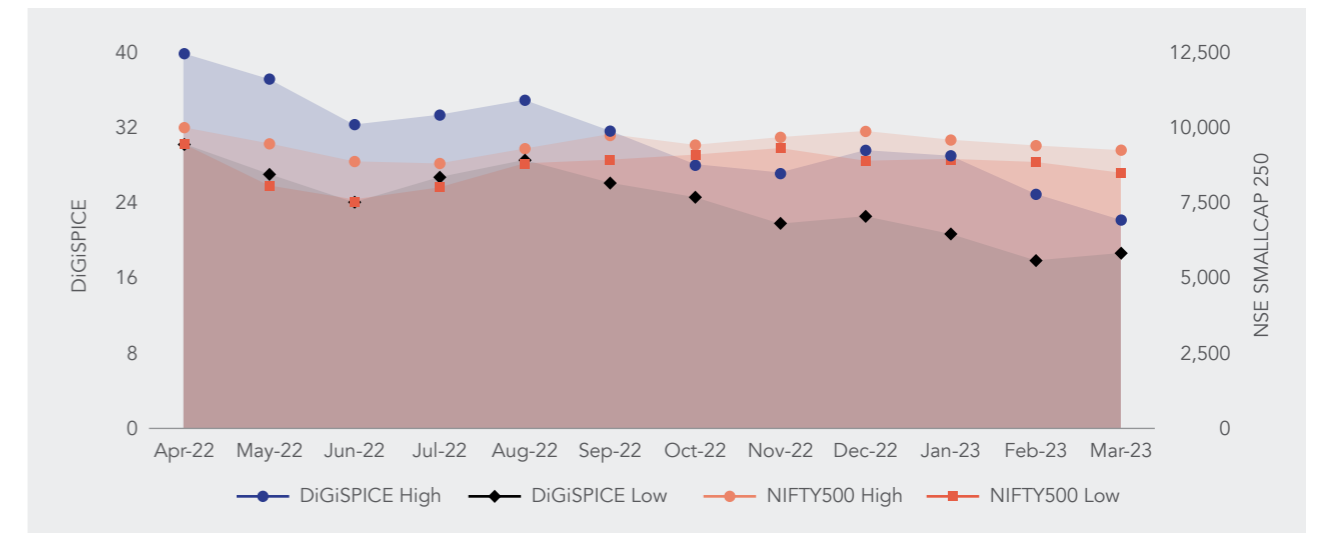
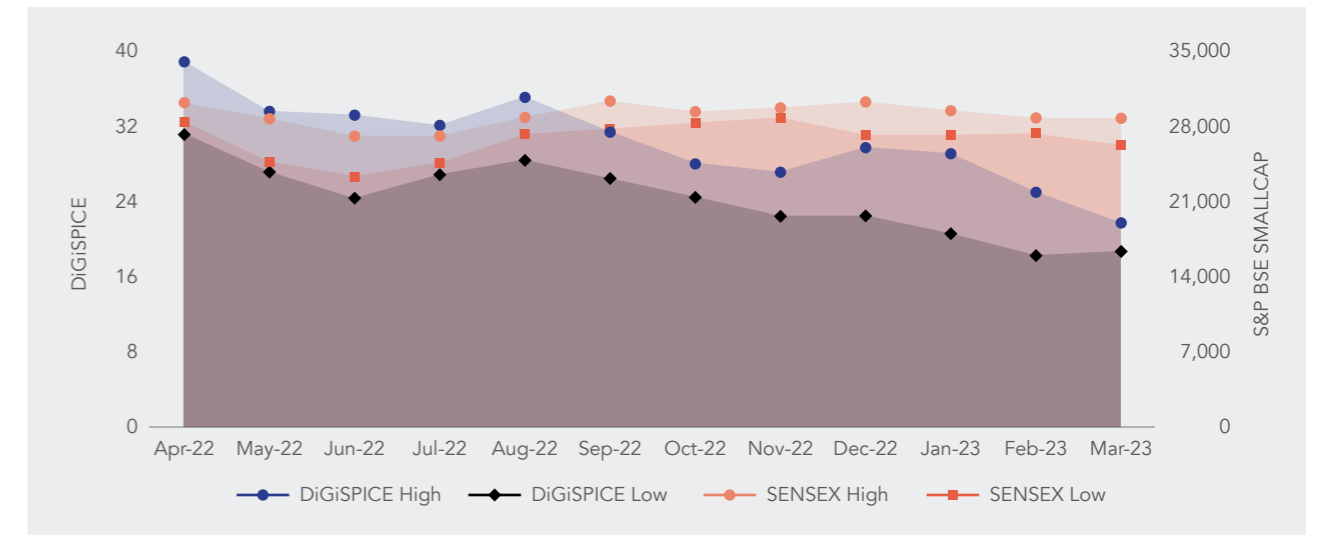
National Stock Exchange of India Limited (NSE)

(Face Value Rs. 3/- per share)

Month	NSE Prices		NIFTY SMALLCAP 250	
	High Price (₹)	Low Price (₹)	High	Low
April-2022	40.00	30.30	10,017.25	9,462.00
May-2022	37.25	27.05	9,477.85	8,065.95
June-2022	32.35	24.00	8,874.30	7,598.05
July-2022	33.40	26.70	8,802.95	7,998.15
August-2022	35.00	28.55	9,300.85	8,806.70
September-2022	31.70	26.10	9,787.20	8,927.55
October-2022	28.10	24.55	9,427.85	9,099.45
November-2022	27.20	21.70	9,686.20	9,318.75
December-2022	29.60	22.50	9,894.00	8,894.75
January-2023	29.00	20.60	9,600.15	8,957.40
February-2023	24.90	17.75	9,406.75	8,853.45
March-2023	22.10	18.55	9,249.75	8,492.40

(source: www.nseindia.com)

Performance of the share price of the Company in comparison to broad-based indices



(g) Suspension of trading

There was no suspension of trading in shares of the Company during the year.

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

MAS Services Limited

T-34, 2nd Floor, Okhla Industrial Area, Phase-II,
New Delhi-110020

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

Email: Investor@masserv.com

Contact person - Mr. Sharwan Mangla,
General Manager

All Investors Service requests and dematerialisation requests and other communications regarding change of address, dividend and other queries related to investor services may be sent at the above address.

(i) Share Transfer System

The Stakeholders' Relationship Committee looks into the issues relating to Investors Service Requests.

Pursuant to Regulation 39 of the Listing Regulations read with Circular dated 25th January, 2022 issued by Securities and Exchange Board of India ('SEBI'), listed companies shall issue the securities in dematerialised form only, for processing any service requests from shareholders viz., issue of duplicate share certificates (in cases of loss or old decrepit or worn out certificates or receipts or advices, as applicable), endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and which shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialisation request within 120 days, the Company shall credit those shares in the Suspense Escrow Demat account held in the name of Company.

Corporate Governance Report

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.

(j) Distribution of Shareholding as on 31st March, 2023

Shareholding of Nominal Value of ₹ 3/- each	Number of Shareholders	% to Total No. of Shareholders	No. of Shares Held	Amount in ₹	% to Total Paid-up Capital
1 to 5,000	30,186	94.319	6,295,369	18,886,107	2.718
5,001 to 10,000	970	3.030	2,248,617	6,745,851	0.971
10,001 to 20,000	430	1.343	2,004,943	6,014,829	0.865
20,001 to 30,000	166	0.518	1,438,584	4,315,752	0.621
30,001 to 40,000	50	0.156	571,883	1,715,649	0.246
40,001 to 50,000	42	0.131	626,252	1,878,756	0.270
50,001 to 100,000	80	0.249	1,827,964	5,483,892	0.789
100,001 & above	80	0.249	216,527,794	649,583,382	93.515
Total	32,004	100.000	231,541,406	694,624,218	100.000

(k) Dematerialisation of shares and Liquidity

The trading in equity shares of the Company is permitted compulsorily in dematerialised mode. 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, 2023, 99.60% of the Share Capital of the Company is held in dematerialised 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.

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

There are no outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments as on 31st March, 2023, 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 Master Circular dated 11th July, 2023 is not required to be given. The Company follows prudent risk management policies, the details of foreign currency risk exposure have been disclosed in the Note 40 to the standalone financial statements and Note 49 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	622, 6 th Floor, DLF Tower A, Jasola Distt. Centre, New Delhi -110025
Tel : (0120) 5029101	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 mobilisation 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 mobilisation of funds whether in India or abroad.

(q) Senior management

Particulars of Senior Management Personnel ('SMP') as on 31st March, 2023 including the changes therein since the close of the previous financial year:

Sr. No.	Name(s)	Designation	Change during FY 2022-23
1.	Ms. Ruchi Mehta	Company Secretary and Compliance Officer	Appointed as SMP w.e.f. 15 th April, 2022
2.	Mr. Vinit Kishore	Chief Financial Officer	-
3.	Mr. Ram Prakash Goyal	Vice President – Taxation	-
4.	Mr. Lakhvinder Singh	General Manager – HR and Admin	Designated as SMP w.e.f. 12 th July, 2022
5.	Mr. Vikas Bansal	Vice President – Taxation	Designated as SMP w.e.f. 14 th November, 2022
6.	Mr. Prashant Hansraj	Chief Operating Officer	Designated as SMP w.e.f. 14 th November, 2022
7.	Mr. Chandrachur Ghosh	Chief Executive Officer	Designated as SMP w.e.f. 25 th February, 2022 Resigned effective 31 st January, 2023
8.	Mr. Meghraj Bothra	Company Secretary and Compliance Officer	Resigned effective 14 th April, 2022
9.	Mr. Sanjeev Kumar	Senior General Manager	Designated as SMP w.e.f. 15 th April, 2022 Ceased to be SMP from 14 th November, 2022
10.	Mr. Prince Vashista	Senior Manager	Designated as SMP w.e.f. 14 th November, 2022 Resigned effective 31 st May, 2023

- He/she was already a part of senior management as on 1st April, 2022 / part of SMP as on 31st March, 2023.

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, 2023 are given in Note 36 of the standalone financial statements and Note 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 the interest of the Company.

The Company has adopted a 'Policy on Related Party Transactions' upon recommendation of the Audit Committee and the said Policy includes the materiality 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 SEBI from time to time. There have neither been any instance of non-compliance nor any imposition of penalty or stricture 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 enables stakeholders 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.

Corporate Governance Report

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 recommendations of the Audit Committee, has formulated a 'Policy for determining Material Subsidiaries' and it provides governance framework for Material Subsidiaries.

The said policy is disclosed on the website of the Company at https://investorrelations.digispice.com/files/Policy_on_Material_Subsiaries.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 Spice Money Limited, the material subsidiary of the Company.

(g) Details of utilisation 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, 2023, 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 Auditors is a part is as follows:

(₹ in Lakhs)

Particulars	Amount
Statutory Audit Fees	16.75
Limited Review Fees	4.50
Tax Audit Fees	12.00
Other Services	1.75
Reimbursements	1.32
Total	36.32

(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 and no complaint was pending as on end of the Financial Year.

(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 Loans and Advances in the nature of Loans to firms/companies in which Directors are interested are specifically provided in the Note 43 of the standalone financial statements.

(m) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

The Company has one material Subsidiary viz. Spice Money Limited. This Company was incorporated on 4th April, 2000 and has its registered office at 622, 6th floor, DLF Tower A, Jasola District Centre New Delhi – 110025 and corporate office at S Global Knowledge Park, 19A & 19B Sector-125 Noida - 201301. M/s. Singhi & Co., Chartered Accountants, have been appointed as the Statutory Auditors of Spice Money Limited for a period of five consecutive years at its AGM held on 30th September, 2019. The Board of Directors of Spice Money, at their meeting held on 26th July, 2023 recommended the appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants as Statutory Auditors of the Company at the ensuing AGM of Spice Money.

(n) 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 the 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 and Compliance Certificate

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 with 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 the 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 'PIT 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' (the '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 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.

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, 2023 is enclosed at the end of this Report.

The above Report has been placed before the Board at its meeting held on 27th July, 2023 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 March 31, 2023, 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
Peer Review Certificate No.: 1352/2021

Ramit Rastogi
Partner
CP No.: 18465 / Mem. No.: F-6952
UDIN: F006952E000692285

Date: 27th July, 2023
Place: New Delhi

Date: 19th May, 2023

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

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, 2023 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)
Chief Financial Officer

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(s), in respect of the financial year ended on 31st March, 2023.

For **DiGiSPICE Technologies Limited**

Place: Noida
Date: 27th July, 2023

Rohit Ahuja
Executive Director

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C 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

- That the equity shares of Digispice Technologies Limited ("the Company") are listed on BSE Limited and National Stock Exchange of India Limited.
- 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.
- 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 March 31, 2023 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	Director Identification Number (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. (Mrs.) Rashmi Aggarwal	07181938	02/11/2018
6.	Mr. Mrutyunjay Mahapatra	03168761	22/12/2022

- 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 on these, 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.
- 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 thereafter.

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No.: P2001DE052900
Peer Review Certificate No.: 1352/2021

Ramit Rastogi
Partner
CP No.: 18465 / Mem. No. F-6952
UDIN: F006952E000692318

Place: New Delhi
Date: 27th July, 2023

Secretarial Audit Report

For the financial year ended 31st March, 2023
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 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-

- 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.
- 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.
- We have not verified the correctness and appropriateness of the financial statements of the Company.
- Wherever required, we have obtained the Management Representation about the compliances of laws, rules and regulations and happening of events etc.
- 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.
- 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 authorised 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, 2023 ("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, 2023 according to the provisions of:

- The Companies Act, 2013 (the "Act") and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
 - The 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.

We report that the Company has generally complied with the provisions of the Act, Rules, Regulations, Standards and Guidelines, to the extent applicable, as mentioned above, during the Audit Period.

- (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 as confirmed by management of the Company, following(s) are the laws specifically applicable to the Company-
- (a) Regulations issued by Telecom Regulatory Authority of India;
- (b) Telecom Commercial Communication Customer Preference, Regulations, 2018; and
- (c) Guidelines issued by Department of Telecommunication.

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance 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, Woman and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

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 also report that during the audit period, the Company allotted 6,06,800 (Six Lakhs Six Thousand and Eight Hundred) equity shares pursuant to the exercise of the stock option granted to the employees of the company under DTL Employees Stock Option Plan-2018 (Erstwhile SML Employees Stock Option Plan-2018).

For **Sanjay Grover & Associates**

Company Secretaries
Firm Registration No.: P2001DE052900
Peer Review Certificate No.: 1352/2021

Ramit Rastogi

Partner

Place: New Delhi CP No.: 18465 /Mem. No.F-6952
Date: 27th July, 2023 UDIN: F006952E000692274

Secretarial Audit Report

For the financial year ended 31st March, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 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 (CIN:U72900DL2000PLC104989) (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 authorised 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, 2023, 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, 2023, 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 authorised 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 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.

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, guidelines.

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: F009028E000687717

FCS No.: 9028

C P No.: 10937

Date: 26th July, 2023
Place: Noida

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.

- 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.
- 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.
- 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, 2023.
- Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
- 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.
- 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: F009028E000687717

FCS No.: 9028

C P No.: 10937

Date: 26th July, 2023

Place: Noida

Annexure to Board's Report

Annexure - 1

Corporate Social Responsibility ('CSR') activities for the financial year 2022-23

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 vocational 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	1	1
2.	Mr. Subramanian Murali	Member – Non-Executive Director	1	1
3.	Mr. Suman Ghose Hazra*	Member – Non-Executive Independent Director	1	1
4.	Mr. Mayank Jain [#]	Member – Non-Executive Independent Director	1	Not Applicable

* Ceased to be member of the committee with effect from end of the day of 29th September, 2022;

[#] Appointed as a member of the Committee with effect from 21st October, 2022.

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

Annexure - 2

4. Provide the executive summary along with web link(s) 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. (a) Average net profit of the company as per Section 135(5): NIL
 (b) Two percent of average net profit of the company as per Section 135(5): NIL
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
 (d) Amount required to be set off for the financial year, if any: NIL
 (e) Total CSR obligation for the financial year [5(b)+5(c)-5(d)]: NIL
6. (a) CSR amount spent on CSR projects (both ongoing project and other than ongoing project): NIL
 (b) Amount spent in administrative overheads: NIL
 (c) Amount spent on Impact Assessment, if applicable: Not applicable
 (d) Total amount spent for the Financial Year [6(a)+6(b)+6(c)]: NIL
 (e) CSR amount spent or unspent for the Financial Year: NIL
 (f) Excess amount for set off, if any: Not applicable
7. Details of Unspent CSR amount for the preceding three financial years: Not applicable
8. Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year: No
9. 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
 DIN:00029062

Date: 27th July, 2023

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

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	11.95

The Company has not paid remuneration to any other director during the year 2022-23 except sitting fees to Independent directors.

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:

Remuneration in FY 2022-23 is not comparable to remuneration in FY 2021-22 for CEO and CS having been appointed during FY 2022-23. Remuneration of Mr. Rohit Ahuja, Executive Director was increased by 66.67%. There was no increase in the remuneration of any other Director or CFO during the year 2022-23. The Independent Directors were paid sitting fees at the rate of ₹ 25,000 per Committee Meeting and ₹ 50,000 per Board Meeting. The sitting fee per meeting was not increased during the year.

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. 2022-23 was 17%.

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

There were 123 permanent employees on the rolls of the Company as on 31st March 2023.

5. Average percentile increase already made in the salaries of employees other than the managerial personnel (i.e. Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary) 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 was 8.78%. Average percentile increase in the salary of Managerial Staff was 16.67%. The increase in managerial remuneration was in line with the size of the Company and experience and knowledge of the Executive Director and the responsibilities shouldered and is commensurate with the remuneration package paid to managerial positions in other companies.

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 2022-23, 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 (01.04.2022 - 31.03.2023) (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 31.03.2023)	Last employment held before joining the Company
1.	Rohit Ahuja*	Executive Director	1,30,11,367	Permanent	Bachelor of Science in Accounting and Finance, USA	14.12.2015	47 years	Self-Occupied Business
2.	Chandrachur Ghosh**	Chief Executive Officer	77,40,126	Permanent	PGDBM (Marketing) & B. E. Mechanical	23.02.2022	57 Years	Door Sabha Nigam Ltd.
3.	Prashant Hansraj	Chief Operating Officer	73,27,666	Permanent	MCA & BCA	23.01.2017	43 Years	Loyalty Solutions & Research Pvt Ltd.
4.	Vinit Kishore	Chief Financial Officer	54,90,294	Permanent	CA & Bachelor of Science	06.01.2021	47 Years	Wipro Ltd
5.	R.P. Goyal	Vice President - Taxation	46,01,579	Permanent	CA, B.Com	01.12.2017	64 Years	Avon Mercantile Ltd
6.	Narinder Verma	Deputy General Manager	35,91,356	Permanent	MCA & B. Sc.	24.04.2008	42 Years	Quark Media House (India) Pvt Ltd.
7.	Mahesh Kumar Akula#	Sr. General Manager	35,90,679	Permanent	M.Sc IT & B. E. Electrical and Electronics Engineering	29.08.2011	42 Years	Hungama Digital Media Entertainment Pvt Ltd
8.	Pradeep Kumar Dubey**#	Associate Vice President	35,56,328	Permanent	BE Electrical and Electronics	25.10.2010	50 Years	i2i Telesource Pvt Ltd
9.	Pawan Kumar#	Senior General Manager	34,71,552	Permanent	B. Tech in Computer Science & Engg.	09.06.2008	41 Years	Bharti Telesoft Ltd
10.	Ruchi Mehta	Company Secretary	33,78,321	Permanent	Company Secretary & LLB	01.04.2007	42 Years	Deki Electronics Ltd

* Includes amount paid during the year towards leave accumulation of period prior to appointment as Executive Director.

** 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 ESOP's exercised during the financial year under review.

Mr. Rohit Ahuja is an Executive Director on the Board of the Company. None of the other employees listed above is a relative of any director of the Company.

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 Company having been engaged in service industry during the financial year, the operations of the Company involved low energy consumption. Adequate measures have, however, been taken to conserve energy.
- (ii) **The steps taken by the Company for utilising alternate sources of energy:** Nil
- (iii) **The capital investment on energy conservation equipment:** Nil

(B) Technology Absorption

- (i) **The effort made towards technology absorption:** Suitable measures were taken commensurate to the operations of the Company, to keep relevant teams well acquainted with the latest technology in the field.
- (ii) **The benefits derived like product improvement, cost reduction, product development or import substitution:** The Company was able to achieve product improvements and maintain 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 | : N.A. |
| (e) the expenditure incurred on Research and Development | : N.A. |

(C) Foreign exchange earnings and outgo during the year

- (i) **Foreign Exchange earned in terms of actual inflows :** ₹ 97.57 Lakhs
- (ii) **Foreign Exchange outgo in terms of actual outflows:** ₹ 8.64 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 31st March, 2023, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity, the Statement of Cash Flows 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 31st March, 2023, 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 31st March, 2023. 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	Auditor's Response
1.	<p>Revenue Recognition</p> <p>For the financial year ended 31st March, 2023, the Company has recorded revenue of ₹ 5497.18 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 recognised over a period. Revenue recognition is susceptible to the higher risk that the revenue is recognised when performance obligation has not been completed. This was an area of focus for our audit and the area where significant audit effort was directed.</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> - 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. <p>We found the Company's revenue recognition to be consistent with its accounting policy. We are satisfied that the Company's revenue has been appropriately recognised and disclosure in the relevant accounting period.</p>

S. N.	Key Audit Matter	Auditor's Response
2	<p>Current Taxes and Deferred Taxes</p> <p>The Company has carried current tax assets of ₹ 2,465.87 Lakhs and deferred tax assets of ₹ 1,343.22 Lakhs as at 31st March, 2023. The accounting policies for current tax 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. 31, 34C 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 laws in India. This gives rise to complexity and uncertainty in respect of the calculation of income taxes, deferred tax positions. Due to significance to the 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 utilisation in future. We found that tax provision and deferred tax assets are appropriately recognised 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(P) 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 ₹ 1,915.39 Lakhs as at 31st March, 2023. 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 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. 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 31st March, 2023 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 changes in equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, 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 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34C to the financial statements;
 - ii. The Company did not have any 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 Company;
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 47 to the standalone financial statements, 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.

- (b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 47 to the standalone financial statements, 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
- (c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- (h) The Company has paid/provided for remuneration to its directors in compliance with the relevant provisions of Section 197 of the Act;
- (i) The Company has not declared/paid any dividend during the year, therefore reporting regarding compliance of Section 123 of the Companies Act, 2013 is not applicable; and
- (j) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable for the Company with effect from 1st April, 2023, and accordingly reporting under Rule 11(g) of the Companies (Audit and Auditors) Rule, 2014 is not applicable for the financial year ended 31st March, 2023.

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

Bimal Kumar Sipani
Partner
Membership No.088926
UDIN: 23088926BGXBAQ4361

Place: Noida (Delhi-NCR)
Date: 19th May, 2023

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 31st March, 2023 (Referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements)

- (i) 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, property, plant and equipment are not physically verified during the current year.
- 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 Leasehold Land having gross carrying value of ₹ 397.79 Lakhs and Building having gross carrying value of ₹ 800.81 Lakhs and as on 31st March, 2023 acquired in the financial year 2018-19 pursuant the Scheme of Arrangement is not held in the name of the Company and title deeds continue in the name of Spice Digital Limited (now known as Spice Money Limited) (refer Note No. 5B 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, 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 proceedings have been initiated or is pending against the Company during the year for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Therefore, provisions of clause 3(i)(e) of the Order are not applicable to the Company.
- (ii) a) The Company has no inventory as at 31st March, 2023. Therefore, provisions of clause 3(ii) of the Order are not applicable to the Company.
- b) The Company has been sanctioned working capital limit in excess of ₹ 5 Crores from a bank on the basis of pledge of deposits with bank. There is no requirement for filing of any quarterly returns/statements by the Company with the bank. Therefore, provisions of clause 3(ii)(b) of the Order are not applicable to the Company.
- (iii) a) Based on the books of account examined by us and according to information and explanation given to us, the Company has not granted loans or provided advances in the nature of loans, or stood guarantee, or provided security during the year.
- 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 ₹ 6,084.46 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 out of which ₹ 5,345.14 Lakhs has been written off during the current year.
- 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	1,039.32
Aggregated interest on above	-
Loan/ Advance in nature of loan to Others	-
Aggregated interest on above	-
Total	1,039.32
Less: Provision for bad and doubtful balances	1,039.32
Net Carrying Value	-

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 loan given falling 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.

- e) 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	All other parties	Promoters	Related Parties
Aggregate amount of loan/advances in nature of loans			
- Repayable on demand (A)	-	-	1,039.32
- Agreement does not specify any terms or period of payment (B)	-	-	-
Total (A+B)	-	-	1,039.32
Percentage of loans/advances in nature of loans to the total loans/advances in nature of loans	-	-	100%

- (iv) According to information and explanations given by the management and based on audit procedure performed by us, there is no loan granted or guarantee or security provided under Section 185 of the Companies Act, 2013. The Company has made investment during the year which is in compliance with Section 186 of the Companies Act, 2013, and no loan granted, guarantee given or security provided under Section 186 of the Companies Act, 2013 during the year.
- (v) The Company has not accepted any deposit or amount 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) The maintenance of cost records prescribed under the Section 148 (1) of the Act read with Companies (Cost Records and Audit) Rules, 2014 was not applicable on the Company. Therefore, provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) a) According to the records of the Company examined by us, the Company is generally 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, with the appropriate authorities. There were no undisputed outstanding statutory dues as at the year end 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 the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) on account of any dispute remain unpaid.
- (viii) According to the information and explanations given to us and the records of the Company examined by 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 in payment of interest thereon to any lender during the year. Therefore, the provisions 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 willful 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 loan was 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 and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates. The Company has no 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 or associates. The Company has no joint ventures. 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) or term loan. Therefore, provisions of clause 3(x)(a) 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) According to the information and explanation given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanation given to us, no whistle blower complaints were received by the Company during the year. Therefore, the provisions of clause 3(xi)(b) of the Order are not applicable to the Company.
- (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) Based on information and explanations given to us and our audit procedure, 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 the internal audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given by the management, 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 Act. 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) 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, the Group has not more than one CIC.
- (xvii) The Company has incurred cash loss of ₹ 353.26 Lakhs during the financial year covered by our audit but has not incurred any cash loss during the 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 realisation 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

Place: Noida (Delhi-NCR) Membership No.088926
Date: 19th May,2023 UDIN: 23088926BGXBAQ4361

Annexure B to Independent Auditor's Report of even date to the members of DiGiSPICE Technologies Limited on the Standalone Financial Statements as of and for the year ended on 31st March, 2023 (refer to in paragraph 2(f) of our report on other legal and regulatory requirements)

We have audited the internal financial controls with reference to standalone financial statements of DiGiSPICE Technologies Limited ("the Company") as of 31st March, 2023 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 an 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 standalone 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 with reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisation of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of Internal Financial Controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone 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 31st March, 2023 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

Place: Noida (Delhi-NCR) Membership No.088926
Date: 19th May,2023 UDIN: 23088926BGXBAQ4361

Standalone Balance Sheet

As at 31st March, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	Notes	As at 31 st March, 2023	As at 31 st March, 2022
Assets			
Non-current assets			
Property, plant and equipment	3	341.13	518.28
Right-of-Use Assets	3A	110.01	114.27
Investment property	4	1,292.56	1,380.68
Other intangible assets	5	375.59	490.13
Intangible assets under development	5	-	11.85
Financial assets			
(i) Investments	6	11,611.85	11,580.55
(ii) Loans	7	0.66	1.08
(iii) Other financial assets	8	2,328.01	1,904.19
Deferred tax assets (Net)	14	1,343.22	1,643.22
Non current tax assets (Net)	12	2,465.87	2,716.47
Other Non current assets	13	-	0.41
Total non-current assets		19,868.90	20,361.13
Current assets			
Financial assets			
(i) Investments	6	-	-
(ii) Trade receivables	9	1,915.39	3,027.72
(iii) Cash and cash equivalents	10	413.00	1,323.17
(iv) Bank balance other than (iii) above	11	2,690.17	2,015.77
(v) Loans	7	0.96	1.62
(vi) Other financial assets	8	382.65	244.43
Other current assets	13	56.51	67.99
Total current assets		5,458.68	6,680.70
Total assets		25,327.58	27,041.83
Equity and liabilities			
Equity			
Equity share capital	15	6,164.20	6,146.00
Other equity	15A	14,709.62	15,741.46
Total equity		20,873.82	21,887.46
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16	-	-
(ii) Other financial liabilities	18	-	13.13
Provisions	19	243.57	297.65
Other Non Current liabilities	20	-	-
Total non-current liabilities		243.57	310.78
Current liabilities			
Financial liabilities			
(i) Borrowings	16	1,216.08	-
(ii) Trade payables	17	-	-
(A) total outstanding dues of micro enterprises and small enterprises; and		3.72	2.79
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		2,632.26	4,305.71
(iii) Other financial liabilities	18	68.04	349.56
Other Current liabilities	20	250.99	154.29
Provisions	19	39.10	31.24
Total current liabilities		4,210.19	4,843.59
Total equity and liabilities		25,327.58	27,041.83
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: 19th May, 2023

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, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	Notes	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Income			
I. Revenue from operations	21	5,497.18	11,252.30
II. Other income	22	970.02	807.72
III. Total Income (I+II)		6,467.20	12,060.02
IV. Expenses			
Cost of goods and services procured	23	144.93	121.41
Cost of services procured	24	2,984.43	8,683.81
Employee benefits expense	25	2,098.72	1,812.38
Finance costs	26	58.32	94.01
Depreciation and amortisation expense	27	402.75	257.00
Other expenses	28	1,575.99	1,407.79
Total expenses (IV)		7,265.14	12,376.40
V. Profit/(loss) before exceptional items and tax (III-IV)		(797.94)	(316.38)
VI. Exceptional items		-	-
VII. Profit/(loss) before tax (V+VI)		(797.94)	(316.38)
VIII. Tax expense:			
(1) Current tax	31	-	10.25
- for current year		-	10.25
- for earlier year		-	58.39
(2) Deferred tax credit		300.00	-
Total Income tax expense (VIII)		300.00	68.64
IX. Profit/(loss) for the year (VII-VIII)		(1,097.94)	(385.02)
X. Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) of defined benefit plan	30	(32.38)	27.73
Other comprehensive income for the year (X)		(32.38)	27.73
XI. Total comprehensive income for the year (IX+X) Comprising Profit/(Loss) and Other Comprehensive income for the year		(1,130.32)	(357.29)
XII. Earnings per share (nominal value of share ₹ 3)			
Basic and Diluted (in ₹)	32	(0.47)	(0.17)
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: 19th May, 2023

Vinit Kishore
Chief Financial Officer

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

Standalone Statement of Cash flows

For the year ended 31st March, 2023
(₹ in Lakhs unless otherwise stated)

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Cash Flows from / (used in) Operating Activities		
Profit/(loss) before tax	(797.94)	(316.38)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	402.75	257.00
Net gain on sale of property, plant and equipment	(1.06)	39.28
Employee ESOP Compensation	40.70	(27.36)
Interest income	(243.60)	(466.53)
Dividend from a subsidiary Company	(165.00)	-
Unclaimed balances written back (net)	(75.13)	(153.86)
Net Rental (Income)/Expense on investment properties	(94.82)	(187.32)
Finance Costs	58.32	94.01
Irrecoverable balances written off	5,353.38	-
Provision for doubtful rent and other receivables	(5,336.85)	40.94
Bad debts written off	199.30	400.31
Reversal of provision for expected credit loss	(111.83)	(195.56)
Operating profit/(loss) before working capital changes	(771.78)	(515.47)
Movements in working capital:		
(Increase)/Decrease in trade receivables	962.79	881.43
(Increase)/Decrease in other receivables	(511.26)	260.96
Increase/(Decrease) in trade payables	(1,597.39)	541.88
Increase/(Decrease) in other payable	(199.73)	(32.22)
Increase/(Decrease) in provisions	(13.88)	(76.44)
Cash from / (used in) operations	(2,131.25)	1,060.14
Direct taxes received/(paid) (net of refunds)	250.60	2,147.17
Net cash (used in) operating activities	(A) (1,880.65)	3,207.31
Cash Flows from / (used in) Investing Activities		
Purchase of property, plant and equipment (including capital work in progress and capital advances)	(18.69)	(76.30)
Purchase of intangible assets (Including intangible assets under development)	-	(243.20)
Proceeds from disposal of property, plant and equipment	1.06	2.20
Investment in a subsidiary	(31.30)	(1,320.93)
Loan repaid by a body corporate	-	142.65
Dividend Received	165.00	-
Rental Income/(Expense) on investment property	94.82	187.32
Interest received	189.27	305.32
(Increased)/Decreased in fixed deposits	(670.75)	(896.94)
Net cash from investing activities	(B) (270.59)	(1,899.88)
Cash Flow from / (used in) Financing Activities		
Proceeds/(repayment) from current borrowings (net)	-	(1,064.73)
Proceeds from share capital issued	18.20	76.15
Securities premium received on share capital issued	62.23	260.17
Interest paid	(58.32)	(94.01)
Share Application Money received	2.88	7.34
Net cash from financing activities	(C) 24.99	(815.08)

Standalone Statement of Cash flows

For the year ended 31st March, 2023
(₹ in Lakhs unless otherwise stated)

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	(2,126.25)	492.35
Cash and cash equivalents at the beginning of the year	1,323.17	830.82
Cash and cash equivalents at the end of the year	(803.08)	1,323.17
Components of cash and cash equivalents:		
Cash on hand	0.94	1.53
With banks		
- on current accounts	268.06	1,321.64
- deposits with original maturity of less than three months	144.00	-
Limit from a bank (repayable on demand) (Bank Overdraft)	(1,216.08)	-
Total cash and cash equivalents	(803.08)	1,323.17

Notes:

a) Movement in liabilities under financing activities required under Ind AS – 7 “Statement of Cash Flows”:

Particulars	Current borrowings	Interest expense under financing activities
As at 1st April, 2021	1,064.73	-
Cash flows movement:		
Proceeds/(Repayment) of liabilities	(1,064.73)	-
Interest Paid	-	(94.01)
Non-cash flows movement:		
Accrued Interest expenses	-	94.01
As at 31st March, 2022	-	-
Cash flows movement:		
Proceeds/(Repayment) of liabilities	-	-
Interest Paid	-	(58.32)
Non-cash flows movement:		
Accrued Interest expenses	-	58.32
As at 31st March, 2023	-	-

b) The above Statement of Cash Flows 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: 19th May, 2023

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, 2023
(₹ in Lakhs unless otherwise stated)

A : Equity Share Capital & Reconciliation of number of shares outstanding at the beginning and end of the year (Refer Note No. 15):

Issued, subscribed and fully paid shares	Number of shares	Amount
Balance as at 1st April, 2021*	20,23,28,536	6,069.85
Changes in equity share capital due to prior period errors	-	-
Restated balance as At 1st April, 2021	20,23,28,536	6,069.85
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
Change in equity share capital during the year		
Add: Shares issued under ESOP 2018 Scheme	6,06,800	18.20
Balance as at 31st March, 2023*	20,54,73,563	6,164.20

* Equity shares are net off 26,067,843 equity shares as on 31st March, 2023 (26,067,843 Equity shares are net off 26,067,843 equity shares as on 31st March, 2022 and 26,067,843 equity share as on 31st March, 2021) held by Employee benefit Trust and Independent Non Promoter Trust. (refer Note No. 42).

B : Other equity

Particulars	Trust Shares (Refer note 42)	Reserves and Surplus						Share Application Money (Pending allotment) (vii)	Total
		Capital reserve (i)	Share Based Payment Reserve (ii)	Capital Redemption Reserve (iii)	General Reserve (iv)	Security Premium(v)	Retained Earnings (vi)		
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	474.61	306.66	6,101.11	514.43	7,746.78	7.33	15,741.46
Profit/(Loss) for the year	-	-	-	-	-	-	(1,097.94)	-	(1,097.94)
Other comprehensive income (net of tax)	-	-	-	-	-	-	(32.38)	-	(32.38)
Total Comprehensive Income for the year	-	-	-	-	-	-	(1,130.32)	-	(1,130.32)
Transfer on issue of shares under ESOP Scheme 2018 (refer Note No.38)	-	-	(40.84)	-	-	40.84	-	-	-
Shares issued under ESOP 2018 Scheme (refer Note No.38)	-	-	-	-	-	62.23	-	(7.33)	54.90
Share based payment to employees of the Group	-	-	40.70	-	-	-	-	-	40.70
Shares application money received during the year	-	-	-	-	-	-	-	2.88	2.88
As at 31st March, 2023	161.19	429.35	474.47	306.66	6,101.11	617.50	6,616.46	2.88	14,709.62

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

**There are no changes in other equity due to prior period errors.

Standalone Statement of Changes in Equity

For the year ended 31st March, 2023
(₹ in Lakhs unless otherwise stated)

Notes:

- Capital reserve represent reserve created pursuant to Scheme of Arrangement effected in earlier years and can be utilised 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 "DTL - 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 utilised in accordance with the provisions of the Companies Act, 2013.
- General reserve represents free reserve amount appropriated out of retained earnings.
- Security Premium Reserve represents the premium on issue of shares and can be utilised 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 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: 19th May, 2023

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, 2023
(₹ in Lakhs unless otherwise stated)

1. Corporate information

The Standalone financial statements comprise financial statements of Digispice Technologies Limited ("the Company") for the year ended 31st March, 2023.

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 .

2. Summary of Significant accounting policies

2.1 Status of Compliance:-

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standard) Rules, 2015 as amended time to time.

Accounting Policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

The Board of Directors approved the financial statements for the year ended 31st March, 2023 and authorised for issue on 19th May, 2023. However, the shareholders of the Company have the power to amend the Financial Statements after the issue.

2.2 Basis of preparation

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

- Defined benefit plans and other long-term employee benefits are measured at fair value at each reporting date.
- Share based payments are initially measured at fair value.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market

participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 – Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36 – Impairment of Assets.

2.3 Functional and Presentation Currency

These financial statements are presented in Indian National Rupee ('₹'), which is the Company's functional currency. All amounts have been rounded to the nearest Lakhs (₹ 00,000), except when otherwise indicated.

2.4 Summary of significant accounting policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

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 classified as 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 recorded by the Company at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. At the reporting date, monetary assets and liabilities denominated in foreign currency are restated at the prevailing exchange rates.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit & Loss with the exception of the following:

- Exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

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

C. Fair value measurement

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing on initial recognition and at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices /net asset value (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices (unadjusted) included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

D. Revenue recognition

The Company recognises revenue at transaction price when it satisfies a performance obligation in accordance with the provisions of contract with the customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. This is achieved when;

- effective control of products along with significant risks and rewards of ownership has been transferred to customer;
- 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.

Sale of software/hardware (customised bundled solution) and software services

Sale is recognised at transaction price based on milestone achieved by the Company on development of software and invoice for that milestone raised on the customers.

The Company derives revenues 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 recognised 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 recognised as unbilled revenues. Revenue from fixed-price, fixed-time frame contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognised 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 recognised rateably over the term of the underlying maintenance arrangement.

Income from services

Revenue from value added services and Enterprises SMS are recognised at transaction price as per arrangement with the customers at the end of each month/period in which the services are rendered.

Notes forming part of Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

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 proportionate 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 of the investee approve the dividend.

Rental income

Rental income arising from operating leases on investment properties 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. In case of foreign taxes paid are not available for set off against the Indian income tax liability, same are being charged to Statement of Profit or Loss.

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 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 recognised 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 recognised 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)

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2015 measured as per the

previous Generally Accepted Accounting Principles (GAAP). Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Borrowing costs incurred during the period of construction is capitalised as part of cost of qualifying asset.

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is derecognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the statement of profit and loss.

Depreciation on all assets commences from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period or estimated useful life whichever is less. Property, plant and equipment are depreciated using the Straight Line Method over estimated useful lives of assets and residual values are regularly reviewed and, when necessary, are revised.

Particulars	Useful Life(estimated by management)
-Building	25 years
-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.

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 acquired, subsequent to transaction date, 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/ready for intended use. 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 registered 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.

Notes forming part of Financial Statements

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(₹ in Lakhs unless otherwise stated)

H. Intangible assets

Intangible assets are stated at cost of acquisition or construction less accumulated amortisation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of intangible assets recognised as at 1st April, 2015 measured as per the previous Generally Accepted Accounting Principles (GAAP). Intangible assets purchased are measured at cost as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

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 capitalised include material cost, employee benefits and other overhead cost that are directly attributable to preparing the asset for its intended use.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. In case of computer software, the Company has estimated useful life of five years or less.

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

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

J. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Ancillary costs incurred in connection with the arrangement of borrowings are adjusted with the proceeds of the borrowings.

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

The Company recognises a right-of-use asset and a lease liability at the commencement date, except for short-term leases of twelve months or less and leases for which the underlying asset is of low value, which are expensed in the statement of operations on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if not readily determinable, the incremental borrowing rate specific to the Company, term and currency of the contract. Lease payments can include fixed payments, variable payments that depend on an index or rate known at the commencement date, as well as any extension or purchase options, if the Company is reasonably certain to exercise these

options. The lease liability is subsequently measured at amortised cost using the effective interest method and remeasured with a corresponding adjustment to the related right-of-use asset when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessments of options.

The right-of-use asset comprises, at inception, the initial lease liability, any initial direct costs and, when applicable, the obligations to refurbish the asset, less any incentives granted by the lessors. The right-of-use asset is subsequently depreciated, on a straight-line basis, over the lease term, if the lease transfers the ownership of the underlying asset to the Company at the end of the lease term or, if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, over the estimated useful life of the underlying asset. Other are also subject to testing for impairment if there is an indicator for impairment. Variable lease payments not included in the measurement of the lease liabilities are expensed to the Statement of Profit & Loss in the period in which the events or conditions which trigger those payments occur.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rentals are recognised as revenue in the period in which they are earned.

L. 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.

M. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated

reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Contingent liability is disclosed for:

- ♦ Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- ♦ Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

N. Employee benefits

Short-term benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the service rendered by employees are recognised during the period when the employee renders the services.

Defined contribution plans

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 recognises contribution payable to the provident fund scheme and State Plans namely Employees' State Insurance Fund, as an expense, when an employee renders the related service.

Company's contribution to Provident Fund is made in accordance with the Statute, and are recognised as an expense when employees have rendered services entitling them to the contribution.

Notes forming part of Financial Statements

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(₹ in Lakhs unless otherwise stated)

Defined benefits plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. Gratuity is a defined benefit obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method by actuarial valuer at each reporting date. In respect of post-retirement benefit re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, 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. Re-measurements are not reclassified to statement of profit or loss in subsequent periods.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

Other long-term benefits

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Actuarial gains/ losses on the compensated absences are immediately taken to the statement of profit and loss and are not deferred.

O. 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 38.

P. 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

Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 115 for pricing adjustments embedded in the contract.

All other 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 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 amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised 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 recognised 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 recognised 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 recognised 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

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company considers:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires

measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12 month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

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.

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 amortised cost using the EIR method. Gains and losses are recognised

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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.

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 instruments

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.

Q. Trust Shares as per Scheme of Amalgamation

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.

R. Cash and cash equivalents

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

For the purposes of the Statement of Cash Flows, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

S. Business Combinations

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.

T. Earnings per share

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders 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 by the weighted average number of equity shares outstanding during the year (adjusted for the effects of dilutive options).

U. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April, 2023, as below:

Ind AS 1 – Material accounting policies - The amendments mainly related to shifting of disclosure of erstwhile "significant accounting policies" in the notes to the financial statements to material accounting policy information requiring companies to reframe their accounting policies to make them more "entity specific". This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS). The Company does not expect this amendment to have any significant impact on its financial statement.

Ind AS 8 – Definition of accounting estimates - The amendments specify definition of 'change in accounting estimate' replaced with the definition of 'accounting estimates'. The Company does not expect this amendment to have any significant impact on its financial statement.

Ind AS 12 – Income taxes – Annual Improvements to Ind AS (2021) - The amendment clarifies that in cases of transactions where equal amounts of assets and liabilities are recognised on initial recognition, the initial recognition exemption does not apply. Also, if a Company has not yet recognised deferred tax asset and deferred tax liability on right-of-use assets and lease liabilities or has recognised deferred tax asset or deferred tax liability on net basis, that Company shall have to recognise deferred tax assets and deferred tax liabilities on gross basis based on the carrying amount of right-of-use assets and lease liabilities existing at the beginning of 1st April, 2022. The Company does not expect this amendment to have any significant impact on its financial statement.

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As at and for the year ended 31st March, 2023
(₹ in Lakhs unless otherwise stated)

3 Property, plant and equipment

Particulars	Building(a)	Leasehold Improvement	Plant and Machinery	Office Equipment's	Furniture and Fittings	Computers	Vehicles	Total
Gross carrying amount								
As at 31st March, 2021	211.71	38.26	-	123.16	42.02	1,463.62	159.62	2,038.39
Additions during the year	-	-	-	-	-	75.49	0.82	76.31
Disposals	-	-	-	(78.96)	(39.89)	(123.81)	(6.28)	(248.94)
At 31st March, 2022	211.71	38.26	-	44.20	2.13	1,415.30	154.16	1,865.76
Additions during the year	-	-	-	-	-	18.69	-	18.69
Disposals	-	-	-	-	-	(16.76)	-	(16.76)
At 31st March, 2023	211.71	38.26	-	44.20	2.13	1,417.23	154.16	1,867.69
Accumulated depreciation								
As at 31st March, 2021	50.70	25.50	(0.01)	96.52	26.21	1,143.63	102.23	1,444.78
Depreciation for the year	8.49	8.30	-	6.33	2.25	70.39	12.19	107.95
Disposals	-	-	-	(62.14)	(26.64)	(112.38)	(6.28)	(207.44)
Adjustment	(0.02)	(1.56)	0.01	(6.20)	-	9.06	0.90	2.19
At 31st March, 2022	59.17	32.24	-	34.51	1.82	1,110.70	109.04	1,347.48
Depreciation for the year	8.49	0.66	-	3.02	0.07	172.69	10.92	195.84
Disposals	-	-	-	-	-	(16.76)	-	(16.76)
Adjustment	-	-	-	-	-	-	(-)	-
At 31st March, 2023	67.66	32.90	-	37.53	1.89	1,266.63	119.96	1,526.56
Net carrying amount								
At 31st March, 2022	152.54	6.02	-	9.69	0.31	304.60	45.12	518.28
At 31st March, 2023	144.05	5.36	-	6.67	0.24	150.60	34.20	341.13

Notes:

- The Building has been acquired in pursuance to Scheme of Arrangement, in earlier years, which became applicable from appointment date 1st April, 2017, is pending for transfer in the name of the Company.
- There was no time overrun and/or cost overrun for the projects as at 31st March, 2023 and 31st March, 2022.

3A. Right-of-Use Assets

Particulars	Lease hold Land
Gross carrying amount	
As at 1st April, 2021	133.16
Addition for the year	-
Discard/Transfer	-
As at 31st March, 2022	133.16
Addition for the year	-
Discard/Transfer	-
As at 31st March, 2023	133.16
Accumulated amortisation	
As at 1st April, 2021	14.63
Amortisation for the year	4.26
As at 31st March, 2022	18.89
Amortisation for the year	4.26
As at 31st March, 2023	23.15
Net carrying amount	
As at 31st March, 2022	114.27
As at 31st March, 2023	110.01

The leasehold land situated at Dehradun has been acquired in pursuance to Scheme of Arrangement, in earlier years, which became applicable from appointment date 1st April, 2017, is pending for transfer in the name of the Company.

4 Investment Property

Particulars	Free hold land	Lease hold land	Building	Office Equipment's	Furniture and Fittings	Total
Gross carrying amount						
As at 31st March, 2021	8.00	264.63	1,733.05	79.35	12.16	2,097.19
Additions during the year	-	-	-	-	-	-
Discard/Transfer	-	-	-	-	-	-
At 31st March, 2022	8.00	264.63	1,733.05	79.35	12.16	2,097.19
Additions during the year	-	-	-	-	-	-
Discard/Transfer	-	-	-	-	-	-
At 31st March, 2023	8.00	264.63	1,733.05	79.35	12.16	2,097.19
Accumulated depreciation/amortisation						
As at 31st March, 2021	-	144.03	386.61	79.35	10.19	620.18
Depreciation/Amortisation for the year	-	23.11	71.59	-	1.55	96.25
Adjustment	-	-	0.10	-	-	0.10
At 31st March, 2022	-	167.14	458.30	79.35	11.74	716.53
Depreciation/Amortisation for the year	-	22.43	65.26	-	0.42	88.11
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
At 31st March, 2023	-	189.57	523.56	79.35	12.16	804.64
Net carrying amount						
At 31st March, 2022	8.00	97.49	1,274.74	-	0.42	1,380.67
At 31st March, 2023	8.00	75.06	1,209.48	-	-	1,292.56

Notes:

a. Information regarding income and expenditure of investment properties

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Rental income derived from investment properties	94.82	178.43
Less: Direct operating expenses (including repairs and maintenance) generating rental income	25.24	19.92
Less: Direct operating expenses (including repairs and maintenance) that did not generate rental income	13.99	13.94
Profit arising from investment properties before depreciation and indirect expenses	55.59	144.57
Less - Depreciation	88.11	96.25
Profit/(loss) arising from investment properties before indirect expenses	(32.52)	48.32

- The Company's investment properties as on 31st March, 2023 and 31st March, 2022 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.
- The Company has no restrictions on the realisability of its investment properties and no contractual obligation to purchase, construct or develop investment properties.
- Measurement of fair value

The fair value of investment properties situated at Mumbai and Kolkata has been determined in May, 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 30th March, 2019 by external independent registered valuer, in the opinion of management, there is no material change in the fair value of investment properties 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

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Fair Value of Investment Properties	4,413.00	4,413.00

Notes forming part of Financial Statements

As at and for the year ended 31st March, 2023
(₹ in Lakhs unless otherwise stated)

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
- Mumbai (Jogeshwari)	Market Approach	Reference Pricing
- Rampur Land	Market Approach	Reference Pricing
- Rampur Building	Depreciated Replacement Cost	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.

5 Other Intangible assets

Particulars	Intellectual Property Rights	Computer Software	Total	Intangible asset under development
Gross carrying amount				
As at 1st April, 2021	714.26	768.49	1,482.75	164.96
Additions during the year	396.30	-	396.30	243.19
Disposals	-	-	-	-
Adjustments	-	-	-	-
Capitalised during the year	-	-	-	(396.30)
At 31st March, 2022	1,110.56	768.49	1,879.05	11.85
Additions during the year	-	-	-	-
Capitalised during the year	-	-	-	-
Adjustments	-	-	-	(11.85)
At 31st March, 2023	1,110.56	768.49	1,879.05	-
Accumulated amortisation				
As at 1st April, 2021	586.75	756.53	1,343.28	-
Amortisation for the year	40.71	7.82	48.54	-
Disposals	-	-	-	-
Adjustment	-	(2.89)	(2.89)	-
At 31st March, 2022	627.46	761.46	1,388.92	-
Amortisation for the year	110.26	4.28	114.54	-
Adjustment	-	-	-	-
At 31st March, 2023	737.72	765.74	1,503.46	-
Net carrying amount				
At 31st March, 2022	483.10	7.03	490.13	11.85
At 31st March, 2023	372.84	2.75	375.59	-

1. Intangible assets under development includes manpower and other cost incurred for various internally developed softwares.

5A Aging of intangible assets under development as on 31st March, 2023

Intangible assets under development	Intangible assets under development as on 31 st March, 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Aging of intangible assets under development as on 31st March, 2022

Intangible assets under development	Intangible assets under development as on 31 st March, 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	11.85	-	-	-	11.85
Projects temporarily suspended	-	-	-	-	-

Note: There were no temporarily suspended projects and/or no time overrun and/or cost overrun for the intangible assets under development as at 31st March, 2023 and 31st March, 2022.

5B Title deeds of following immovable properties not in the name of the Company as at 31st March, 2023 and 31st March, 2022.

Relevant line item in the Balance Sheet	Description of item if 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
Right-of-Use Assets	Leasehold Land	133.16	Spice Digital Limited (now known as "Spice Money Limited")	No	1/6/2019	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		No	1/6/2019	
Investment Property	Leasehold Land	264.63		No	1/6/2019	
Investment Property	Building	589.10		No	1/6/2019	

6 Investments

Particulars	Non current		Current	
	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Investment in equity instrument of subsidiaries (unquoted) (Carried at cost, unless otherwise stated)				
Spice Money Limited 43,451,475 (31 st March, 2022: 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, 2022: 10000) equity shares of ₹10 each fully paid up	1.00	1.00	-	-
Vikasni Fintech Private Ltd. 51000 (31 st March, 2022: 51000) equity shares of ₹10 each fully paid up	0.51	0.51	-	-
Hindustan Retail Private Limited 422,380,000 (31 st March, 2022: 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)	-	-
S Mobility (HK) Limited (Struck off w.e.f. 28th April, 2023) 10,000 (31 st March, 2022: 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 (formerly known as SGIC Pte. Ltd.) 15,735,600 (31 st March, 2022: 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, 2022: 97,312) equity shares of Taka 100 each fully paid up	30.33	30.33	-	-

Notes forming part of Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	Non current		Current	
	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Digispice Nepal Pvt Limited #	31.30	-	-	-
5,00,000 (31 st March, 2022: Nil) shares of NPR10				
Employee Stock Option Plan 2018 ('Plan') (Options granted to employees of subsidiaries) (refer note 38)	19.32	19.32	-	-
Compulsory Convertible Preference Share				
33,000,000 (31 st March, 2022: 33,000,000) 5% Compulsory Convertible Preference Shares of ₹ 10 each fully paid up of Spice Money Limited	3,300.00	3,300.00	-	-
Investment in associates (Unquoted) (Carried at cost, unless otherwise stated)				
Creative Functionapps Lab Pvt. Ltd	100.00	100.00	-	-
3,514 (31 st March, 2022 : 3,514) equity shares of ₹ 10 each				
Less: Provision for Impairment	(49.88)	(49.88)	-	-
Sunstone Learning Private Limited	814.88	814.88	-	-
95,058 (31 st March, 2022 : 95,058) equity shares of ₹ 1 each				
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	5.00	5.00	-	-
50,000 (31 st March, 2022 : 50,000) equity shares of ₹10 each fully paid up				
	11,611.85	11,580.55	-	-
Aggregated cost of unquoted investments	59,715.25	59,683.95		
Aggregate amount of impairment in value of investments	48,103.40	48,103.40		

In previous year, the Company was in the process of seeking necessary approvals to subscribe 5,00,000 equity shares having face value of NPR 10 each which is equivalent to NPR 50,00,000.

7 Loans - financial assets

Particulars	Non current		Current	
	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Unsecured Considered Good				
Loan to employees	0.66	1.08	0.96	1.62
	0.66	1.08	0.96	1.62
Unsecured Considered Credit Impaired				
Loan to bodies corporate#	300.00	300.00	739.32	5,684.47
Advances recoverable in cash or kind *	-	-	4.92	404.92
	300.00	300.00	744.24	6,089.39
Allowances for Loss				
Loan to bodies corporate#	300.00	300.00	739.32	5,684.47
Advances recoverable in cash or kind *	-	-	4.92	404.92
	300.00	300.00	744.24	6,089.39
	0.66	1.08	0.96	1.62

Includes loans given to related party ₹ 1,039.32 Lakhs (31st March, 2022: ₹ 1039.32 Lakhs), refer note 36

* including advances given to related party ₹ Nil (31st March, 2022: ₹ 400 Lakhs) refer note 36

8 Others- financial assets

Particulars	Non current		Current	
	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Considered good				
Receivable from related parties (refer note 36)				
Rent and other receivable	-	-	-	154.53
Dividend receivable from foreign subsidiary Company	-	-	56.30	64.77
Security deposits	47.23	47.16	1.30	1.30
Receivable from others				
Interest accrued on fixed deposits	-	-	77.05	22.73
Interest receivable on IT refund	-	-	247.99	-
Rent and other receivables	-	-	-	1.10
Fixed deposits with remaining maturity of more than 12 months (Refer note 11 for fixed deposit pledged with bank)	2,280.78	1,857.03	-	-
	2,328.01	1,904.19	382.65	244.43
Considered doubtful				
Government and trust securities (unquoted)				
5 (31 st March, 2022: 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	-	-	23.32	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)	-	-	216.64	208.34
Rent and other receivables - from others	-	-	22.58	22.58
	0.50	0.50	326.47	296.95
Allowances for doubtful				
National Saving Certificates	0.50	0.50	-	-
Security deposits	-	-	23.32	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)	-	-	216.64	208.34
Rent and other receivables - from others	-	-	22.58	22.58
	0.50	0.50	326.47	296.95
	2,328.01	1,904.19	382.65	244.43

9 Trade receivables

Particulars	Non current		Current	
	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Trade receivables from others	-	-	2,376.27	2,429.00
Trade Receivables from related parties (refer note 36)	-	-	4,689.87	4,923.67
Trade Receivables-Unbilled from others	-	-	375.70	1,165.37
Trade Receivables-Unbilled from related parties (refer note 36)	-	-	25.10	173.06
	-	-	7,466.94	8,691.10
Less: Provision for Expected Credit Losses	-	-	(5,551.55)	(5,663.38)
Total receivables	-	-	1,915.39	3,027.72

Notes forming part of Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	Non current		Current	
	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	1,514.59	1,689.29
Trade Receivables-credit impaired	-	-	5,551.55	5,663.38
Trade Receivables-Unbilled from related parties (refer note 36)	-	-	25.10	173.06
Trade Receivables-unbilled	-	-	375.70	1,165.37
	-	-	7,466.94	8,691.10
Less: Provision for Expected Credit Losses*	-	-	(5,551.55)	(5,663.38)
Total trade receivables	-	-	1,915.39	3,027.72

* Including ₹ 3,955.61 Lakhs (₹ 4,154.91 Lakhs as on 31st March, 2022) from related parties.

For Trade receivable ageing, refer Note No. 9A

For details of provision for expected credit losses, refer Note No. 40

9A:- Trade Receivable Ageing as on 31st March, 2023 (From Due Date)

Particulars	Unbilled	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	400.81	332.80	379.62	10.50	52.30	59.19	680.19	1,915.41
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	0.06	13.98	59.10	18.89	332.60	5,126.92	5,551.55
Grand Total	400.81	332.86	393.60	69.60	71.19	391.79	5,807.11	7,466.96

Trade Receivable Ageing as on 31st March, 2022 (From Due Date)

Particulars	Unbilled	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	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

10 Cash and cash equivalents

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Balance with banks :		
On current accounts	268.06	1,321.64
Cash on hand	0.94	1.53
Deposits with original maturity of less than three months	144.00	-
	413.00	1,323.17

11 Bank balances other than (10) above

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Unclaimed dividend accounts- Earmarked balances	3.64	3.65
Deposits with remaining maturity of less than 12 months	1,197.50	1,135.09
Deposit held as security against borrowings/bank guarantee (remaining maturity of less than 12 months)	1,489.04	877.03
Deposits with remaining maturity of more than 12 months	2,280.78	1,857.03
	4,970.95	3,872.80
Amount disclosed under other non current financial assets (refer note 8)	(2,280.78)	(1,857.03)
	2,690.17	2,015.77

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)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Advance income-tax (net of provision for taxation)	2,465.87	2,716.47
	2,465.87	2,716.47

13 Other assets

Particulars	Non current		Current	
	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Prepaid expenses	-	-	34.32	32.63
Prepaid rent	-	0.41	0.41	0.53
Balances with statutory / government authorities	-	-	21.78	34.76
Advance to suppliers/ service providers	-	-	-	0.06
	-	0.41	56.51	67.99

14. Deferred tax

Recognised deferred tax assets and liabilities

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

Particulars	Deferred tax assets		Deferred tax (liabilities)		Net deferred tax asset/(liabilities)	
	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Property, plant and equipment's and intangible assets: impact of difference between tax depreciation and depreciation/ amortisation recognised in books	-	-	(19.43)	(83.86)	(19.43)	(83.86)
Provisions for Impaired Credit	443.99	475.10	-	-	443.99	475.10
Provisions-employee benefits	78.64	91.30	-	-	78.64	91.30
Business Losses including Unabsorbed Depreciation	781.53	902.63	-	-	781.53	902.63
Other items	-	199.56	-	-	-	199.56
MAT credit entitlement	58.49	58.49	-	-	58.49	58.49
Net deferred tax assets/(liabilities)	1,362.65	1,727.08	(19.43)	(83.86)	1,343.22	1,643.22

Notes forming part of Financial Statements

As at and for the year ended 31st March, 2023
(₹ in Lakhs unless otherwise stated)

B. Movement in temporary differences

Particulars	As at 1 st April, 2021	Recognised in profit or loss during 2021-22	Recognised in OCI during 2021-22	As at 31 st March, 2022	Recognised in profit or loss during 2022-23	Recognised in OCI during 2022-23	As at 31 st March, 2023
	(A)	(B)	(C)	(D=A+B+C)	(E)	(F)	(G=D+E+F)
Property, plant and equipment's and intangible assets	(63.35)	(20.51)	-	(83.86)	64.43	-	(19.43)
Provisions for Impaired Credit	525.88	(50.78)	-	475.10	(31.11)	-	443.99
Provisions-employee benefits	120.29	(28.99)	-	91.30	(12.66)	-	78.64
Business Losses including Unabsorbed Depreciation	902.63	-	-	902.63	(121.10)	-	781.53
MAT credit entitlement	58.49	-	-	58.49	-	-	58.49
Other items	99.28	100.28	-	199.56	(199.56)	-	-
	1,643.22	-	-	1,643.22	(300.00)	-	1,343.22

Disclosed in the balance sheet as follows:

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Deferred tax assets	1,362.65	1,727.08
Deferred tax liabilities	19.43	83.86
Deferred tax assets (net)	1,343.22	1,643.22

Disclosed in the statement of profit and loss as follows:

Particulars	For the year ended on 31 st March, 2023	For the year ended on 31 st March, 2022
Tax income/(expense) during the year	(300.00)	-
Deferred tax impact OCI	-	-
Total	(300.00)	-

- 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	As at 31 st March, 2023	Expiry date	As at 31 st March, 2022	Expiry date
Deferred tax assets				
Long term capital losses	2,107.45	31 st March, 2024 to 31 st March, 2026	2,107.45	31 st March, 2023 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	1,925.27	31 st March, 2025 to 31 st March, 2031	605.51	31 st March, 2029 to 31 st March, 2030
Unabsorbed depreciation	1,066.32		711.58	
Provision for Loss Allowances-Loan and other receivables	1,371.20		6,391.49	
Provision for Loss Allowances	3,955.61		3,955.61	
Provision for Impairment of Investment	48,103.40		48,103.40	
Total	58,536.92		61,882.70	

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 utilise 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

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Authorised		
413,500,000 (31 st March, 2022: 413,500,000) equity shares of ₹ 3 each	12,405.00	12,405.00
Issued, subscribed and fully paid-up		
231,541,406 (31 st March, 2022: 230,934,606) equity shares of ₹ 3 each	6,946.24	6,928.04
Less: Equity shares held by Independent Non-Promoter (Spice Employee Benefit) Trust / Independent Non-Promoters Trust	782.04	782.04
(face value of 26,067,843 (31 st March, 2022 :26,067,843) shares transferred to the trust pursuant to the Scheme of Amalgamation) (refer note 42)		
	6,164.20	6,146.00

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

Particulars	Nos.	₹ Lakhs
Outstanding at the end of the year as at 1 st April, 2021#	22,83,96,379	6,851.89
Add: Shares issued under ESOP Scheme 2018 (refer note 38)	25,38,227	76.15
Outstanding at the end of the year as at 31 st March, 2022#	23,09,34,606	6,928.04
Add: Shares issued under ESOP Scheme 2018 (refer note 38)	6,06,800	18.20
Outstanding at the end of the year as at 31 st March, 2023#	23,15,41,406	6,946.24

(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:

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Spice Connect Private Limited		
169,447,570 (31 st March, 2022: 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 31 st March, 2023		As at 31 st March, 2022	
	Nos.	% holding	Nos.	% holding
Spice Connect Private Limited	16,94,47,570	73.18%	16,94,47,570	73.37%
Mediatek India Technology Private Limited	1,21,92,670	5.27%	1,24,74,701	5.40%
Independent Non Promoter Trust	1,59,12,776	6.87%	1,59,12,776	6.89%

(e) Paid up share capital includes 38,083 equity shares allotted on 14th June, 2019 pursuant to Scheme of Arrangement (refer note 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.

Notes forming part of Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

(f) Shareholdings of Promoters at the end of 31st March, 2023

Promoter name	As at 31 st March, 2023		As at 31 st March, 2022		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Spice Connect Private Limited	16,94,47,570	73.18%	16,94,47,570	73.37%	-
	16,94,47,570	73.18%	16,94,47,570	73.37%	-

Shareholdings of Promoters at the end of 31st March, 2022

Promoter name	As at 31 st March, 2022		As at 31 st 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%	-
	16,94,47,570	73.37%	16,94,47,570	74.19%	-

Note: During the current year and previous 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.

15A. Other equity

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Capital redemption reserve	306.66	306.66
General reserve	6,101.11	6,101.11
Security premium	617.50	514.43
Capital reserve	429.35	429.35
Retained earnings	6,616.46	7,746.78
Trust shares (refer note 42)	161.19	161.19
Share Based Payment Reserve	474.47	474.61
Share Application Money	2.88	7.33
	14,709.62	15,741.46
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	514.43	83.94
Add: Premium received on shares issued under ESOP Scheme	62.23	260.15
Add: Transfer of Share based reserve on issue of shares under ESOP Scheme	40.84	170.34
Closing Balance	617.50	514.43
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	7,746.78	8,119.32
Add: Profit/(loss) during the year	(1,097.94)	(385.02)
Add: Item of OCI for the year, net of tax	(32.38)	27.73
Add: ESOP issued to holding Company' employees (refer note 38)	-	(15.25)
Closing Balance	6,616.46	7,746.78

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
f) Trust shares (refer note 42)		
Opening balance	161.19	161.19
Add: Adjustments relating to sale of shares by Trust	-	-
Closing Balance	161.19	161.19
g) Share Based Payment Reserve		
Opening balance	474.61	659.60
Add: Share based payment expenses to employees of the Group	40.70	(14.65)
Less: Transfer of Share based reserve on issue of shares under ESOP Scheme	40.84	170.34
Closing Balance	474.47	474.61
h) Share Application Money		
Share Application money received under ESOP pending allotment	2.88	7.33
	2.88	7.33
Total other equity	14,709.62	15,741.46

16 Borrowings

Particulars	Non current		Current	
	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Secured				
Limit from banks (repayable on demand)	-	-	1,216.08	-
	-	-	1,216.08	-

In the current year, overdraft facilities from bank are secured by pledge of fixed deposit with banks. The facilities carried an average interest at 7.12% as at 31st March, 2023 (31st March, 2022: Nil).

17 Trade payables

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Trade payables		
- Due to Micro and Small Enterprises (refer Note No 44)	3.72	2.79
- Due to Other than Micro and Small Enterprises	2,438.85	4,149.26
Trade payable to related parties (refer note 36)	193.42	156.45
	2,635.98	4,308.50

17A - Trade payable Aging as on 31st March, 2023

Particulars	Outstanding for following periods from transaction date						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
1) MSME	-	3.72	-	-	-	-	3.72
2) Others	503.61	-	1,419.16	8.01	-	-	1,930.78
3) Disputed Dues - MSME	-	-	-	-	-	-	-
4) Disputed Dues - Others	701.48	-	-	-	-	-	701.48
Total	1,205.09	3.72	1,419.16	8.01	-	-	2,635.98

Trade payable Aging as on 31st March, 2022

Particulars	Outstanding for following periods from transaction date						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
1) MSME	-	-	2.79	-	-	-	2.79
2) Others	1,274.10	-	2,228.16	101.72	-	0.25	3,604.23
3) Disputed Dues - MSME	-	-	-	-	-	-	-
4) Disputed Dues - Others	701.48	-	-	-	-	-	701.48
Total	1,975.57	-	2,230.95	101.72	-	0.25	4,308.50

Notes forming part of Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

18 Other financial liabilities

Particulars	Non current		Current	
	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
At amortised cost				
Security deposits	-	13.13	16.46	35.47
Unpaid dividends	-	-	3.64	3.65
Employee related liabilities (includes salary payable and variable compensation)				
- to related parties (refer note 36)	-	-	-	25.14
- to other employees	-	-	47.94	285.30
	-	13.13	68.04	349.56

19 Provisions

Particulars	Non current		Current	
	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Provision for employee benefit				
Gratuity	217.77	258.95	36.68	6.94
Compensated absences	25.80	38.70	2.42	23.59
Provision for interest payable to MSME	-	-	-	0.71
	243.57	297.65	39.10	31.24

20 Other liabilities

Particulars	Non current		Current	
	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Employee statutory deductions	-	-	13.00	15.56
TDS payable	-	-	54.70	106.85
Deferred revenue	-	-	25.41	31.88
Indirect taxes and duties payable	-	-	157.89	-
	-	-	250.99	154.29

21 Revenue from operations

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Sale of hardware and software solution	545.92	249.32
Sales/rendering of services	4,951.26	11,002.98
	5,497.18	11,252.30

As per the terms of the contract with its customers, all performance obligations are completed at point of time since the Company has a right to receive consideration from its customers for all completed performance obligations. Accordingly, the Company has availed the practical expedient available under paragraph 121 of Ind AS 115 and dispensed with the additional disclosures with respect to performance obligations that remained unsatisfied (or partially unsatisfied) at the balance sheet date. Further, since the terms of the contracts directly identify the transaction price for each of the completed performance obligations, in all material respects, there are no elements of transaction price which have not been included in the revenue recognised in the Financial Statement. Also, there is no difference between the contract price and the revenue from contract with customers.

- For contract liabilities, refer Note No. 20.
- The above revenues have been recognised at point of time.
- Payment terms with customers generally ranges between 30 to 60 days from the completion of performance obligation. Considering the same, the Company elects to use practical expedient as given in IND AS 115 "Revenue from contracts with customers", hence there are no significant financing component in any transaction with the customers.
- Revenue from the sale of the products and services is mainly within India and are mainly earned directly.
- For contract assets and balances, refer Note No. 9.

22 Other income

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Interest on		
Income tax refund	241.36	317.63
Bank deposits	242.76	114.54
Loans	0.84	34.35
Rental Income	94.82	187.32
Dividend from a subsidiary Company	165.00	-
Net gain on sale of property, plant and equipment	1.06	-
Unclaimed balances written back (net)	75.13	153.86
Recovery of Bad debts earlier written off	62.07	-
Miscellaneous income	86.99	-
	970.02	807.72

23 Cost of goods and services procured

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Goods and services procured	144.93	121.41
	144.93	121.41

24 Cost of services procured

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Value added services	2,984.43	8,683.81
	2,984.43	8,683.81

25 Employee benefits expense

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Salaries, wages and bonus	1,868.61	1,800.77
Contribution to provident fund and other fund	105.94	102.80
Gratuity expense (refer note 33)	48.60	54.30
Staff welfare expenses	34.87	22.91
Employee ESOP Compensation (refer note 38)	40.70	(27.36)
	2,098.72	1,953.40
Less: Capitalised as intangible assets/transferred to intangible under development	-	141.02
	2,098.72	1,812.38

Notes forming part of Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

26 Finance costs

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Interest Cost	42.79	22.74
Bill discounting charges	9.54	62.25
Other borrowing Cost	5.99	9.02
	58.32	94.01

27 Depreciation and amortisation expense

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Depreciation on property, plant and equipment (refer note 3)	195.84	107.95
Amortisation on intangible assets (refer note 5)	114.54	48.54
Depreciation on investment property (refer note 4)	88.11	96.25
Amortisation on Right-of-Use asset (refer note 3A)	4.26	4.26
	402.75	257.00

28 Other expenses

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Net Loss on foreign currency transactions and translations	214.29	1.99
Rent	71.27	103.19
Rates and taxes	34.79	19.76
Insurance	13.50	12.34
Repairs and maintenance		
- Buildings	2.10	2.35
- Others	28.77	34.55
Advertising and sales promotion	53.47	26.51
Net loss on sale of property, plant and equipment	-	39.28
Travelling and conveyance	463.24	347.70
Legal and professional fees	289.31	296.34
Payment to statutory auditors (refer note 29 below)	12.87	12.10
Communication cost	187.93	221.94
Electricity charges	16.13	14.71
Security and housekeeping expenses	17.55	21.19
Bad debts written off	199.30	400.31
Provision for Expected Credit Losses	(111.83)	(195.56)
Irrecoverable balances written off	5,353.38	-
Provision for doubtful rent and other receivables	(5,336.85)	40.94
Membership & subscription charges	25.95	16.49
Printing and stationery expenses	10.23	9.09
Miscellaneous expenses	30.58	28.07
	1,575.99	1,453.30
Less: Capitalised as intangible assets/transferred to intangible under development	-	45.51
	1,575.99	1,407.79

29 Payment to auditors

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
As auditor:		
Statutory audit fee	5.50	5.50
Tax audit fee	2.00	2.00
Limited reviews	3.00	3.00
Other services	1.50	1.45
Reimbursement of expenses	0.87	0.15
	12.87	12.10

30 Items of other comprehensive income that will not be reclassified to profit and loss

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Remeasurement gain of defined benefit plan	(32.38)	27.73
	(32.38)	27.73

31 Tax Expense

The major components of income tax expense for the years ended 31st March, 2023 and 31st March, 2022 are:

A. Amount recognised in profit and loss:

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Current income tax:		
Current income tax charge	-	10.25
Adjustment in respect of current tax of previous year	-	58.39
Deferred tax		
Relating to origination and reversal of temporary differences	300.00	-
Income tax expense reported in the statement of profit or loss	300.00	68.64

B. Reconciliation of effective tax rate

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Profit/(loss) before tax	(797.94)	(316.38)
Tax using the Company's domestic tax rate (C.Y. 27.82% and P.Y. 27.82%)	(221.99)	(88.02)
Adjustments in respect of current Income tax of previous years	-	58.39
Tax impact on non deductible expenditures/provisions	-	(7.61)
Deferred tax assets not recognised on current year carry forward tax losses due to uncertainty involved	256.75	122.77
Foreign withholding taxes expensed off	-	10.25
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	121.10	-
Deferred tax impact of various items which allowance/disallowance taken in Income tax computation	-	5.71
Deferred tax not recognised on loss allowance on rent and other receivables	-	(11.39)
Others	144.14	(21.46)
Total Tax Expense	300.00	68.64

Notes forming part of Financial Statements

As at and for the year ended 31st March, 2023
(₹ in Lakhs unless otherwise stated)

32 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:

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Profit/(Loss) attributable to equity holders of the Company:		
Profit/(loss) for the year	(1,097.94)	(385.02)
Profit/(Loss) attributable to equity holders of the Company	(1,097.94)	(385.02)
Weighted average (net) number of equity shares in calculating basic and diluted EPS	23,13,01,857	22,93,74,638
Weighted average no. of shares		
Weighted average no. of shares of opening shares	23,09,34,606	22,83,96,379
Weighted average no. of shares issued during the year	3,67,251	9,78,259
Total weighted Average no. of shares	23,13,01,857	22,93,74,638
Earnings per share		
Basic earnings per share of ₹ 3 each (in ₹)	(0.47)	(0.17)
Diluted earnings per share of ₹ 3 each (in ₹)*	(0.47)	(0.17)

* 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.

33. Employee Benefits

A. Defined Contribution Plan

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

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Employer's contribution to provident and other fund	105.94	102.80
Total	105.94	102.80

B. Defined Benefit Plan

The Company has 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, without any upper limit 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:

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Gratuity plan	254.45	265.89
Total	254.45	265.89

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

Particulars	Gratuity	
	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Current service cost	29.50	33.40
Interest cost on benefit obligation	19.09	20.90
Net benefit expense	48.60	54.30

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

Particulars	Gratuity	
	As at 31 st March, 2023	As at 31 st March, 2022
Opening defined benefit obligation	265.89	307.36
Past service cost	-	-
Current service cost	29.50	33.40
Interest cost	19.09	20.90
Expenses Recognised in Profit and loss statement	48.60	54.30
Benefits paid	(92.42)	(68.04)
Actuarial (gain)/loss arising from change in financial assumption	(4.59)	(12.08)
Actuarial (gain)/loss arising from experience adjustment	36.98	(15.65)
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	32.38	(27.73)
Closing defined benefit obligation	254.45	265.89

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

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Discount rate	7.36%	7.18%
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, 2023 is as shown below:

Particulars	As at 31 st March, 2023		As at 31 st March, 2023	
	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	-12.42	13.42	13.27	-12.40

(vi). A quantitative sensitivity analysis for significant assumption as at 31st March, 2022 is as shown below:

Particulars	As at 31 st March, 2022		As at 31 st 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

The sensitivity analysis 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, 2023

(₹ in Lakhs unless otherwise stated)

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

Particulars	Gratuity	
	As at 31 st March, 2023	As at 31 st March, 2022
Within the next 12 months (next annual reporting period)	36.68	6.94
Between 2-5 years	38.73	62.46
Between 5-10 years	4.73	4.59
Beyond 10 years	174.31	191.90
Total expected payments	254.46	265.89

The average duration of the defined benefit plan obligation at the end of the reporting period is 19.84 years (31st March, 2022: 21.12 years).

34A. Leases

1. Company as a Lessee

The Company has charged following amount in the statement of profit and loss:

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Short Term leases	60.99	91.48
Leases of low value assets	10.28	11.71
Total	71.27	103.19

2. Company as a lessor

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. 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:

As at 31st March, 2023:

Property situated at	Date of Agreement	Lease Term	Lock in Period	Other Terms
Rampur	14 th October, 2019	9 years	-	cancelled on 31 st October, 2022
Kolkata	1 st January, 2023	11 months	-	
Mumbai	14 th October, 2019	9 years	2 years	cancelled on 31 st December, 2021

As at 31st March, 2022:

Property situated at	Date of Agreement	Lease Term	Lock in Period	Other Terms
Rampur	14 th October, 2019	9 years	-	
Kolkata	1 st February, 2022	11 months	-	
Mumbai	14 th October, 2019	9 years	2 years	cancelled on 31 st December, 2021

The Company has recognised rental income under the head of other income as follows:

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Rental income	94.82	187.32

34B. 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, 2022: ₹ Nil).

34C. Contingent liabilities

Claims against the Company not acknowledged as debts

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
1. Demands and claims from government authorities		
A. Demand from excise/ service tax authorities		
a) Demand Includes penalty ₹ Nil (31 st March, 2022: ₹ 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
B. Demand raised by income tax authorities		
a) Income Tax Demand of Nil (31 st March, 2022: ₹ 246.28 Lakhs) (including interest) on enhancement of income by AO under Section 40(a)(ia) 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 filed SLP in the Supreme Court.	-	246.28
2. Others		
a) Demand of Interest on late payment by one of the vendor, disputed by the Company	-	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
	54.88	648.03

35. Financial Ratios

The major financial ratios of the Company are disclosed below along with the reasons for variance:

Ratio	Numerator	Denominator	F.Y.2022-23	F.Y.2021-22	% of Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	1.30	1.38	-6%	
Debt equity ratio	Total Debt	Shareholder's Equity	0.06	-	100%	New borrowing in current year.
Debt -service coverage ratio	Earnings available for debt service	Debt Service	(0.52)	-	100%	New borrowing in current year.
Return on equity ratio	Net Profits after taxes	Average Shareholder's Equity	(0.05)	(0.02)	192%	Due to losses increased in current year
Inventory turnover ratio	Cost of goods sold or sales	Average Inventory	Not Applicable			
Return on Capital employed	Earning before interest and taxes	Average Capital Employed	(0.03)	(0.01)	247%	Due to losses increased in current year
Trade receivable turnover ratio	Revenue from operation	Average Trade Receivable	2.22	3.15	-29%	Due to decrease in average trade receivable
Trade payable turnover ratio	Cost of goods & service procured + cost of service rendered	Average Trade Payables	0.90	2.14	-58%	Due to decrease in average trade receivables
Net capital turnover ratio	Revenue from operation	Average Working Capital	3.56	6.13	-42%	Due to decrease in average working capital
Net Profit Ratio	Net Profit	Revenue from Operation	(0.20)	(0.03)	484%	Due to losses increased in current year

Since Company has no current investment ,hence return on investment has not being disclosed.

Notes forming part of Financial Statements

As at and for the year ended 31st March, 2023
(₹ in Lakhs unless otherwise stated)

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:

Entity with significant influence:

Ultimate Holding Company	Smart Global Corporate Holding Private Limited
Holding Company	Spice Connect Private Limited
Subsidiaries including step down subsidiaries	S Global Services Pte. Ltd Spice VAS Kenya Limited Digispice Uganda Limited (formerly known as "Spice VAS Uganda Limited") Digispice Ghana LTD (formerly known as "Spice VAS Ghana LTD") Digispice Zambia Limited (formerly known as "Spice VAS Zambia Limited") Digispice Nigeria Limited (formerly known as "Spice Digital Nigeria Limited") PT Spice Digital Indonesia Spice Digital FZCO Beoworld SDN. BHD S Mobility Pte. Ltd (Struck off w.e.f. 4 th July, 2022) Spice VAS (Africa) Pte. Ltd. Digispice Tanzania Limited (formerly known as "Spice VAS Tanzania Limited") Spice VAS RDC Limited Omnia Pte. Ltd Fast Track IT Solutions Limited Kimaan Exports Private Limited Digispice Nepal Pvt. Limited Spice Digital Bangladesh Limited Hindustan Retail Private Limited New Spice Sales and Solutions Limited Cellucom Retail India Private Limited E-arth Travel Solutions Private Limited (w.e.f. 6 th August, 2021) S Mobility (HK) Limited (Struck off w.e.f. 28 th April, 2023) Vikasni Fintech Private Limited (w.e.f. 1 st November, 2021) Spice Money Limited
Fellow subsidiaries	WSFx Global Pay Limited (formerly known as 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) (upto 29 th September, 2022) Mr. Mrutyunjay Mahapatra (Independent Director) (w.e.f. 22 nd December, 2022) Mr. Rohit Ahuja (Executive Director) Mr. Vinit Kishore (Chief Financial Officer) Mr. M.R. Bothra- (Vice President- Corporate Affairs and Company Secretary) (upto 14 th April, 2022) Ms. Ruchi Mehta (Company Secretary) (w.e.f. 15 th April, 2022) Mr. Chandrachur Ghose (Chief Executive Officer) (w.e.f. 14 th November, 2022 to 31 st January, 2023)
Associates of the Company	Creative Function Apps Labs Private Limited Sunstone Learning Private Limited
Other Related Parties	Bharat BPO Services Limited

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Revenue from services	437.38	328.05
Omnia Pte. Ltd	-	79.37
Spice Money Limited	92.49	61.39
Spice Digital FZCO	1.96	(14.79)
Digispice Nepal Pvt. Limited	-	(97.92)
Spice VAS (Africa) Pte. Ltd.	342.93	300.00
Remuneration	257.47	301.23
Mr.M.R. Bothra*#	19.89	164.28
Mr Rohit Ahuja*	125.00	81.09
Mr. Vinit Kishore	47.72	55.86
Ms. Ruchi Mehta	34.56	-
Mr.Chandrachur Ghosh	30.30	-
# Including Nil (2022:-₹107.66 Lakhs) Perquisite for ESOP Share issued		
Director sitting Fees®	14.00	22.75
Mr. Suman Ghosh Hazra	3.25	9.00
Ms. Rashmi Aggarwal	6.00	9.25
Mr. Mayank Jain	3.75	4.50
Mr. Mrutyunjay Mahapatra	1.00	-
@excluding Service Tax/GST.		
Shares issued under ESOP during the year	46.38	82.81
Mr. Subramanian Murali	46.38	29.81
Mr. M.R. Bothra	-	53.00
Cost of services rendered	0.97	3.36
S Global Services Pte. Ltd	0.97	3.36
Reimbursement of Expenses	15.36	17.46
WSFx Global Pay Limited (formerly known as Wall Street Finance Limited)	15.36	17.46
Rent Income	17.75	107.12
Spice Connect Private Limited	1.80	1.80
Kimaan Exports Private Limited	1.80	1.80
Spice Money Limited	1.80	1.80
Smart Global Corporate Holding Private Limited	12.35	101.72
Dividend Income	165.00	-
Spice Money Limited	165.00	-
Rent Expenses	52.14	86.65
Kimaan Exports Private Limited	47.92	57.50
Spice Money Limited	4.23	29.15
Interest Income	-	33.74
Spice Money Limited	-	26.05
Bharat BPO Services Limited	-	7.69
Reimbursement of Expenses (recovered)	73.37	65.77
Spice Money Limited	73.37	65.77
Reimbursement of Expenses (provided)	134.72	41.01
Spice Money Limited	134.72	41.01
Expenses Recoverable (Fully Provided for Doubtful)	16.53	19.36
Hindustan Retail Private Limited	-	5.25
Cellucom Retail India Private Limited	0.02	11.22
New Spice Sales and Solutions Limited	16.51	-
S Mobility (HK) Limited.	-	2.89
Investment made during the year in equity instruments	31.30	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
Digispice Nepal Private Limited	31.30	-
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
Spice Digital Bangladesh Limited	-	9.81

Notes forming part of Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	For the year ended 31 st March, 2023		For the year ended 31 st March, 2022	
Bad debts/advances written off during the year		607.53		-
Bharat BPO Services Limited	599.30		-	
S Mobility (HK) Limited	8.23		-	
Reversal of Provision made for liability payout of subsidiary and other related party		(607.53)		-
Bharat BPO Services Limited	(599.30)		-	
S Mobility (HK) Limited	(8.23)		-	
Loan received back during the year		-		155.84
Bharat BPO Services Limited	-		155.84	
Movement in money receivable on implementation of scheme		-		1,980.58
Spice Money Limited	-		1,980.58	

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
Receivables		4,689.87		4,923.67
New Spice Sales and Solutions Limited	3,237.43		3,237.43	
Spice Digital Bangladesh Limited	718.18		718.18	
Spice Digital FZCO	11.79		21.08	
Spice VAS (Africa) Pte. Ltd.	-		4.38	
Digispice Nepal Pvt. Limited	715.97		713.35	
Omnia Pte. Ltd	-		0.32	
Bharat BPO Services Limited	-		199.30	
Spice Money Limited	6.50		29.63	
Provision for doubtful receivables		3,955.61		4,154.91
New Spice Sales and Solutions Limited	3,237.43		3,237.43	
Spice Digital Bangladesh Limited	718.18		718.18	
Bharat BPO Services Limited	-		199.30	
Payables		193.42		156.45
S Global Services Pte. Ltd	148.82		124.77	
Kimaan Exports Private Limited	43.83		14.77	
WSFx Global Pay Limited (formerly known as Wall Street Finance Limited)	-		0.15	
Bharat BPO Services Limited	0.77		0.77	
Loan receivable and money and advance receivable		1,039.32		1,439.32
New Spice Sales and Solutions Limited	471.57		471.57	
Hindustan Retail Private Limited	567.75		567.75	
Bharat BPO Services Limited	-		400.00	
Provision for doubtful loans/Advances		1,039.32		1,439.32
New Spice Sales and Solutions Limited	471.57		471.57	
Hindustan Retail Private Limited	567.75		567.75	
Bharat BPO Services Limited	-		400.00	
Corporate Guarantee given by		572.60		572.60
Spice Money Limited	572.60		572.60	
Unbilled revenue		25.10		173.06
Spice Digital FZCO	13.12		11.15	
Spice Money Limited	11.98		7.54	
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 (Struck off w.e.f. 28 th April, 2023)	0.64		0.64	
Sunstone Learning Private Limited	814.88		814.88	
Creative Function Apps Labs Private Limited	49.88		49.88	
Other Receivable		216.64		362.87
New Spice Sales and Solutions Limited	181.14		164.63	
Hindustan Retail Private Limited	9.72		9.72	

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
Cellucom Retail India Private Limited	25.78		25.76	
Smart Global Corporate Holding Pvt Ltd.	-		154.53	
S Mobility (HK) Limited	-		8.23	
Provision for doubtful other receivables		216.64		208.34
New Spice Sales and Solutions Limited	181.14		164.63	
Hindustan Retail Private Limited	9.72		9.72	
Cellucom Retail India Private Limited	25.78		25.76	
S Mobility (HK) Limited	-		8.23	
Interest receivable fully provided		63.93		63.93
New Spice Sales and Solutions Limited	63.93		63.93	
Dividend receivable		56.30		64.77
Spice Digital Bangladesh Limited	56.30		64.77	
Payables to KMP		-		25.14
Mr. Rohit Ahuja	-		4.39	
Mr. M.R. Bothra	-		10.15	
Mr. Vinit Kishore	-		10.60	

Particulars	For the year ended 31 st March, 2023		For the year ended 31 st March, 2022	
Break up of remuneration		271.47		323.98
- Short term employee benefits*	254.16		216.32	
- Long term employee benefits - Gratuity	17.31		-	
- Share based payment**	-		107.66	

* Include payment made towards compensated absences of ₹0.64 Lakhs (31st March, 2022: 11.55 lakhs) during the year against the provisions made in earlier years.

**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 and Sweat Equity) Regulations, 2021 (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 and above disclosure is attributable to Executive Directors and certain KMPs.

**During the year, the Company has granted 4,50,000 options (Till 31st March, 2022, 12,00,000 options) to persons who were KMP at any time during the financial year ended 31st March, 2023, out of which Nil options has been lapsed (Till 31st March, 2022 - Nil lapsed) during the year, value of which shall be disclosed at the time of exercise of options.

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)

Geographical Segment	31 st March, 2023	31 st March, 2022
Revenue from the Domestic market	5,121.33	10,895.40
Revenue from the Overseas markets	375.85	356.90
Total Revenue	5,497.18	11,252.30

There are three 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 31st March, 2023 and 31st March, 2022.

Notes forming part of Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

38. Share-based payments

The Company has granted stock options under the DTL - Employee 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, 3,439,000 options on 5th February, 2019 and 25,25,000 options on 1st August, 2022. 40%, 30% and 30% of total options granted would vest in after one year, two years and three years from the date of respective grant subject to fulfilment of vesting conditions. The maximum period for exercise of options is five years from the date of vesting. Also, the Nomination and Remuneration Committee approved the increase in exercise period to 5 (Five) years from the respective vesting from 3 (Three) years earlier, in relations to options granted on 18th September, 2018 and 5th February, 2019 which still remain unexercised on 1st August, 2022. 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.

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	FY 2022-23		FY 2021-22	
	No. of Options	Weighted Average exercise price (₹)	No. of Options	Weighted Average exercise price (₹)
Options outstanding at the beginning of the year	70,58,659	13.25	1,03,50,186	-
Options granted under ESOP 2018	25,25,000	29.00	-	-
Options exercised during the year	6,06,800	-	25,38,227	-
Options cancelled during the year	3,07,959	13.25	7,53,300	13.25
Options cancelled during the year	16,75,000	29.00	-	-
Options expired during the year	-	-	-	-
Options outstanding at the end of the year	61,43,900	13.25	70,58,659	13.25
Options outstanding at the end of the year	8,50,000	29.00	-	-
Options exercisable at the end of the year	61,43,900	13.25	70,58,659	13.25
Range of exercise price of outstanding options (₹)	13.25 - 29.00		13.25	
Remaining contractual life of outstanding options granted on 18 th September, 2018	1.47 years (40% vesting) 2.47 years (30% vesting) 3.47 years (30% vesting)		0.47 years (40% vesting) 1.47 years (30% vesting) 2.47 years (30% vesting)	
Remaining contractual life of outstanding options granted on 5 th February, 2019	1.85 years (40% vesting) 2.85 years (30% vesting) 3.85 years (30% vesting)		0.85 years (40% vesting) 1.85 years (30% vesting) 2.85 years (30% vesting)	
Remaining contractual life of outstanding options granted on 1 st August, 2022	5.33 years (40% vesting) 6.33 years (30% vesting) 7.33 years (30% vesting)		NA	

The above options include following options held by Employees of holding and subsidiary companies:

Particulars	FY 2022-23		FY 2021-22	
	Employees of Holding Company	Employees of Subsidiary companies	Employees of Holding Company	Employees of Subsidiary companies
Options outstanding at the beginning of the year	44,30,500	2,97,000	48,93,000	3,39,000
Options granted during the year	-	-	-	-
Options exercised during the year	4,21,800	-	4,62,500	-
Options cancelled during the year	-	10,000	-	42,000
Options outstanding at the end of the year	40,08,700	2,87,000	44,30,500	2,97,000

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

Particulars	As at 31 st March, 2023		
	18 th September, 2018	5 th February, 2019	1 st August, 2022
No. of options outstanding at the end of the year	61,33,900 (31 st March, 2022: 70,43,859)	10,000 (31 st March, 2022: 14,800)	850,000 (31 st March, 2022: Nil)
Dividend yield (%)	-	-	-
Expected life	2.50, 3.50 and 4.50 yrs.	2.50, 3.50 and 4.50 yrs.	3.50, 4.50 and 5.50 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.)	6.83% (3.50 yrs.) 6.98% (4.50 yrs.) 7.09% (5.50 yrs.)
Expected Volatility (%)	62.56%	69.49%	63.43% (40% vesting) 65.32% (30% vesting) 66.10% (30% vesting)
Market price on date of grant/re-pricing (₹)	13.25	9.70	29.00
Weighted Average Fair Value of option at grant date	6.73	4.43	16.67

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 31 st March, 2023		As at 31 st March, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non current assets measured at amortised cost except non-current investment				
- Equity and other investment (excluding investment in subsidiaries, joint venture and associates) measured at FVTPL	5.00	5.00	5.00	5.00
- Loans and advances	0.66	0.66	1.08	1.08
- Other financial assets	2,328.01	2,328.01	1,904.19	1,904.19
Total non current assets	2,333.67	2,333.67	1,910.27	1,910.27
Current assets measured at amortised except current investment				
- Trade receivables	1,915.39	1,915.39	3,027.72	3,027.72
- Cash and cash equivalents	413.00	413.00	1,323.17	1,323.17
- Bank balances other than above	2,690.17	2,690.17	2,015.77	2,015.77
- Loans and advances	0.96	0.96	1.62	1.62
- Other financial assets	382.65	382.65	244.43	244.43
Total current assets	5,402.17	5,402.17	6,612.71	6,612.71
Total financial assets	7,735.83	7,735.83	8,522.97	8,522.97
Financial liabilities				
Non current liabilities measured at amortised cost				
- Other financial liabilities	-	-	13.13	13.13
Total non current liabilities	-	-	13.13	13.13
Current liabilities measured at amortised cost				
- Borrowings	1,216.08	1,216.08	-	-
- Trade payables	2,635.98	2,635.98	4,308.50	4,308.50
- Other financial liabilities	68.04	68.04	349.56	349.56
Total current liabilities	3,920.10	3,920.10	4,658.06	4,658.06
Total financial liabilities	3,920.10	3,920.10	4,671.19	4,671.19

Notes forming part of Financial Statements

As at and for the year ended 31st March, 2023
(₹ in Lakhs unless otherwise stated)

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 inputs are quoted prices /net asset value (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices (unadjusted) included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

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 companies and associate Company has been considered at cost less impairment, if any, and has been excluded in the fair value measurement disclosed below.

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

- ♦ Borrowings are evaluated by the Company based on parameters such as interest rates and specific country risk factors.
- ♦ The fair value of other financial liabilities, 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 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, 2023 was assessed.

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, 2023:

Fair value measurement using

Particulars	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)	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
Non current assets				
- Loans and advances	0.66	-	-	0.66
- Other financial assets (Fixed Deposits)	2,328.01	2,328.01	-	-
Total non current assets	2,328.67	2,328.01	-	0.66
Current assets				
- Trade receivables	1,915.39	-	-	1,915.39
- Cash and cash equivalents	413.00	-	-	413.00
- Bank balances other than above	2,690.17	-	-	2,690.17
- Loans and advances	0.96	-	-	0.96
- Other financial assets	382.65	-	-	382.65
Total current assets	5,402.17	-	-	5,402.17

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, 2022:

Fair value measurement using

Particulars	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)	5.00	-	-	5.00
- Current investment	-	-	-	-
Total	5.00	-	-	5.00
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	1,857.03	-	47.16
Total non current assets	1,905.27	1,857.03	-	48.24
Current assets				
- Trade receivables	3,027.72	-	-	3,027.72
- Cash and cash equivalents	1,323.17	-	-	1,323.17
- Bank balances other than above	2,015.77	-	-	2,015.77
- Loans and advances	1.62	-	-	1.62
- Other financial assets	244.43	-	-	244.43
Total current assets	6,612.71	-	-	6,612.71

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, 2023:

Particulars	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	-	-	-	-
Total non current liabilities	-	-	-	-
Current liabilities				
- Borrowings	1,216.08	-	-	1,216.08
- Trade payables	2,635.98	-	-	2,635.98
- Other financial liabilities	68.04	-	-	68.04
Total Current liabilities	3,920.10	-	-	3,920.10

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, 2022:

Particulars	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	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.

Notes forming part of Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

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.

The sensitivity analysis in the following Sections relate to the position as at 31st March, 2023 and 31st March, 2022.

- 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 7.12% (P.Y. Nil), the impact of change in rate is as follows:

Interest rate sensitivity calculated on borrowing. The impact of change in interest rate is given below:-

Particulars	Increase/decrease in basis points	Effect on profit before tax
31st March, 2023		
₹ Lakhs	50	(6.08)
₹ Lakhs	(50)	6.08
31st March, 2022		
₹ Lakhs	50	-
₹ Lakhs	(50)	-

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 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, Dirahm, 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.

Particulars	Currency	Change in rates	Increase/(Decrease) effect on profit before tax	Increase/(Decrease) effect on pre-tax equity
31 st March, 2023	USD (US Dollar)	5%	(39.91)	(39.91)
		-5%	39.91	39.91
	Dirham	5%	(1.25)	(1.25)
		-5%	1.25	1.25
	AFN (Afghanistan Afghani)	5%	2.91	2.91
		-5%	(2.91)	(2.91)
	BDT (Bangladeshi Taka)	5%	85.44	85.44
		-5%	(85.44)	(85.44)

Particulars	Currency	Change in rates	Increase/(Decrease) effect on profit before tax	Increase/(Decrease) effect on pre-tax equity
31 st March, 2022	USD (US Dollar)	5%	(33.25)	(33.25)
		-5%	33.25	33.25
	Dirham	5%	-	-
		-5%	-	-
	AFN (Afghanistan Afghani)	5%	9.62	9.62
		-5%	(9.62)	(9.62)
	NPR (Nepal Rupiah)	5%	12.49	12.49
		-5%	(12.49)	(12.49)
	BDT (Bangladeshi Taka)	5%	88.90	88.90
		-5%	(88.90)	(88.90)

- 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 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.

- Trade receivables

Customer credit risk is managed by the Company's established credit policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment and also based upon agreement/terms with respective customers. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are categorised 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 have been made.

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, 2023

(₹ in Lakhs unless otherwise stated)

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, 2023:

Particulars	Gross Carrying Amount	Weighted-Average Loss Rate	Loss Allowance
Not Due	332.85	0%	0.06
1- 90 days	128.77	0%	0.04
91-180 days	264.84	5%	13.94
181-270 days	29.91	81%	24.34
271-360 days	39.69	88%	34.76
More than 360 days	6,270.09	87%	5,478.41
	7,066.15		5,551.55

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:

Particulars	Gross Carrying Amount	Weighted-Average Loss Rate	Loss Allowance
Not Due	453.38	0%	-
1- 90 days	256.54	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
	7,351.21		5,663.38

Movement in the expected credit loss allowance of receivables

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Balance at beginning of the year	5,663.38	5,858.94
Less: Reversed during the year	111.83	195.56
Balance at the end of the year	5,551.55	5,663.38

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.

The table below summarises the maturity profile of the Company financial liabilities based on contractual undiscounted payments.

Particulars	On Demand	Less than 3 months	3-12 months	1-5 years	> 5 years	Total
As at 31st March, 2023						
Borrowings	-	-	-	-	-	-
Other financial liabilities(non-current)	-	-	-	-	-	-
Other financial liabilities(current)	3.64	47.94	16.46	-	-	68.04
Trade and other payables	-	1,579.94	290.87	765.17	-	2,635.98
Total	3.64	1,627.89	307.33	765.17	-	2,704.02

Particulars	On Demand	Less than 3 months	3-12 months	1-5 years	> 5 years	Total
As at 31st March, 2022						
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	2,552.26	1,286.32	828.96	-	4,671.19

- 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, 2023 and 31st March, 2022, the fair values of fixed deposits pledged were ₹ 2,541.59 Lakhs and ₹ 877.03 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).

40 (a) Foreign currency risk exposure:

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

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 31 st March, 2023	Dirham	11.78	13.12	24.90	-	-	24.90	1.25
	AFN	58.20	-	58.20	-	-	58.20	2.91
	IDR	-	-	-	-	-	-	-
	BDT	1,708.79	-	1,708.79	-	-	1,708.79	85.44
	LKR	0.81	-	0.81	-	-	0.81	0.04
	USD	83.13	-	83.13	881.37	881.37	(798.24)	(39.91)

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 31 st March, 2022	Dirham	21.08	11.15	32.23	-	-	32.23	1.61
	AFN	185.37	7.11	192.48	-	-	192.48	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	100.31	765.24	765.24	(664.93)	(33.25)

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 shareholders' value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Borrowings	1,216.08	-
Less: cash and cash equivalents	413.00	1,323.17
Net debt	803.08	(1,323.17)
Equity	6,164.20	6,146.00
Other equity attributable	14,709.62	15,741.46
Total equity attributable to owner of the Company	20,873.82	21,887.46
Capital and net debt	21,676.90	20,564.29
Gearing ratio	3.70%	-6.43%

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.

Notes forming part of Financial Statements

As at and for the year ended 31st March, 2023
(₹ in Lakhs unless otherwise stated)

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2023 and 31st March, 2022.

42. As on 31st March, 2023, Independent Non-Promoter (Spice Employee Benefit) Trust ('EBT') holds 10,155,067 (31st March, 2022: 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, 2022: 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, 2022: ₹ 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, 2022: ₹ 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, 2023	Maximum balance in FY 2022-23	Outstanding balance as at 31 st March, 2022	Maximum balance in FY 2021-22
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
Bharat BPO Services Limited		10.5%	-	-	-	142.65
Bharat BPO Services Limited	Advance against supply	0.0%	-	400.00	400.00	400.00

The Company has provided ₹ 1,039.32 Lakhs (Previous year - ₹ 1,439.32 Lakhs) against above loans as doubtful. During the year, the Company has written off ₹ 400.00 Lakhs (31st March, 2022: ₹ Nil) of advances.

Particulars of Corporate Loans given as required by Section 186(4) of Companies Act, 2013

Particulars	Purpose	Rate of Interest	Due Date	Outstanding balance as at 31 st March, 2023	Outstanding balance as at 31 st March, 2022
Hotspot Sales and Solutions Private Limited	General Corporate Purpose	11%	On Demand	-	4,923.07
Spice Online Retail Private Limited		11%	On Demand	-	22.07

The Company has provided ₹ Nil (Previous year - ₹ 4,945.14 Lakhs) against above loans as doubtful. During the year, the Company has written off ₹ 4,945.14 Lakhs (31st March, 2022: ₹ Nil) of loans.

Details of Investments made (At cost or FVTPL) as required by Section 186(4) of Companies Act, 2013:

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Spice Money Limited	10,620.67	10,620.67
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	1.00
Vikasni Fintech Private Ltd.	0.51	0.51
Digispice Nepal Limited	31.30	-
	59,695.94	59,664.64

Fully impaired in books.

* Provision for Impairment of ₹49.88 Lakhs Provided in earlier years.

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 31 st March, 2023		As at 31 st March, 2022	
	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	1,039.32	100%	1,439.32	23%

The Company has provided ₹ 1,039.32 Lakhs (Previous year: ₹ 1,439.32 Lakhs) against above loans as doubtful. During the year, the Company has written off ₹ 400.00 Lakhs (31st March, 2022: ₹ Nil) of advances.

44. Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006 as identified by the management

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
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	3.72	2.79
- Interest due on above	-	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.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	0.71
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

45 Group information

Information about subsidiaries, associates and joint ventures as per Ind-AS 27 -Separate Financial Statement

The financial statements include subsidiaries, associates and joint ventures as listed in the table below:

Subsidiary Companies

Sr. No.	Name	Notes	Country of Incorporation	% Equity Interest		Method of accounting of investment
				As at 31 st March, 2023	As at 31 st March, 2022	
1	Spice Money Limited		India	96.83%	96.83%	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 (Strike off w e.f. 28 th April, 2023)		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	(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	100.00%	80.00%	Cost
13	S Mobility Pte. Ltd (Strike off w e.f. 4 th July, 2022)	(d)	Singapore	Nil	100.00%	Cost
14	Omnia Pte. Ltd	(e)	Singapore	100.00%	100.00%	Cost

Notes forming part of Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

Sr. No.	Name	Notes	Country of Incorporation	% Equity Interest		Method of accounting of investment
				As at 31 st March, 2023	As at 31 st March, 2022	
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	70.00%	70.00%	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		Nepal	100.00%	100.00%	Cost
24	E-Arth Travel Solutions Private Limited	(i)	India	66.67%	66.67%	Cost
25	Vikasni Fintech Private Ltd.	(j)	India	51.00%	51.00%	Cost

- Subsidiary through Spice Money Limited.
- Subsidiary through Hindustan Retail Private Limited.
- Subsidiary through New Spice Sales & Solutions Limited till 15th May, 2022, subsidiary through Hindustan Retail Private Limited w.e.f. 16th May, 2022.
- Subsidiary through S Global Services Pte. Ltd.
- Subsidiary through Spice VAS (Africa) Pte. Limited.
- Subsidiary through Omnia Pte. Ltd.
- 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.
- 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.
- Additionally an equity interest of 33.33% in E-Arth Travel Solutions Private Limited is held by a subsidiary Company namely Spice Money Limited.
- 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

S. No.	Name of associates and joint venture	Nature	Country of Incorporation	% Equity Interest	
				As at 31 st March, 2023	As at 31 st March, 2022
1	Sunstone Learning Private Limited	Associate	India	41.61%	41.61%
2	Creative Function Apps Labs Private Limited	Associate	India	26.00%	26.00%

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.

A) 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.

A) 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.

B) 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.

C) Taxes

The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that recognised MAT credit will be utilised 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, 2022: ₹ 58.49 Lakhs) recognised in earlier years as 'MAT Credit Receivable' 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 utilise 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

Notes forming part of Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

recognise deferred tax assets on these tax losses carried forward.

D) 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.

E) 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.

Further details about gratuity obligations are given in Note 33.

F) 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 regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

G) 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 recognised until the contingency has been resolved and amounts are received or receivable.

H) 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. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

I) 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.

J) Investment in equity instruments of subsidiary and associates companies

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

47. Additional regulatory information required by Schedule III to be disclosed in the financial statements:

- 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.
- No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Amendment Act, 2016 and rules made thereunder.
- The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- The Company has complied with the number of layers prescribed under the Companies Act, 2013.

- There is no undisclosed income under the tax assessments under the Income Tax Act, 1961 for the year ending 31st March, 2023 and 31st March, 2022 which needs to be recorded in the books of account.
 - The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
 - Utilisation of borrowed funds and share premium:-
 - The Company during the year has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall 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 to or on behalf of the ultimate beneficiaries.
 - The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall 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.
 - Borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were taken.
48. Spice Digital Bangladesh Limited, wholly owned subsidiary Company has issued Equity shares of BDT 830,239 at par aggregating BDT 83,023,900 equivalent

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: 19th May, 2023

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

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. In earlier year, the Company has accounted for dividend of equivalent ₹ 56.30 Lakhs declared by above subsidiary on above shares, which is yet to be repatriated to the Company.

49. '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 charge on its website.

Sr. No.	Lender Name	Amount (₹ In lakhs)	Location of the Registrar
1	L.I.C. OF INDIA	100.00	DELHI

50. The Company has been sanctioned working capital limit from bank on the basis of security of current assets. The quarterly returns/ statements filed by the Company with the bank, are in agreement with the books of accounts of the Company of the respective quarters and differences, if any are not material.
51. The Company is not covered under the provisions of Sec 135 of the Companies Act, 2013, therefore the disclosure required under CSR is not applicable on the Company during the financial year.
52. The Board of directors of DiGiSpice Technologies Limited, in its meeting held on 7th April, 2023 has approved, in principle, to exit Digital Technology Services Business. This is in keeping with the repositioning of the overall group strategy to focus on Financial Technology Services opportunities, mainly through its subsidiary Spice Money Limited ('Spice Money') and other group entities.

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 Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates, which comprise the Consolidated Balance Sheet as at 31st March, 2023, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, 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 31st March, 2023, the consolidated loss, 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 31st March, 2023. 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, as 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	Auditor's Response
1.	<p>Revenue Recognition</p> <p>The accounting policies for revenue recognition are set out in Note 2.5(F) 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 recognised over a period. Revenue recognition is susceptible to the higher risk that the revenue is recognised when performance obligation has not been completed. This was an area of focus for our audit and the area where significant audit effort was directed.</p>	<p>How our audit addressed the key audit matter:</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> 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, analysed 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. 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. <p>We found the revenue recognition to be consistent with its accounting policy. We are satisfied that the revenue has been appropriately recognised and disclosure in the relevant accounting period.</p>
2.	<p>Income and Deferred Taxes</p> <p>The accounting policies for current tax 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 36, 40C of consolidated financial statements. There is significant judgement involved in accounting for taxes, particularly given jurisdiction in which the Company operates and exposures to income laws in India. This gives rise to complexity and uncertainty in respect of the calculation of income taxes, deferred tax positions. Due to significance to the consolidated 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. We analysed 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 utilisation in future. We found that tax provision and deferred tax assets are appropriately recognised and disclosed in the consolidated financial statement.</p>

S. N.	Key Audit Matter	Auditor's Response
3.	<p>Valuation of trade receivables</p> <p>We refer to Note 10 and Note 2.5(R) to the consolidated financial statements.</p> <p>As disclosed in Notes to the consolidated financial statements, the Group 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. 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 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.</p>

Other Information

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon. 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. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding 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 Consolidated Financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group 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 Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 are also responsible for overseeing the financial reporting process of the Group.

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 Group 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 and Board of Directors.
- 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 Holding Company and its subsidiaries 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 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 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 Holding Company 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 31st March, 2023 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 Matter

- We did not audit the consolidated financial results of a foreign subsidiary (consolidated with fourteen step down subsidiaries) included in the audited consolidated financial results; whose consolidated financial results reflect total asset of ₹ 3,361 lakhs as at 31st March, 2023, consolidated revenue from operations ₹ 1,591 lakhs, consolidated net Loss after tax of ₹ 437 lakhs and consolidated total comprehensive income of ₹ (124) lakhs for the year ended 31st March, 2023 respectively and Net cash inflow of ₹ (433) lakhs for the year ended 31st March, 2023. 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 report 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, in terms of sub-sections (3) of Section 143 of the Act, in respect of these subsidiaries are based solely on reports of the firm of chartered accountants.
- We did not audit the financial statements of five subsidiaries, whose financial statements include total assets of ₹ 1,311 Lakhs as at 31st March, 2023, total revenues from operations of ₹ Nil, total net profit after tax of ₹ (133) Lakhs, total comprehensive income of ₹ (133) Lakhs, for the year ended on that date respectively, and net cash inflow of ₹ (374) Lakhs for the year ended of the Holding Company for preparing consolidated financial statements of the Group. These adjusted financial statements were audited by other auditors whose reports have been furnished to us by the 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 consolidated financial statements, in so far as it relates to the amounts and disclosures, in terms of sub-section (3) of Section 143 of the Act, in respect

of these subsidiaries, is based solely on the report of the other auditors.

- c. We did not audit three foreign subsidiaries, whose unaudited financial statements include total assets of ₹ 1,057 Lakhs as at 31st March, 2023, total revenues from operations of ₹ 1 Lakhs, total net profit after tax of ₹ (42) Lakhs, total comprehensive Income of ₹ (83) Lakhs, for the year ended on that date respectively, and net cash inflow of ₹ 78 Lakhs for the year ended 31st March, 2023 respectively, has been included in the Statement. The management of the respective foreign subsidiaries has prepared these financial statements 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. These financial statements have been prepared and certified by the management and our opinion on the consolidated financial statements, in so far as it relates to amount and disclosures included in respect of these foreign subsidiary companies, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries 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.
- d. The consolidated financial statements also include the Group's share of net profit/(loss) of ₹ 1 Lakhs and total comprehensive income of ₹ 1 Lakhs for the year ended 31st March, 2023 respectively, as considered in the consolidated financial statements, in respect of two 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 associates and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid 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 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:

- 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;
- 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;
- The Consolidated Balance Sheet, the Consolidated Statement of Profit & Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;
- On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditors of its subsidiary and associate companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
- 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 Holding Company and its subsidiary companies, associate companies incorporated in India, refer to our separate Report in "Annexure A" to this report;
- 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 of subsidiary and associate companies:
 - The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 40C to the consolidated financial statements;

- The Group did not have any 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 Group.
- The respective managements of the Company and its subsidiaries, associates have represented that, to the best of their knowledge and belief, as disclosed in the Note 60 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) during the year and previous year, 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 Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - The respective managements of the Company and its subsidiaries, associates have represented, that, to the best of their knowledge and belief, as disclosed in the Note 60 to the consolidated financial statements, during the year and previous year, 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 Group 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 our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material mis-statement
- As stated in Note 59 to the consolidated financial statements-
 - The Company has not declared any dividend during the year, therefore reporting regarding compliance of the Section 123 of the Companies Act, 2013.
 - One subsidiary company has declared and paid dividend on Cumulative Compulsory Convertible Preference shares by the company during the year is in accordance with Section 123 of the Act.
 - Associate Companies have not declared or proposed any dividend during the year.
 - Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.
 - 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 Holding Company and its subsidiary, associate companies to their directors is in accordance with the provisions of Section 197 of the Act. However, the remuneration to be paid /payable to an executive director of one subsidiary is subject to approval of shareholders.

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

Bimal Kumar Sipani
Partner

Place: Noida (Delhi-NCR)
Date: 19th May, 2023

Membership No.088926
UDIN: 23088926BGXBAR9992

Annexure A to Independent Auditor's Report of even date to the members of DiGiSPICE Technologies Limited on the Consolidated Financial Statements as of and for the year ended on 31st March, 2023 (refer to in paragraph 2(F) of our report on other legal and regulatory requirements)

We have audited the internal financial controls over financial reporting of DiGiSPICE Technologies Limited ("the Holding Company") and its subsidiary, associate companies incorporated in India (the Holding Company and its subsidiaries, associates together referred to as "the Group"), as of 31st March, 2023 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary, associate 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated

financial statement included obtaining an understanding of internal financial controls with reference to consolidated 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 consolidated 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 authorisation of management and directors of the Company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of Internal Financial Controls with reference consolidated 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 consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Holding 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 over financial reporting insofar as it relates

to subsidiary and associate companies, which are companies incorporated in India, 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.

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

Bimal Kumar Sipani
Partner
Membership No.088926
UDIN: 23088926BGXBAR9992

Place: Noida (Delhi-NCR)
Date: 19th May, 2023

Consolidated Balance Sheet

As at 31st March, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	Notes	As at 31 st March, 2023	As at 31 st March, 2022
Assets			
Non-current assets			
Property, plant and equipment	3	977.18	2,422.67
Capital work in progress	3	-	363.18
Right-of-Use Assets	3A	361.58	375.16
Investment properties	4	1,292.56	1,380.68
Goodwill on consolidation		5,230.18	5,179.46
Other intangible assets	5	649.79	1,030.49
Intangible assets under development	5	226.58	11.85
Investment accounted using equity method	6	40.61	39.31
Financial assets			
(i) Investments	7	5.00	5.00
(ii) Loans	8	0.65	10.69
(iii) Other financial assets	9	4,410.21	3,880.59
Deferred tax assets (net)	16	2,381.84	2,500.88
Non current tax assets (net)	13	5,463.85	4,610.45
Other non current assets	14	128.50	105.50
Total non-current assets		21,168.53	21,915.91
Current assets			
Inventories	15	474.62	278.19
Financial assets			
(i) Investments	7	-	-
(ii) Trade receivables	10	3,393.80	7,116.14
(iii) Cash and cash equivalents	11	14,046.09	14,580.62
(iv) Bank balance other than (iii) above	12	24,268.17	20,706.82
(v) Loans	8	1.97	4.61
(vi) Other financial assets	9	1,942.96	2,578.62
Current tax assets (net)	12	1,014.12	34.78
Other current assets	14	4,117.35	2,425.79
Total current assets		49,259.08	47,725.57
Assets of discontinued operations	47	370.67	405.54
		49,629.75	48,131.11
Total assets		70,798.28	70,047.02
Equity and liabilities			
Equity			
Equity share capital	17	6,164.20	6,146.00
Other equity	17A	17,021.20	18,580.88
Equity attributable to holders of the Company		23,185.40	24,726.88
Non controlling interests		121.91	603.83
Total equity		23,307.31	25,330.71
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	-	-
(ii) Other financial liabilities	20	0.02	32.93
Provisions	21	957.10	761.99
Other non current liabilities	23	47.17	0.80
Total non-current liabilities		1,004.29	795.72
Current liabilities			
Financial liabilities			
(i) Borrowings	18	8,370.61	5,400.45
(ii) Trade payables	19	-	-
- total outstanding dues of micro enterprises and small enterprises		58.88	90.65
- total outstanding dues of creditors other than micro enterprises and small enterprises		5,243.97	6,895.69
(iii) Lease liability		-	6.11
(iv) Other financial liabilities	20	2,323.01	2,804.32
Other current liabilities	23	29,379.93	28,125.39
Current tax liabilities (net)	22	672.92	171.37
Provisions	21	166.44	147.20
Total current liabilities		46,215.76	43,641.18
Liabilities of discontinued operations	47	270.92	279.41
		46,486.68	43,920.59
Total equity and liabilities		70,798.28	70,047.02
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: 19th May, 2023

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, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	Notes	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Continuing operations			
Income			
Revenue from operations	24	1,01,532.88	99,060.62
Other income	25	2,711.09	2,070.14
Total Income		1,04,243.97	1,01,130.76
Expenses			
Cost of goods and services procured	26	52,690.52	50,151.49
(Increase) / Decrease in inventories of stock-in-trade	27	(374.59)	(162.28)
Cost of services rendered	28	29,839.82	32,215.92
Employee benefits expense	29	11,558.67	8,472.47
Finance costs	30	129.76	117.82
Depreciation and amortisation expense	31	2,543.88	1,989.95
Other expenses	32	9,273.54	6,920.42
Total expenses		1,05,661.60	99,705.79
Profit/(loss) before share of profit/(loss) of associates, exceptional items and tax from continuing operations		(1,417.63)	1,424.97
Share of profit/(loss) of associates	45	1.30	(10.81)
Profit/(loss) before exceptional items and tax from continuing operations		(1,416.33)	1,414.16
Exceptional items	33	471.07	100.00
Profit/(loss) before tax from continuing operations		(1,887.40)	1,314.16
Tax expense:			
(1) Current tax	36	132.86	492.50
(2) Deferred tax credit	36	139.77	266.02
(3) Income tax adjustments for earlier years	36	(4.74)	(84.57)
Income tax expense		267.89	673.95
Profit/(loss) for the year from continuing operations		(2,155.29)	640.21
Discontinued operations			
Profit/(loss) before tax for the year from discontinued operations	47	(8.37)	29.77
Tax expense of discontinued operations	47	-	-
Profit/(loss) for the year from discontinued operations		(8.37)	29.77
Profit/(loss) for the year		(2,163.66)	669.98
Other comprehensive income from continuing operations			
Items that will not be reclassified to profit or loss			
Remeasurement gain of defined benefit plan	34	(94.86)	36.95
Deferred tax impact		21.83	(2.57)
Items that will be reclassified to profit or loss			
Exchange differences on translations of foreign operations	35	288.08	(40.66)
Exchange difference on long term loan		-	(73.77)
Other comprehensive income from discontinued operations			
Items that will not be reclassified to profit or loss			
Remeasurement gain of defined benefit plan	47	-	-
Items that will be reclassified to profit or loss			
Exchange differences on translations of foreign operations		-	-
Other comprehensive income for the year		215.05	(80.05)
Total comprehensive income for the year		(1,948.61)	589.93
Profit/(loss) for the year		(2,163.66)	669.98
Attributable to:			
Equity holders of the Company		(2,060.00)	542.44
Non-controlling interests		(103.65)	127.54
Other comprehensive income for the year		215.05	(80.05)
Attributable to:			
Equity holders of the Company		213.79	(20.42)
Non-controlling interests		1.26	(59.63)
Total comprehensive income for the year		(1,948.61)	589.93
Attributable to:			
Equity holders of the Company		(1,846.22)	522.02
Non-controlling interests		(102.39)	67.91
Earnings per share for continuing operations (attributable to equity holders of the Company) nominal value of share ₹ 3 (31st March, 2022: ₹ 3)	37		
Basic, computed on the basis of profit/(loss) from continuing operations (₹)		(0.89)	0.23
Diluted, computed on the basis of profit/(loss) from continuing operations (₹)		(0.89)	0.22
Earnings per share for discontinued operations (attributable to equity holders of the Company) nominal value of share ₹ 3 (31st March, 2022: ₹ 3)	37		
Basic, computed on the basis of profit/(loss) from discontinued operations (₹)		(0.00)	0.01
Diluted, computed on the basis of profit/(loss) from discontinued operations (₹)		(0.00)	0.01
Earnings per share for continuing and discontinued operations (attributable to equity holders of the Company) nominal value of share ₹ 3 (31st March, 2022: ₹ 3)	37		
Basic, computed on the basis of profit/(loss) for the year (₹)		(0.89)	0.24
Diluted, computed on the basis of profit/(loss) for the year (₹)		(0.89)	0.23

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: 19th May, 2023

Vinit Kishore
Chief Financial Officer

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

Consolidated Statement of Cash flows

For the year ended 31st March, 2023
(₹ in Lakhs unless otherwise stated)

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit/(loss) before tax from continuing operations	(1,887.40)	1,314.16
Profit/(loss) before tax from discontinued operations	(8.37)	29.77
Profit/(Loss) before tax	(1,895.77)	1,343.93
Adjustments to reconcile profit before tax to net cash flows:		
Exceptional items (net)	471.07	-
Net loss/(profit) on foreign currency transactions and translations	316.04	(174.92)
Share of loss of associates and a joint venture	(1.30)	10.81
Depreciation and amortisation expense	2,543.88	1,989.95
Net (gain)/loss on sale of property, plant and equipment	(1.23)	35.03
Interest income	(1,784.58)	(1,429.32)
Net rental (income) on investment properties	(94.82)	(187.32)
Unclaimed balances written back (net)	(717.76)	(355.34)
Finance cost	129.76	117.82
Employee ESOP Compensation	151.08	136.83
Provision for Loss Allowances (net)	(5,302.77)	(127.83)
Irrecoverable balances/bad debts written off	5,663.68	637.84
Operating (loss)/profit before working capital changes	(522.72)	1,997.48
Movements in working capital:		
(Increase)/Decrease in inventories	(196.43)	184.02
Decrease/(Increase) in trade receivables	3,335.20	(1,937.01)
(Increase) in other receivables	(874.06)	(917.82)
(Decrease)/Increase in trade payables	(974.22)	1,517.77
Increase in other payable	1,132.95	12,860.84
Increase in provisions	119.49	34.41
Cash generated from operations	2,020.21	13,739.69
Direct taxes received/(paid) (net of refunds)	(1,425.05)	1,175.25
Net cash generated from operating activities (A)	595.16	14,914.94
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment's (including capital work in progress and capital advances)	(759.70)	(1,272.31)
Purchase of intangible assets (Including intangible assets under development)	(440.61)	(244.98)
Proceeds from sale of property, plant and equipment's and intangible assets	1.23	36.32
Acquisition of subsidiary, net of cash and cash equivalent acquired	-	6.16
Interest received	1,374.99	1,134.25
Net rental income on investment properties	94.82	187.32
(Increased)/Decreased in fixed deposits	(4,008.92)	(11,751.85)
Net cash (used in) investing activities (B)	(3,738.19)	(11,905.09)
CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds/(repayment) from current borrowings	(85.15)	(1,062.52)
Proceeds from share capital issued	18.20	76.15
Share application money (utilised)/received under ESOP	(4.47)	7.35
Securities Premium received on share capital issued	62.20	260.16
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
Repayment of lease liability	(6.11)	(163.84)
Buy back of shares by a subsidiary company from a non- controlling interest holder	(302.45)	-
Interest paid	(129.76)	(117.82)
Net cash (used in) from financing activities (C)	(447.54)	(793.37)
Net Increase in cash and cash equivalents (A + B + C)	(3,590.57)	2,216.48

Consolidated Statement of Cash flows

For the year ended 31st March, 2023
(₹ in Lakhs unless otherwise stated)

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Cash and cash equivalents at the beginning of the year	9,269.71	7,053.23
Cash and cash equivalents at the end of the year	5,679.14	9,269.71
Components of cash and cash equivalents:		
Cash on hand	6.61	6.96
Cheques/ drafts on hand	6.79	-
With banks		
- on current accounts [including related to discontinued operation ₹ 3.66 lakhs (previous year - ₹ 4.39 Lakhs)]	13,305.88	14,148.45
- Deposits with original maturity of less than three months	730.47	429.60
Bank Overdraft facility	(8,370.61)	(5,315.30)
Total cash and cash equivalents (note 11, 18 & 47)	5,679.14	9,269.71

Notes:

i) Movement in liabilities under financing activities required under Ind AS – 7 “Statement of Cash Flows”:

	Current borrowings (other than overdraft facility)	lease liability	Interest expense on financial liabilities	Total
As at 1st April, 2021	1,147.67	64.92	-	1,212.59
Cash flows movement:				
Proceeds/(Repayment) of liabilities	(1,062.52)	(163.84)	-	(1,226.36)
Interest paid	-	-	(117.82)	(117.82)
Non cash flows movement:				
Accrued interest expenses	-	-	117.82	117.82
Recognition of lease Liability	-	105.03	-	105.03
As at 31st March, 2022	85.15	6.11	-	91.26
Cash flows movement:				
Proceeds/(Repayment) of liabilities	(85.15)	(6.11)	-	(91.26)
Interest paid	-	-	(129.76)	(129.76)
Non cash flows movement:				
Accrued interest expenses	-	-	129.76	129.76
As at 31st March, 2023	-	-	-	-

The above Statement of Cash Flows has been prepared under the “Indirect Method” as set out in Ind AS – 7 “Statement of Cash Flows”

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: 19th May, 2023

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, 2023
(₹ in Lakhs unless otherwise stated)

A : Equity share capital

	Number of shares	Amount
Balance as at 1st April, 2021*	20,23,28,536	6,069.85
Changes in equity share capital due to prior period errors	-	-
Restated balance as at 1st April, 2021	20,23,28,536	6,069.85
Add : Shares issued during the year	25,38,227	76.15
Balance as at 31st March, 2022*	20,48,66,763	6,146.00
Change in equity share capital during the year		
Add : Shares issued during the year	6,06,800	18.20
Balance as at 31st March, 2023*	20,54,73,563	6,164.20

* Equity shares are net off 26,067,843 equity shares as on 31st March, 2022 and 26,067,843 equity shares as on 31st March, 2021 held by Employee Benefit Trust and Independent Non Promoter Trust. (refer note no. 51).

B : Other Equity

For the year ended 31st March, 2023

Particulars	Trust Shares (Refer note 51)	Reserves and Surplus					Items of other comprehensive income				Equity attributable to holders of the Company	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 (Pending allotment) (vii)	Retained Earnings (viii)	Foreign Currency Translation Reserve (ix)				Foreign Currency Monetary Item Translation Difference Account (x)
As at 1st April, 2022**	161.19	(15.76)	2,285.23	306.66	5,712.74	(1.28)	830.18	7.35	9,535.75	406.78	(647.96)	18,580.88	603.83	19,184.71
Profit/(loss) for the year	-	-	-	-	-	-	-	-	(2,060.01)	-	-	(2,060.01)	(103.65)	(2,163.66)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(72.48)	(361.69)	647.96	213.79	1.26	215.05
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	(2,132.49)	(361.69)	647.96	(1,846.22)	(102.39)	(1,948.60)
Transactions with owners in their capacity as owners:														
Shares issued under ESOP 2018 scheme (refer note no. 46)	-	-	62.20	-	-	-	-	(7.35)	-	-	-	54.85	-	54.85
Shares application money received during the year	-	-	-	-	-	-	-	2.88	-	-	-	2.88	-	2.88
Transactions with other:														
Share based payment to employees of the Group	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on issue of shares under ESOP 2018 Scheme (refer note no. 46)	-	-	40.84	-	-	-	-	(40.84)	-	-	-	-	-	-
Gain on buy back of share from non controlling interest by a subsidiary company	-	-	-	-	-	-	-	-	77.08	-	-	77.08	(77.08)	-
Consideration paid to non controlling interest of a subsidiary company for buy back of shares	-	-	-	-	-	-	-	-	-	-	-	-	(302.45)	(302.45)
Loss of control related to subsidiary company strike off during the year.	-	-	-	-	-	-	-	-	3.21	(2.56)	-	0.65	-	0.65
As at 31st March, 2023	161.19	(15.76)	2,388.27	306.66	5,712.74	(1.28)	940.42	2.88	7,483.55	42.53	-	17,021.20	121.91	17,143.11

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2023
(₹ in Lakhs unless otherwise stated)

For the year ended 31st March, 2022

Particulars	Trust Shares (Refer note 51)	Reserves and Surplus					Items of other comprehensive income				Equity attributable to holders of the Company	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 (Pending allotment) (vii)	Retained Earnings (viii)	Foreign Currency Translation Reserve (ix)				Foreign Currency Monetary Item Translation Difference Account (x)
As at 1st April, 2021**	161.19	(15.76)	1,854.73	306.66	5,712.74	(1.28)	1,113.36	-	8,762.42	387.71	(574.19)	17,707.58	351.40	18,058.98
Profit/(loss) for the year	-	-	-	-	-	-	-	-	542.44	-	-	542.44	127.54	669.98
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	34.28	19.07	(73.77)	(20.42)	(59.63)	(80.05)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	576.72	19.07	(73.77)	522.02	67.91	589.93
Transactions with owners in their capacity as owners:														
Shares issued under ESOP 2018 scheme (refer note no. 46)	-	-	260.16	-	-	-	-	-	-	-	-	267.51	-	267.51
Transactions with other:														
Transfer on issue of shares under ESOP 2018 Scheme (refer note no. 46)	-	-	170.34	-	-	-	(214.57)	-	-	-	-	(44.23)	-	(44.23)
Amount related to Lapsed ESOPs transferred to retained earnings	-	-	-	-	-	-	(205.44)	-	130.36	-	-	(75.08)	-	(75.08)
Share based payment to employees of the Group	-	-	-	-	-	-	136.83	-	-	-	-	136.83	(0.60)	136.23
Proceeds from fresh issue of equity by a Subsidiary - Digispice Ghana Limited	-	-	-	-	-	-	-	-	-	-	-	-	4.10	4.10
Proceeds from fresh issue of equity by a Subsidiary - Spice Money Limited	-	-	-	-	-	-	-	-	122.55	-	-	122.55	124.72	247.27
Share of Profit/(Loss) brought forward moved to minority from majority	-	-	-	-	-	-	-	-	(56.30)	-	-	(56.30)	56.30	-
As at 31st March, 2022	161.19	(15.76)	2,285.23	306.66	5,712.74	(1.28)	830.18	7.35	9,535.75	406.78	(647.96)	18,580.88	603.83	19,184.71

**There are no changes in other equity due to prior period errors.

Notes:

- excess of Company's share of equity of the subsidiary on the date of investment over cost of investment.
- Capital Premium Reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.
- Capital redemption reserve represents amount created upon cancellation of shares pursuant to buy back of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.
- General reserve represents free reserve amount appropriated out of retained earnings.
- Capital reserve represents reserve created pursuant to Scheme of Arrangement effected in earlier years and can be utilised 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 "DTL - 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 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 **Shinghi & Co**
Chartered Accountants
Firm registration number: 302049E

Bimal Kumar Sipani
Partner
Membership no.: 088926

Place: Noida
Date: 19th May, 2023

Rohit Ahuja
Executive Director
DIN : 00065417

Vinit Kishore
Chief Financial Officer

For and on behalf of the board of directors

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, 2023

(₹ in Lakhs unless otherwise stated)

1. Corporate information

The Consolidated financial statements comprise financial statements of DiGiSPICE Technologies Limited ("the parent" or "the Holding Company" or "the Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates for the year ended 31st March, 2023. 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.

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') prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended time to time. Accounting Policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use. The Board of Directors approved the financial statements for the year ended 31st March, 2023 and authorised for issue on 19th May, 2023. However, the shareholders of the Company have the power to amend the Financial Statements after the issue.

2.2 Basis of preparation

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

- Defined benefit plans and other long-term employee benefits are measured at fair value at each reporting date.
- Share based payments are initially measured at fair value.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

2.3 Functional and Presentation Currency

These financial statements are presented in Indian National Rupee ('₹'), which is the Parent Company's functional currency. All amounts have been rounded to the nearest Lakhs (₹ 00,000), except when otherwise indicated.

2.4 Basis of consolidation of financial statements

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company. 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
- has the ability to use its power over the investee to affect its returns.

The Group reassesses 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 listed above.

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.

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 Consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Group reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements to control listed below. Loss of Control is determined when the Group:

- has no power over the investee;
- is not exposed to, or not has rights, to variable returns from its involvement with the investee; and
- not has the ability to use its power to affect its returns.

When loss of control over subsidiary is established, the parent shall derecognises the assets (including goodwill), liabilities and non-controlling interests of the former subsidiary from the consolidated balance sheet at their carrying amounts at the date when control is lost. The parent shall recognise any resulting difference as a gain or loss in profit or loss attributable to the parent.

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 Consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated 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 31st March.

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 Consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the Company's investment in each subsidiary and the parent'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 Consolidated financial statements. Appropriate adjustments for deferred taxes are made for temporary differences that arise from the elimination of unrealised profits and losses from intra group transactions or undistributed earnings of Group's entity included in consolidated Statement of Profit & Loss, if any.

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 statement of profit or loss.
- Reclassifies the Company's share of components previously recognised in OCI to statement of 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 1st 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.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is

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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.
- 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 recognised 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

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.

The considerations made in determining whether significant influence are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate 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 since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated statement of profit and loss reflects the Group's share of the results of operations of the associate. 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, 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 are eliminated to the extent of the interest in the associate.

The Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate 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. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate 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 Consolidated 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 upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the Consolidated Statement of 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 classified as 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 Parent Company's functional currency. For each entity the group determines the functional currency and items included in the financial statement of each entity 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 the Consolidated Statement of Profit or Loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are recorded by the Group at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. At the reporting date, monetary assets and liabilities denominated in foreign currency are restated at the prevailing exchange rates.

Exchange differences arising on settlement or translation of monetary items are recognised in the Consolidated Statement of 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 the Consolidated Statement of Profit or Loss in the separate financial statements of the reporting entity or the individual

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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.

- ♦ 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 the Consolidated Statement of Profit or Loss are also recognised in OCI or the Consolidated Statement of 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 the Consolidated Statement of 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., 1st 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

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing on initial recognition and at each reporting date. The methods used to determine fair value include

discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices /net asset value (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices (unadjusted) included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

F. Revenue recognition

The Company recognises revenue at transaction price when it satisfies a performance obligation in accordance with the provisions of contract with the customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. This is achieved when:

- ♦ effective control of products along with significant risks and rewards of ownership has been transferred to customer;
- ♦ 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.

Sale of goods

The Group recognises revenue at transaction price when it satisfies a performance obligation in accordance with the provisions of contract with the customer. Revenue towards satisfaction of a performance obligation is

measured at the amount of transaction price allocated to that performance obligation. This is achieved when:

- ♦ effective control of goods along with significant risks and rewards of ownership has been transferred to customer;
- ♦ 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.

Transaction price represents net value of goods and services provided to customers after deducting for certain incentives and returns including, but not limited to discounts, volume rebates, etc. The 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

Sale is recognised at transaction price based on milestone achieved by the Group on development of software and invoice for that milestone raised on the customers.

The Group derives revenues 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 recognised 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 recognised as unbilled revenues. Revenue from fixed-price, fixed-time frame contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognised 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 recognised rateably over the term of the underlying maintenance arrangement.

Income from services

Revenue from value added services and Enterprises SMS are recognised at transaction price 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 recognised 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 Company and the amount of income can be measured reliably. Interest income is accrued on a time proportionate 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 consolidated statement of profit or loss due to its operating nature.

Goods and Service Tax (GST), wherever applicable, is not received by the Group on its own account. GST is collected on behalf of the government, accordingly, it is excluded from revenue.

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 consolidated 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 consolidated 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

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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 and associates, 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 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 and associates, 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 recognised 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 recognised as an asset, the said asset is created by way of credit to the consolidated 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),
- 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

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2015 measured as per the previous Generally Accepted Accounting Principles (GAAP). Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Borrowing costs incurred during the period of construction is capitalised as part of cost of qualifying asset.

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of. All other repair and maintenance costs, including regular servicing, are recognised in the consolidated statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is derecognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the consolidated statement of profit and loss.

Depreciation on all assets commences from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period or estimated useful life whichever is less. Property, plant and equipment are depreciated using the Straight Line Method over estimated useful lives of assets and residual values are regularly reviewed and, when necessary, are revised.

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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
- Payment Devices (Morefun)	1 year
- Payment Devices (Other than Morefun)	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.

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.

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., 1st April, 2015.

Investment properties acquired, subsequent to transaction date, 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 the consolidated statement of profit and 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 the consolidated 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

Intangible assets are stated at cost of acquisition or construction less accumulated amortisation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of intangible assets recognised as at 1st April, 2015 measured as per the previous Generally Accepted Accounting Principles (GAAP). Intangible assets purchased are measured at cost as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

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.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis,

from the date that they are available for use. In case of computer software, the Company has estimated useful life of five years or less.

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 capitalised include material cost, employee benefits and other overhead cost that are directly attributable to preparing the asset for its intended use.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. In case of computer software, the Group has estimated useful life of five years or less.

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 directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Ancillary costs incurred in connection with the arrangement of borrowings are adjusted with the proceeds of the borrowings.

N. Inventories

Inventories are valued as follows:

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

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

Stock-in-trade: cost includes cost of purchase and other costs, net of GST Input Credit, incurred in bringing the

inventories to their present location and condition. Cost is determined on FIFO Basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Provision for cost of obsolescence and other anticipated losses, wherever considered necessary, are recognised in the books of account.

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 are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Notes forming part of Consolidated Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

Contingent liability is disclosed for:

- ◆ Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
- ◆ Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

Q. Employee benefits

Short-term benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the service rendered by employees are recognised during the period when the employee renders the services.

Defined contribution plans

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 recognises contribution payable to the provident fund scheme and State Plans namely Employees' State Insurance Fund, as an expense, when an employee renders the related service.

Group's contribution to Provident Fund is made in accordance with the Statute, and are recognised as an expense when employees have rendered services entitling them to the contribution.

Defined benefits plans

The Group operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. Gratuity is a defined benefit obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method by actuarial valuer at each reporting date. In respect of post-retirement benefit re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, 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. Re-measurements are not reclassified to the consolidated Statement of profit or loss in subsequent periods.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

Other long-term benefits

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Actuarial gains/ losses on the compensated absences are immediately taken to the consolidated statement of profit and loss and are not deferred.

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

Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 115 for pricing adjustments embedded in the contract.

All other 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 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 consolidated statement of profit and 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 amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised 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 recognised in the Consolidated 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 Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised 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 recognised in the consolidated 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 without material delay to a third party under a 'pass-through' arrangement; and either

- (a) the Group has transferred substantially all the risks and rewards of the asset
- (b) 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

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group considers:

- ◆ All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- ◆ Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses. When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

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.

Notes forming part of Consolidated Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

All financial liabilities are recognised initially at fair value net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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 amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of 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 consolidated statement of profit and loss.

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 consolidated statement of profit or loss.

Reclassification of financial instruments

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 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 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 the consolidated statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments which is directly adjusted with equity and other equity.

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 purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

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

The Group recognises a right-of-use asset and a lease liability at the commencement date, except for short-

term leases of twelve months or less and leases for which the underlying asset is of low value, which are expensed in the consolidated statement of profit and loss on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if not readily determinable, the incremental borrowing rate specific to the Group, term and currency of the contract. Lease payments can include fixed payments, variable payments that depend on an index or rate known at the commencement date, as well as any extension or purchase options, if the Group is reasonably certain to exercise these options. The lease liability is subsequently measured at amortised cost using the effective interest method and remeasured with a corresponding adjustment to the related right-of-use asset when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessments of options.

The right-of-use asset comprises, at inception, the initial lease liability, any initial direct costs and, when applicable, the obligations to refurbish the asset, less any incentives granted by the lessors. The right-of-use asset is subsequently depreciated, on a straight-line basis, over the lease term, if the lease transfers the ownership of the underlying asset to the Company at the end of the lease term or, if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, over the estimated useful life of the underlying asset, other are also subject to testing for impairment if there is an indicator for impairment. Variable lease payments not included in the measurement of the lease liabilities are expensed to the Consolidated Statement of Profit & Loss in the period in which the events or conditions which trigger those payments occur.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rentals are recognised as revenue in the period in which they are earned.

Y. Earnings per share

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders 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 by the weighted average number of equity shares outstanding during the year (adjusted for the effects of dilutive options).

Notes forming part of Consolidated Financial Statements

As at and for the year ended 31st March, 2023
(₹ in Lakhs unless otherwise stated)

Z. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules, 2015 as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April, 2023, as below:

Ind AS 1 – Material accounting policies – The amendments mainly related to shifting of disclosure of erstwhile "significant accounting policies" in the notes to the financial statements to material accounting policy information requiring companies to reframe their accounting policies to make them more "entity specific". This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS). The Group does not expect this amendment to have any significant impact on its financial statement.

Ind AS 8 – Definition of accounting estimates – The amendments specify definition of 'change in accounting estimate' replaced with the definition of 'accounting estimates'. The Group does not expect this amendment to have any significant impact on its financial statement.

Ind AS 12 – Income taxes – Annual Improvements to Ind AS (2021) - The amendment clarifies that in cases of transactions where equal amounts of assets and liabilities are recognised on initial recognition, the initial recognition exemption does not apply. Also, if a company has not yet recognised deferred tax asset and deferred tax liability on right-of-use assets and lease liabilities or has recognised deferred tax asset or deferred tax liability on net basis, that company shall have to recognise deferred tax assets and deferred tax liabilities on gross basis based on the carrying amount of right-of-use assets and lease liabilities existing at the beginning of 1st April, 2022. The Group does not expect this amendment to have any significant impact on its financial statement.

Notes forming part of Consolidated Financial Statements

As at and for the year ended 31st March, 2023
(₹ in Lakhs unless otherwise stated)

3 Property, plant and equipment and capital work in progress

Particulars	Building	Leasehold Improvement	Plant and Machinery	Office Equipments	Furniture and Fittings	Computers	Vehicle	Payment Devices	Total	Capital Work in Progress	Grand Total
As at 1st April, 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 to Inventory	-	-	-	-	-	-	-	-	-	(1.75)	(1.75)
Exchange differences on translations of foreign operations	-	-	-	(0.64)	(0.82)	47.70	0.46	-	46.70	-	46.70
At 31st 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
Additions for the year	-	-	-	7.35	0.74	38.89	-	1,142.49	1,189.47	779.31	1,968.78
Disposals	-	-	-	-	-	(20.71)	-	-	(20.71)	(1,142.49)	(1,163.20)
Adjustment	-	-	-	-	-	(83.93)	-	83.93	-	-	-
Exchange differences on translations of foreign operations	-	-	-	(0.52)	(0.84)	97.61	(0.13)	-	96.12	-	96.12
At 31st March, 2023	2,514.34	272.43	406.84	292.79	311.27	4,781.59	199.96	4,063.65	12,842.87	-	12,842.87
Accumulated depreciation											
As at 1st April, 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)
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 31st 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
Depreciation for the year	30.28	0.66	33.48	6.70	1.38	286.92	16.00	1,461.50	1,836.92	-	1,836.92
Written off - Exceptional Item	-	-	-	-	-	-	-	797.05	797.05	-	797.05
Disposals	-	-	-	-	-	(20.71)	-	-	(20.71)	-	(20.71)
Adjustment	5.95	(0.30)	(6.25)	0.60	(0.89)	(19.32)	(0.81)	21.02	-	-	-
Exchange differences on translations of foreign operations	-	-	-	(0.53)	(0.42)	98.20	(0.14)	-	97.11	-	97.11
At 31st March, 2023	1,956.44	266.78	300.73	277.09	308.52	4,530.40	162.08	4,063.65	11,865.69	-	11,865.69
Net Book Value											
At 31st 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
At 31st March, 2023	557.90	5.65	106.11	15.70	2.75	251.19	37.88	-	977.18	-	977.18

Notes forming part of Consolidated Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

As at 31st March, 2023

CWIP	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

As at 31st March, 2022

CWIP	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	332.75	30.43	-	-	363.18
Projects temporarily suspended	-	-	-	-	-

Notes:

- There was no time overrun and/or cost overrun for the projects as at 31st March, 2023 and 31st March, 2022.
- Depreciation for the year includes depreciation on Property, plant and equipment, pertaining to discontinued operation of Nil (31st March, 2022: ₹ Nil).

3A. Right of Use Assets

Particulars	Lease hold Land	Building	Total
Cost as at 1st April, 2021	412.21	181.64	593.85
Additions for the year	-	105.03	105.03
Discard/Transfer	-	-	-
Exchange differences on translations of foreign operations	-	0.94	0.94
Cost as at 31st March, 2022	412.21	287.61	699.82
Additions for the year	-	-	-
Discard/Transfer	-	-	-
Exchange differences on translations of foreign operations	-	11.51	11.51
Cost as at 31st March, 2023	412.21	299.12	711.33
Accumulated amortisation as at 1st April, 2021	35.24	121.10	156.34
Amortisation for the year	7.69	159.74	167.43
Exchange differences on translations of foreign operations	-	0.89	0.89
Accumulated amortisation as at 31st March, 2022	42.93	281.73	324.66
Amortisation for the year	7.69	6.18	13.87
Exchange differences on translations of foreign operations	0.01	11.21	11.22
Accumulated amortisation as at 31st March, 2023	50.63	299.12	349.75
Net carrying value as on 31st March, 2022	369.28	5.88	375.16
Net carrying value as on 31st March, 2023	361.58	-	361.58

4 Investment Property

Particulars	Free hold land	Lease hold land	Building	Office Equipment's	Furniture and Fittings	Total
Gross carrying amount						
At 1st April, 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
At 31st March, 2023	8.00	264.63	1,733.05	79.35	12.16	2,097.19
Accumulated depreciation						
At 1st April, 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 31st March, 2022	-	167.14	458.27	79.35	11.75	716.51
Depreciation for the year	-	22.43	65.26	-	0.42	88.11
Adjustment	-	-	0.02	-	-	0.02
At 31st March, 2023	-	189.57	523.55	79.35	12.17	804.64

Particulars	Free hold land	Lease hold land	Building	Office Equipment's	Furniture and Fittings	Total
Net Book Value						
At 31st March, 2022	8.00	97.49	1,274.78	-	0.41	1,380.68
At 31st March, 2023	8.00	75.06	1,209.50	-	-	1,292.56

a. Information regarding income and expenditure of Investment property

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Rental income derived from investment properties	94.82	178.43
Less: Direct operating expenses (including repairs and maintenance) generating rental income	25.24	19.92
Less: Direct operating expenses (including repairs and maintenance) that did not generate rental income	13.99	13.94
Profit arising from investment properties before depreciation and indirect expenses	55.59	144.57
Less - Depreciation	88.11	96.25
Profit arising from investment properties before indirect expenses	(32.52)	48.32

- The Group investment properties as on 31st March, 2023 and 31st March, 2022 consist of two office property situated at Kolkata and Mumbai (Jogeshwari) and one factory land and building situated at Rampur in India. The management has determined the classification of investment properties based on nature, characteristics and risks of each property.

- 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 in May, 2022 by external independent registered valuer defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The Group 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 properties 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 48B.

e. Fair value of Investment Properties

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Fair Value of Investment Properties	4,413.00	4,413.00

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)	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 measurement.

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.

Notes forming part of Consolidated Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

5 Intangible assets

Particulars	Intellectual Property Rights	Computer Software	In-house developed Software	Total	Intangible asset under development
At 1st April, 2021	668.83	1,900.69	1,411.92	3,981.44	246.44
Additions for the year	-	1.80	81.47	83.27	243.18
Disposals	-	-	-	-	(81.47)
Adjustment	-	-	-	-	-
Capitalised during the year	396.30	-	-	396.30	(396.30)
Exchange differences on translations of foreign operations	-	(2.28)	-	(2.28)	-
At 31st March, 2022	1,065.13	1,900.21	1,493.39	4,458.73	11.85
Additions for the year	-	225.89	-	225.89	452.45
Disposals	-	(125.12)	-	(125.12)	(237.72)
Adjustment	-	-	-	-	-
Capitalised during the year	-	-	-	-	-
Exchange differences on translations of foreign operations	-	(4.00)	-	(4.00)	-
At 31st March, 2023	1,065.13	1,996.98	1,493.39	4,555.50	226.58
Accumulated amortisation					
At 1st April, 2021	584.53	1,566.37	881.93	3,032.83	-
Amortisation for the year	40.71	135.29	222.56	398.56	-
Disposals	-	-	-	-	-
Adjustment	-	(2.89)	-	(2.89)	-
Exchange differences on translations of foreign operations	-	(0.26)	-	(0.26)	-
At 31st March, 2022	625.24	1,698.51	1,104.49	3,428.24	-
Amortisation for the year	110.26	79.08	415.64	604.98	-
Disposals	-	(125.12)	-	(125.12)	-
Adjustment	(35.97)	62.71	(26.74)	-	-
Exchange differences on translations of foreign operations	-	(2.39)	-	(2.39)	-
At 31st March, 2023	699.53	1,712.79	1,493.39	3,905.71	-
Net Book Value					
At 31st March, 2022	439.89	201.70	388.90	1,030.49	11.85
At 31st March, 2023	365.60	284.19	-	649.79	226.58

Intangible assets under development Ageing

As at 31st March, 2023

Intangible assets under development	< 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	226.58	-	-	-	226.58
Projects temporarily suspended	-	-	-	-	-

As at 31st March, 2022

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	-	-	-	-	-

Note:

- Intangible assets under development includes manpower and other cost incurred for various internally developed software.
- There were no temporarily suspended projects and/or no time overrun and/or cost overrun for the intangible assets under development as at 31st March, 2023 and 31st March, 2022.

6 Investment accounted using equity method

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Investment in associates - unquoted (refer note 45)		
Creative Functionapps Lab Pvt. Ltd 3,514 (31 st March, 2022 : 3,514) equity share of ₹ 10 each	40.61	39.31
Sunstone Learning Private Limited 95,058 (31 st March, 2022 : 95,058) equity share of ₹ 1 each	782.09	782.09
Less: Impairment of Investment	(782.09)	(782.09)
	40.61	39.31

7 Investments

Particulars	Non current		Current	
	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Financial instrument carried at fair value through profit and loss				
Investment in equity instrument (unquoted)				
S Mobile Devices Limited 50,000 (31 st March, 2022 : 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)	1,459.65	1,437.70	-	-
Less: Provision for Impairment of Investment	(1,459.65)	(1,437.70)	-	-
Investment in PT Jasa Digital Nusantara (USD 2,00,000 (Two hundred thousand USD) convertible bonds)	159.93	157.53	-	-
Less: Provision for Impairment of Investment	(159.93)	(157.53)	-	-
Government and trust securities (unquoted)				
National Saving Certificates 5 (31 st March, 2022 : 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	(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	1,620.08	1,595.73	-	-

8 Loans - financial assets

Particulars	Non current		Current	
	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Unsecured, considered good				
Loans to employees	0.65	10.69	1.97	4.61
	0.65	10.69	1.97	4.61
Unsecured, credit impaired				
Loans to related parties	-	-	-	4,945.14
Advances recoverable in cash or kind*	-	-	4.92	404.92
	-	-	4.92	5,350.06
Allowances for loss				
Loans to related parties	-	-	-	4,945.14
Advances recoverable in cash or kind*	-	-	4.92	404.92
	-	-	4.92	5,350.06
	0.65	10.69	1.97	4.61

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.

* including advances given to related party ₹ Nil (31st March, 2022: ₹ 400 Lakhs), refer note 41

Notes forming part of Consolidated Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

9 Others- financial assets

Particulars	Non current		Current	
	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Unsecured, considered good				
Receivable from related party (refer note 41)				
Rent and other receivable	-	-	-	154.65
Receivable against ticketing	-	-	25.69	20.10
Receivable from others				
Interest accrued on fixed deposits	-	-	346.26	218.92
Interest accrued on Income Tax Refund	-	-	247.99	-
Rent and other receivable	-	-	1.03	3.53
Security deposits	293.33	211.28	84.53	90.75
Receivable against ticketing	-	-	11.54	14.23
Receivable against collection from agents	-	-	1,225.79	1,831.43
Advances recoverable in cash or kind	-	-	0.13	245.01
Fixed deposits with remaining maturity of more than 12 months (Refer note 12 for fixed deposit pledged with bank)	4,116.88	3,669.31	-	-
	4,410.21	3,880.59	1,942.96	2,578.62
Unsecured, credit impaired				
Receivable against collection from agents	-	-	-	12.39
Unbilled Receivables	-	-	3,154.93	3,154.93
Security deposits	-	-	23.32	23.32
Rent and other receivables - from others	-	-	22.58	23.82
	-	-	3,200.83	3,214.46
Allowances for loss				
Receivable against collection from agents	-	-	-	12.39
Unbilled Receivables	-	-	3,154.93	3,154.93
Security deposits	-	-	23.32	23.32
Rent and other receivables - from others	-	-	22.58	23.82
	-	-	3,200.83	3,214.46
	4,410.21	3,880.59	1,942.96	2,578.62

10 Trade receivables

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Trade receivables	6,461.65	9,993.90
Less: Provision for expected credit losses	(3,067.85)	(2,877.76)
	3,393.80	7,116.14
Billed		
Secured, considered good	-	-
Unsecured, considered good	1,458.03	3,283.37
Unsecured, credit impaired	3,067.85	2,877.76
	4,525.88	6,161.13
Less: Provision for expected credit losses	(3,067.85)	(2,877.76)
Total Billed	1,458.03	3,283.37
Unbilled		
Secured, considered good	-	-
Unsecured, considered good	1,935.77	3,832.77
Unsecured, credit impaired	-	-
	1,935.77	3,832.77
Less: Provision for expected credit losses	-	-
Total Unbilled	1,935.77	3,832.77

Trade Receivable ageing

As at 31st March, 2023

Particulars	Not due	Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	More than 3 years	Total
Undisputed Trade receivables							
(i) Considered good	709.42	546.71	60.87	71.53	44.33	25.18	1,458.04
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	0.06	59.38	195.70	164.10	529.65	2,118.96	3,067.85
Disputed Trade Receivables							
(iv) Considered good	-	-	-	-	-	-	-
(v) Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Credit impaired	-	-	-	-	-	-	-
Total	709.48	606.09	256.57	235.63	573.98	2,144.14	4,525.88

As at 31st March, 2022

Particulars	Not due	Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	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	388.10	2,182.26	6,161.13

11 Cash and cash equivalents

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Balance with banks :		
On current accounts	13,302.22	14,144.06
Cheques, drafts on hand	6.79	-
Cash on hand	6.61	6.96
Deposit with original maturity of less than three months*	730.47	429.60
	14,046.09	14,580.62

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, 2023

(₹ in Lakhs unless otherwise stated)

12 Bank balances other than (11) above

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Unclaimed dividend accounts	3.64	3.65
Deposits with remaining maturity of less than 12 months	8,604.83	11,027.30
Deposit held as security against borrowings/bank guarantee (remaining maturity of less than 12 months)##	15,659.70	9,675.87
Fixed deposits with remaining maturity of more than 12 months	4,116.88	3,669.31
	28,385.05	24,376.13
Amount disclosed under other non current financial assets (refer note 9)	(4,116.88)	(3,669.31)
	24,268.17	20,706.82

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 ₹ 1,489.04 Lakhs (31st March, 2022: ₹ 877.03 Lakhs) pledged with bank/ government authority.

Includes deposits of ₹ 78.58 Lakhs (31st March, 2022: ₹ 35.77 Lakhs) pledged against issue of bank guarantees and deposit of ₹ 227.32 Lakhs (31st March, 2022: ₹ 107.53 Lakhs) pledged for pre paid instrument business and Deposits of ₹ 11,481.73 Lakhs (31st March, 2022: ₹ 8,630.54 Lakhs) pledged against borrowings, Deposit of ₹ 2,358.03 Lakhs (31st March, 2022: ₹ Nil) and Deposits of ₹ 25 Lakhs (31st March, 2022: ₹ 25 Lakhs) pledged against issue of corporate credit card.

13 Non current tax assets (Net)

Particulars	Non current		Current	
	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Advance income-tax (net of provision for taxation)	5,463.85	4,610.45	1,014.12	34.78
	5,463.85	4,610.45	1,014.12	34.78

14 Other assets

Particulars	Non current		Current	
	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Unsecured, considered good				
Capital advances	-	86.87	-	-
Prepaid expenses	-	-	609.90	571.89
Prepaid rent	-	0.41	0.41	0.60
Balances with statutory / government authorities	-	-	672.17	598.15
Advance to suppliers/ service providers	4.58	18.22	2,834.87	1,255.15
	4.58	105.50	4,117.35	2,425.79
Unsecured, considered doubtful				
Advances receivable in cash or kind	123.92	-	178.32	235.79
Balances with statutory / government authorities	-	-	20.70	22.69
Allowances for bad and doubtful				
Advances receivable in cash or kind	-	-	178.32	235.79
Balances with statutory / government authorities	-	-	20.70	22.69
	128.50	105.50	4,117.35	2,425.79

15 Inventories

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Stock-in-trade (at lower of cost and net realisable value)	474.62	278.19
	474.62	278.19

The cost of inventories recognised as an expense includes ₹ 20.75 Lakhs (31st March, 2022: ₹ 34.00 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:

Particulars	Deferred tax assets		Deferred tax (liabilities)		Net deferred tax asset/(liabilities)	
	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Property, plant and equipments and intangible assets: impact of difference between tax depreciation and depreciation/ amortisation recognised in books	618.40	16.45	(19.43)	(63.35)	598.97	(46.90)
Provisions for loss allowance	477.57	556.85	-	-	477.57	556.85
Provisions-employee benefits	415.50	388.71	-	-	415.50	388.71
Business Losses including unabsorbed depreciation	781.53	914.56	-	-	781.53	914.56
Other items	27.81	107.26	(4.09)	(5.86)	23.72	101.40
Exchange difference on translation	-	-	-	-	-	-
Deferred tax assets/ (liabilities)	2,320.81	1,983.83	(23.52)	(69.21)	2,297.29	1,914.62
MAT credit receivable	84.56	586.26	-	-	84.56	586.26
Net deferred tax assets/ (liabilities)	2,405.37	2,570.09	(23.52)	(69.21)	2,381.85	2,500.88

B. Movement in temporary differences

Particulars	As at 31 st 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 st March, 2022	Recognised in profit or loss during 2022-23	Recognised in OCI during 2022-23	Recognised directly in equity 2022-23	As at 31 st March, 2023
	(A)	(B)	(C)	(D)	(E=A- B+C+D)	(F)	(G)	(H)	(I=E- F+G+H)
Property, plant and equipments and intangible assets	(132.97)	86.07	-	-	(46.90)	645.87	-	-	598.97
Provisions for loss allowance	544.32	12.53	-	-	556.85	(79.28)	-	-	477.57
Provisions-employee benefits	387.25	63.85	(2.57)	(59.82)	388.71	4.96	21.83	-	415.50
Business Losses including unabsorbed depreciation	902.63	11.93	-	-	914.56	(133.03)	-	-	781.53
Other items	120.76	(19.36)	-	-	101.40	(77.68)	-	-	23.72
MAT credit receivables	1,007.78	(421.52)	-	-	586.26	(501.70)	-	-	84.56
Exchange difference on translation	-	0.48	-	-	-	1.09	-	-	-
	2,829.77	(266.02)	(2.57)	(59.82)	2,500.88	(139.77)	21.83	-	2,381.85

Reflected in the balance sheet as follows:

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Deferred tax assets	2,405.37	2,570.09
Deferred tax liabilities	(23.52)	(69.21)
Deferred tax assets (net)	2,381.85	2,500.88

Reflected in the statement of profit and loss as follows:

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Tax income/(expense) during the year	(139.77)	(266.02)
Deferred tax impact OCI	21.83	(2.57)
Total	(117.94)	(268.59)

♦ 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.

Notes forming part of Consolidated Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

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 2032-33. As per the projections the Company expects to recover or adjust the MAT Credit (MAT is eligible for adjustment in 15 years). It is difficult to appropriately evidence that from which year and how much deferred tax will be realised/settled based on new tax rate regime. The Company has not exercised this option during the year and continue to recognise the taxes on income for year ended 31st March, 2023 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 on the following amounts:

Particulars	As at 31 st March, 2023	Expiry date	As at 31 st March, 2022	Expiry date
Parent Company				
Business Losses	1,925.27	31 st March, 2025 to 31 st March, 2032	605.51	31 st March, 2029 to 31 st March, 2030
Unabsorbed depreciation	1,066.32		711.58	
Long term capital losses	2,107.45	31 st March, 2024 to 31 st March, 2026	2,107.45	31 st March, 2023 to 31 st March, 2026
Short term capital losses	7.66	31 st March, 2025 to 31 st March, 2026	7.66	31 st March, 2025 to 31 st March, 2026
Provision for Loss Allowances-Loan and other receivables	1,371.20		6,391.49	
Provision for Loss Allowances-Trade Receivables	3,955.61		3,955.61	
Provision for Impairment of Investment	48,103.40		48,103.40	
Total	58,536.92		61,882.70	

17 Equity share capital

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Authorised		
413,500,000 (31 st March, 2022: 413,500,000) equity shares of ₹ 3 each	12,405.00	12,405.00
Issued, subscribed and fully paid-up		
231,541,406 (31 st March, 2022: 230,934,606) equity shares of ₹ 3 each	6,946.24	6,928.04
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, 2022 :26,067,843) shares transferred to the trust pursuant to the Scheme of Amalgamation) (refer to note 51)	782.04	782.04
	6,164.20	6,146.00

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

Particulars	Nos.	Amount in ₹ Lakhs
Outstanding at the end of the year as at 31 st March, 2021	22,83,96,379	6,851.89
Add: Share issued under ESOP Scheme 2018 (refer note 46)	25,38,227	76.15
Outstanding at the end of the year as at 31 st March, 2022	23,09,34,606	6,928.04
Add: Share issued under ESOP Scheme 2018 (refer note 46)	6,06,800	18.20
Outstanding at the end of the year as at 31 st March, 2023	23,15,41,406	6,946.24

(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:

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Spice Connect Private Limited		
169,447,570 (31 st March, 2022: 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 31 st March, 2023		As at 31 st March, 2022	
	Nos.	% holding in the class	Nos.	% holding in the class
Spice Connect Private Limited	16,94,47,570	73.18%	16,94,47,570	73.37%
Mediatek India Technology Private Limited	1,21,92,670	5.27%	1,24,74,701	5.40%
Independent Non Promoter Trust	1,59,12,776	6.87%	1,59,12,776	6.89%

(e) Paid up share capital includes 38,083 equity shares allotted on 14th June, 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, 2023 is as follows:

Promoter name	As at 31 st March, 2023		As at 31 st March, 2022		% Change during the year
	No. of Shares	% of Holding	No. of Shares	% of Holding	
Spice Connect Private Limited	16,94,47,570	73.18	16,94,47,570	73.37	-
	16,94,47,570	73.18	16,94,47,570	73.37	-

Disclosure of shareholding of promoters for Financial year ended on 31st March, 2022 is as follows:

Promoter name	As at 31 st March, 2022		As at 31 st March, 2021		% Change during the year
	No. of Shares	% of Holding	No. of Shares	% of Holding	
Spice Connect Private Limited	16,94,47,570	73.37	16,94,47,570	74.19	-
	16,94,47,570	73.37	16,94,47,570	74.19	-

Note: During the current and previous 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

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Securities premium	2,388.27	2,285.23
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	7,483.55	9,535.75
Trust shares (refer note 51)	161.19	161.19
Share Based Payment Reserve	940.42	830.18
Capital reserve on Scheme of Arrangement	(1.28)	(1.28)
Other comprehensive income (OCI)	42.53	(241.18)
Share Application Money	2.88	7.35
	17,021.20	18,580.88
a) Securities premium		
Balance as per the last financial statements	2,285.23	1,854.73
Add: Premium received on shares issued under ESOP Scheme	62.20	260.16
Add: Transfer of Share based reserve on issue of shares under ESOP Scheme	40.84	170.34
Closing Balance	2,388.27	2,285.23

Notes forming part of Consolidated Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
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)
e) Retained earnings		
Balance as per the last financial statements	9,535.75	8,762.42
Add: Profit/(loss) during the year	(2,163.65)	669.98
Transfer to non controlling interest	103.65	(127.54)
Add: Other Comprehensive income during the year	(72.48)	34.28
Share of Profit/(Loss) brought forward moved to minority from majority	77.08	(56.30)
Proceeds from fresh issue of equity by a Subsidiary - Spice Money Limited	-	122.55
Add: Share based payment to employees of the Group (refer note 46)	-	130.36
Add: Loss of control related to subsidiary company strike off during the year	3.21	-
Closing Balance	7,483.55	9,535.75
f) Trust shares (refer note 51)		
Opening balance	161.19	161.19
Adjustments relating to sale of shares by Trust	-	-
Closing Balance	161.19	161.19
g) Share Based Payment Reserve		
Opening balance	830.18	1,113.36
Add: Created during the year	151.08	121.58
Add: ESOP Outstanding_Holding company	-	15.25
Less: Transfer of Share based reserve on issue of shares under ESOP Scheme	(40.84)	(214.57)
Less: Amount related to Lapsed ESOPs, transferred to retained earnings	-	(205.44)
Closing Balance	940.42	830.18
h) Capital reserve on Scheme of Arrangement		
Opening balance	(1.28)	(1.28)
Add: Addition pursuant to Scheme of Arrangement (refer note 56)	-	-
Closing Balance	(1.28)	(1.28)
i) Items of OCI		
1. Foreign Currency Translation Reserve		
Balance as per the last financial statements	406.78	387.71
Addition/(deletion) during the year	(361.69)	19.07
Loss of control related to subsidiary company strike off during the year	(2.56)	-
Closing Balance	42.53	406.78
2. Foreign Currency Monetary Item Translation Difference Account		
Balance as per the last financial statements	(647.96)	(574.19)
Add: Addition/(deletion) during the year	647.96	(73.77)
Closing Balance	-	(647.96)
Total (1+2)	42.53	(241.18)
j) Share Application Money		
Share Application money received under ESOP pending allotment	2.88	7.35
Total other equity	17,021.20	18,588.23

18 Borrowings

Particulars	Non current		Current	
	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Secured				
Overdraft limit from bank (repayable on demand) #	-	-	1,216.08	-
Bank Overdraft facility (Secured) \$	-	-	7,154.53	5,315.30
	-	-	8,370.61	5,315.30
Unsecured				
Interest free loan and advances from others repayable on demand (repayable on demand)	-	-	-	85.15
	-	-	-	85.15
	-	-	8,370.61	5,400.45

In the current year, overdraft facilities from bank are secured by pledge of fixed deposit with banks. The facilities carried an average interest at 7.12% as at 31st March, 2023 (31st March, 2022: Nil).

\$ 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 6.40% as at 31st March, 2023 (31st March, 2022: 6.85%).

19 Trade payables

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Trade payables		
- Due to Micro and Small Enterprises (refer note 52)	58.88	90.65
- Due to Other than Micro and Small Enterprises	5,243.20	6,878.78
Trade payable to related parties (refer note 41)	0.77	16.91
	5,302.85	6,986.34

Trade Payable ageing

As at 31st March, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1- 2 years	2- 3 years	More than 3 years	
(i) MSME	14.53	17.87	26.48	-	-	-	58.88
(ii) Others	2,291.22	63.45	2,176.93	9.48	-	1.41	4,542.49
(iii) Disputed Dues- MSME	-	-	-	-	-	-	-
(iv) Disputed Dues- Others	701.48	-	-	-	-	-	701.48
Total	3,007.23	81.32	2,203.41	9.48	-	1.41	5,302.85

As at 31st March, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1- 2 years	2- 3 years	More than 3 years	
(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, 2023

(₹ in Lakhs unless otherwise stated)

20 Other financial liabilities

Particulars	Non current		Current	
	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
At amortised cost				
Security deposits	0.02	32.93	16.47	35.47
Unpaid dividends	-	-	3.64	3.65
Payable on settlement of transactions	-	-	1,179.19	1,245.32
Capital creditors	-	-	15.79	36.07
Employee related liabilities (includes salary payable and variable compensation)				
- to related parties (refer note 41)	-	-	-	25.14
- to other employees	-	-	1,107.92	1,458.67
	0.02	32.93	2,323.01	2,804.32

21 Provisions

Particulars	Non current		Current	
	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Provision for employee benefit				
Gratuity (refer note 39)	657.76	549.66	86.16	57.58
Compensated absences	299.34	212.33	70.02	78.65
Provision for GST under dispute	-	-	10.26	10.26
Provision for interest payable to MSME	-	-	-	0.71
	957.10	761.99	166.44	147.20

22 Current tax liabilities (net)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Provision for income-tax (net of advance tax)	672.92	171.37
	672.92	171.37

23 Other liabilities

Particulars	Non current		Current	
	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
Deposits from customers	47.17	-	-	-
Employee statutory deductions	-	-	97.87	95.78
TDS payable	-	-	336.41	354.63
Advance from customers and their credit balances	-	-	28,393.12	26,608.70
Deferred revenue	-	-	25.41	593.66
Indirect taxes and duties payable	-	-	519.26	439.32
Others	-	0.80	7.86	33.30
	47.17	0.80	29,379.93	28,125.39

24 Revenue from operations

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Sale of Airtime, Stock-in-trade and Others		
Airtime	52,595.79	50,045.03
Stock-in-trade of Payment devices and others	1,647.88	1,053.55
Sale of hardware and software solution	545.92	249.32
	54,789.59	51,347.90
Sales/Rendering of Services		
Fintech services	38,702.18	32,641.14
Others	8,041.11	15,071.58
	46,743.29	47,712.72
	1,01,532.88	99,060.62

As per the terms of the contract with its customers, all performance obligations are completed at point of time since 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. Also, there is no difference between the contract price and the revenue from contract with customers.

- For contract liabilities, Refer note no. 23.
- The above revenues have been recognised at point of time.
- Payment terms with customers generally ranges between 30 to 60 days from the completion of performance obligation. Considering the same, the Company elects to use practical expedient as given in IND AS 115 "Revenue from contracts with customers", hence there are no significant financing component in any transaction with the customers.
- Revenue from the sale of the products and services is mainly within India and are mainly earned directly.
- For contract assets and balances, Refer note no. 10.

25 Other income

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Interest on		
Bank deposits	1,500.82	1,086.07
Loan to an employee and body corporate	0.84	8.30
Others	0.67	17.32
Income tax refund	282.25	317.63
Rental income	115.08	243.13
Net gain on sale of property, plant and equipment	1.23	-
Unclaimed balances written back (net)	717.76	355.34
Miscellaneous income	92.44	-
Other non-operating income	-	42.35
	2,711.09	2,070.14

26 Cost of goods and services procured

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Goods and services procured	52,690.52	50,151.49
	52,690.52	50,151.49

Notes forming part of Consolidated Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

27 (Increase) / Decrease in inventories of stock-in-trade

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Inventories at the end of the year		
Stock-in-trade	474.62	278.19
	474.62	278.19
Inventories at the beginning of the year		
Stock-in-trade	278.19	462.21
	278.19	462.21
Less: Capitalisation from opening inventory	178.16	346.30
	(374.59)	(162.28)

28 Cost of services rendered

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Domestic Money Transfer Charges	2,922.26	2,963.13
Commission and other charges	23,399.92	20,324.13
Value added charges and other service charges	3,517.64	8,928.66
	29,839.82	32,215.92

29 Employee benefits expense

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Salaries, wages and bonus	10,513.53	7,758.68
Contribution to provident and other funds	643.32	449.66
Gratuity expense (refer note 39)	193.07	151.09
Staff welfare expenses	197.79	132.48
Employee ESOP Compensation	151.08	121.58
	11,698.79	8,613.49
Less: Capitalised as Intangible Assets/ Transferred to Intangible Assets under Development	(140.12)	(141.02)
	11,558.67	8,472.47

30 Finance costs

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Interest Cost	113.70	38.56
Bill discounting charges	9.54	62.25
Interest on lease liability	-	16.89
Other finance cost	6.52	0.12
	129.76	117.82

31 Depreciation and amortization expense

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Depreciation on property, plant and equipments (refer note 3)	1,836.92	1,327.71
Amortization of intangible assets (refer note 5)	604.98	398.56
Depreciation on investment property (refer note 4)	88.11	96.25
Amortization of right-of-use assets (refer note 3A)	13.87	167.43
	2,543.88	1,989.95

32 Other expenses

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Net Loss on foreign currency transactions and translations	616.00	60.67
Rent	331.03	46.67
Rates and taxes	130.51	35.28
Insurance	88.33	39.92
Repairs and maintenance		
- Buildings	2.10	12.24
- Others	422.16	393.92
Advertising and sales promotion	377.12	540.04
Net loss on sale of property, plant and equipments	-	35.03
Vehicle running and maintenance	546.05	337.98
Travelling and conveyance	1,705.34	1,005.29
Legal and professional fees	3,045.09	2,193.38
Payment to statutory auditors	84.61	82.34
Corporate social responsibility expenses	48.00	6.00
Irrecoverable balances written off	5,663.68	637.84
Provision for Loss Allowance	(5,302.77)	(127.83)
Donation and contributions to charitable institutions	-	42.00
Miscellaneous expenses	1,598.75	1,625.16
	9,356.00	6,965.93
Less: Capitalised as Intangible Assets/ Transferred to Intangible Assets under Development	(82.46)	(45.51)
	9,273.54	6,920.42

33 Exceptional items

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Penalty charged by RBI	-	100.00
Additional depreciation and revenue on Morefun devices	471.07	-
	471.07	100.00

34 Items that will not be reclassified to profit and loss

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Remeasurement gain of defined benefit plan	(94.86)	36.95
Deffered tax impact	21.83	(2.57)
	(73.03)	34.38

35 Items that will be reclassified to profit and loss

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Exchange differences on translations of foreign operations	288.08	(40.66)
Exchange difference on long term loan*	-	(73.77)
	288.08	(114.43)

*Represents foreign exchange loss on translation of a long term monetary item forming part of a subsidiary's net investment in its foreign subsidiary.

Notes forming part of Consolidated Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

36 Income Tax

The major components of income tax expense for the years ended 31st March, 2023 and 31st March, 2022 are:

A. Amount recognised in profit and loss:

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Current income tax:		
Current income tax charge	132.86	492.50
Adjustment in respect of current tax of previous year	(4.74)	(84.57)
Deferred tax		
Relating to origination and reversal of temporary differences	139.77	266.02
Income tax expense reported in the statement of profit or loss	267.89	673.95

B. Reconciliation of effective tax rate

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Profit/ (Loss) before tax from continuing operations	(1,887.40)	1314.16
Profit/ (Loss) before tax from discontinued operations	(8.37)	29.77
Profit/ (Loss) before tax	(1,895.76)	1,343.93
Tax using the Company's domestic tax rate (C.Y. 27.82% and P.Y. 27.82%)	(527.40)	373.88
Adjustments in respect of current income tax of previous years	(4.74)	(84.57)
Tax impact on non deductible expenditures/provisions	168.19	608.86
Foreign withholding taxes expensed off	-	17.15
Tax adjustment due to rate difference	(29.40)	(320.54)
Share of losses of associates	(0.36)	3.01
Deferred tax assets not accounted in respect of entities having business loss and remote possibility of deferred tax assets realisation	256.75	122.77
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	121.10	-
MAT Credit taken during the year related to earlier year	(2.89)	27.68
Income tax effect on ESOP provision claimed in previous year's Income Tax Return	66.10	-
Others	220.54	(74.29)
Total Tax Expense	267.89	673.95

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:

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Profit/(loss) attributable to equity holders of the parent:		
Continuing operations	(2,051.64)	512.67
Discontinued operation	(8.37)	29.77
Loss attributable to equity holders of the parent for basic earnings	(2,060.00)	542.44
Weighted average (net) number of equity shares in calculating basic EPS	23,13,01,857	22,93,74,638
Potential ESOPs vested as at 31 st March, 2022 issued for no consideration	-	40,17,123
Weighted average (net) number of equity shares in calculating diluted EPS	23,13,01,857	23,33,91,760

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Earnings per share for continuing operations		
Basic, computed on the basis of loss from continuing operations attributable to equity holders of the parent	(0.89)	0.23
Diluted, computed on the basis of loss from continuing operations attributable to equity holders of the parent*	(0.89)	0.22
Earnings per share for discontinued operations		
Basic, computed on the basis of loss from discontinued operations attributable to equity holders of the parent	(0.00)	0.01
Diluted, computed on the basis of loss from discontinued operations attributable to equity holders of the parent*	(0.00)	0.01
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	(0.89)	0.24
Diluted, computed on the basis of loss for the year attributable to equity holders of the parent*	(0.89)	0.23

* During the current year, 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 earnings per share.

38 Group information

Information about subsidiaries

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

Sr. No.	Name	Notes	Country of Incorporation	% Equity Interest	
				As at 31 st March, 2023	As at 31 st March, 2022
1	Spice Money Limited	(i)	India	96.83%	96.83%
2	Kimaan Exports Private Limited	(a)	India	100.00%	100.00%
3	E-Arth Travel Solutions Private Limited	(k)	India	66.67%	66.67%
4	Vikasni Fintech Private Limited	(l)	India	51.00%	51.00%
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 (Strike off w.e.f. 28 th April, 2023)		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%
15	Omnia Pte. Ltd.	(e)	Singapore	100.00%	100.00%
16	S Mobility Pte. Ltd. (Strike off w.e.f. 4 th July, 2022)	(d)	Singapore	Nil	100.00%
17	Spice VAS (Africa) Pte. Limited	(d)	Singapore	100.00%	80.00%
18	Digispice Nigeria Limited	(e)	Nigeria	100.00%	100.00%
19	Spice VAS Kenya Limited	(e) & (h)	Kenya	100.00%	100.00%
20	Digispice Uganda Limited	(e)	Uganda	75.00%	75.00%
21	Digispice Ghana Limited	(e)	Ghana	70.00%	70.00%
22	Digispice Zambia Limited	(e)	Zambia	100.00%	100.00%
23	Digispice Tanzania Limited	(e) & (g)	Tanzania	100.00%	100.00%
24	Spice VAS RDC Limited	(e)	Democratic Republic of Congo	100.00%	100.00%
25	Spice Digital FZCO	(d)	UAE	100.00%	100.00%

Notes forming part of Consolidated Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

- Subsidiary through Spice Money Limited.
- Subsidiary through Hindustan Retail Private Limited.
- Subsidiary through New Spice Sales & Solutions Limited till 15th May, 2022 and subsidiary through Hindustan Retail Private Limited w.e.f. 16th May, 2022.
- Subsidiary through S Global Services Pte. Ltd.
- Subsidiary through Spice VAS (Africa) Pte. Limited.
- Subsidiary through Omnia Pte. Ltd.
- 0.1% equity interest in the subsidiary company is held by a subsidiary company namely Spice VAS (Africa) Pte. Limited jointly with a third party.
- 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.
- An equity interest of 1.45% in the subsidiary company is held by a third party.
- In previous year, the Company was in the process of seeking necessary approvals to subscribe 5,00,000 equity shares having face value of NPR 10 each which is equivalent to NPR 50,00,000.
- Additionally an equity interest of 33.33% in E-Arth Travel Solutions Private Limited is held by a subsidiary company namely Spice Money Limited.
- 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

Holding Company

Spice Connect Private Limited

Name of Associates	Notes	Country of Incorporation	% Equity Interest	
			As at 31 st March, 2023	As at 31 st March, 2022
Sunstone Learning Private Limited	Associate	India	41.61%	41.61%
Creative Functionapps Lab Private Limited	Associate	India	26.00%	26.00%

39. Employee Benefit

A. Defined Contribution Plan

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

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Employer's contribution to provident and pension fund*	643.32	449.86

*Includes ₹ 0.02 Lakhs (31st March, 2022 ₹ 0.20 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:

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Gratuity plan*	744.07	607.39
Total	744.07	607.39

*Includes ₹ 0.15 Lakhs (31st March, 2022 ₹ 0.15 Lakhs) for discontinued operations.

(II) Components of defined benefit cost recognised in the statement of profit and loss under employee benefit expense:

Particulars	Gratuity	
	As at 31 st March, 2023	As at 31 st March, 2022
Current service cost	150.72	108.79
Interest cost on benefit obligation	42.34	41.10
Net benefit expense*	193.07	149.89

*Includes ₹ Nil Lakhs (31st March, 2022: Netted ₹ 1.2 Lakhs) for discontinued operations.

(III) Changes in the present value of the defined benefit obligation are as follows:

Particulars	Gratuity	
	As at 31 st March, 2023	As at 31 st March, 2022
Opening defined benefit obligation	607.39	623.38
Current service cost	150.72	108.79
Interest cost	42.34	41.10
Expenses Recognised in Statement of Profit and Loss	193.07	149.89
Benefits paid	(151.25)	(128.93)
Actuarial (Gain)/Loss arising from change in financial assumption	57.89	(21.30)
Actuarial (Gain)/Loss arising from experience adjustment	36.98	(15.65)
Total Change in defined benefit obligation due to change in actuarial losses/(gains) recognised in OCI	94.86	(36.95)
Closing defined benefit obligation*	744.07	607.39

*Includes ₹ 0.15 Lakhs (31st March, 2022: ₹ Nil) for discontinued operations.

(IV) Changes in the fair value of plan assets are as follows:

Particulars	Gratuity	
	As at 31 st March, 2023	As at 31 st March, 2022
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:

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Investments with insurer	-	-

Notes forming part of Consolidated Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

(V) The principal assumptions used in determining gratuity for the Group's plans are shown below:

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Discount rate	7.36%	7.18%
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	

A quantitative sensitivity analysis for significant assumption as at 31st March, 2023 is as shown below:

Particulars	As at 31 st March, 2023			
	Discount Rate		Future Salary Increase	
Sensitivity level	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Impact on defined benefit obligation	(26.51)	28.26	27.95	(26.47)

A quantitative sensitivity analysis for significant assumption as at 31st March, 2022 is as shown below:

Particulars	As at 31 st 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)

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:

Particulars	Gratuity	
	As at 31 st March, 2023	As at 31 st March, 2022
Within the next 12 months (next annual reporting period)	86.16	40.01
Between 2-5 years	228.35	204.30
Between 5-10 years	39.62	28.66
Beyond 10 years	389.94	334.42
Total expected payments	744.07	607.39

The average duration of the defined benefit plan obligation at the end of the reporting period is 2 to 26 years (31st March, 2022: 2 to 26 years).

40. Commitments and contingencies

40A. Lease Disclosure

The Group incurred 331.03 Lakhs (31st March, 2022: ₹ 46.67 Lakhs) for the year ended 31st March, 2023 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.

As at 31st March, 2023

Property situated at	Date of Agreement	Lease Term	Lock in Period	Other Terms
Rampur	14 th October, 2019	9 years	-	cancelled on 31 st October, 2022
Kolkata	1 st January, 2023	11 Months	-	
Mumbai	14 th October, 2019	9 years	2 years	cancelled on 31 st December, 2021

As at 31st March, 2022

Property situated at	Date of Agreement	Lease Term	Lock in Period	Other Terms
Rampur	14 th October, 2019	9 years	-	Cancellable
Kolkata	1 st January, 2023	11 Months	-	
Mumbai	14 th October, 2019	9 years	2 years	cancelled on 31 st December, 2021

The Group has recognised rent income under the head of other income as follows:

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Rental income	115.08	243.13

B. Commitments and contingencies

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 200.62 Lakhs (31st March, 2022: ₹ 290.95 Lakhs).

C. Contingent liabilities

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Claims against the Group not acknowledged as debts		
1) Demands and claims from government authorities		
i). Demand from excise/service tax and sales tax authorities		
a) Demand Includes penalty ₹ Nil Lakhs (31 st March, 2022: ₹ 56.96 Lakhs) in respect of non-registration of corporate office as a input service distributor and availment of input service CENVAT credit.	-	223.58
b) Demands raised by sales tax authorities**	4,363.28	4,363.28
ii). Demands raised by income tax authorities		
a) Income tax demand of ₹ Nil (31 st March, 2022: ₹ 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 filed SLP in the Supreme Court.	-	246.28
b) 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) of the Income Tax Act, 1961 and tax thereon adjusted against the Income Tax Refund claimed in ITR and refunded the balance amount of ₹ 7.10 Lakhs. The Subsidiary Company has filed an appeal before the Commissioner of Income-tax (Appeals) on 7 th April, 2021.	14.89	14.89
2) Others		
a) Consumer disputes*	12.39	12.39
b) Labour case (Spice VAS Kenya Limited)	127.28	111.85
c) Demand of Interest on late payment by one of the vendor, disputed by the Parent Company	-	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
	4,676.77	5,244.48

* 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.

**The Hon'ble Supreme Court of India vide its order dated 17th 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 (31st March, 2022: ₹ 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.

Notes forming part of Consolidated Financial Statements

As at and for the year ended 31st March, 2023
(₹ in Lakhs unless otherwise stated)

D. Other Disputed matters, not considered as contingent liabilities

(i) In June 2014, an audit was conducted by Service Tax department for the period 1st January, 2013 to 31st March, 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 15th February, 2019. NSSSL had filed an appeal before Commissioner (Appeal) on 12th June, 2019 after 3 months 18 days 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 14th May, 2020 which was received by us on 14th October, 2020. The Appeal has been filed before CESTAT on 21st December, 2020. Hearing awaited.

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 Ghosh Hazra (Independent Director)
(upto 29th September, 2022)

Mr. Mrutyunjay Mahapatra (Independent Director)
(w.e.f. 22nd December, 2022)

Mr. Rohit Ahuja (Executive Director)[#]

Mr. Chandrachur Ghosh (Chief Executive Officer)
(w.e.f. 14th November, 2022 to 31st January, 2023)[#]

Mr. Vinit Kishore (Chief Financial Officer)[#]

Mr. M R Bothra (Vice President- Corporate Affairs and
Company Secretary)
(upto 14th April, 2022)[#]

Ms. Ruchi Mehta- (Company Secretary and Compliance Officer)
(w.e.f 15th 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 WSFx Global Pay Limited (formerly known as Wall Street Finance Limited)

Associates and joint venture of the Group

Sunstone Learning Private Limited

Creative FunctionApps Labs Private Limited

Other Related parties

Bharat BPO Services Limited

Particulars	For the year ended 31 st March, 2023		For the year ended 31 st March, 2022	
Remuneration#		257.47		301.23
Mr. M R Bothra#*	19.89		164.28	
Mr Rohit Ahuja#*	125.00		81.09	
Mr.Chandrachur Ghosh	30.30		-	
Mr. Vinit Kishore	47.72		55.86	
Ms. Ruchi Mehta	34.56		-	
Director sitting Fees[®]		28.00		37.75
Mr. Suman Ghosh Hazra	6.50		16.75	
Ms. Rashmi Aggarwal	12.25		16.50	
Mr. Mayank Jain	3.75		4.50	
Mr. Mrutyunjay Mahapatra	3.75		-	
[®] excluding GST.				
ESOP issued during the year		46.38		82.81
Mr. Subramanian Murali (Non Executive Director)	46.38		29.81	
Mr. M R Bothra	-		53.00	
Miscellaneous Expenses		15.36		17.46
WSFx Global Pay Limited (formerly known as Wall Street Finance Limited)	15.36		17.46	
Rental Income		14.15		103.52
Spice Connect Private Limited	1.80		1.80	
Smart Global Corporate Holding Private Limited	12.35		101.72	
Reimbursement of Expenses (recovered)		91.38		-
Mr. Dilip Modi	80.53		-	
Mr. Vinit Kishore	1.03		-	
Mr. Rohit Ahuja	9.81		-	
Provision made/(reversed) for doubtful debts, loans , interest and other receivables		(599.30)		-
Bharat BPO Services Limited	(599.30)		-	
Bad Debts Written off during the year		599.30		-
Bharat BPO Services Limited	599.30		-	
Travel Commission		-		0.29
Mr. Dilip Modi	-		0.29	
Interest Income		-		7.69
Bharat BPO Services Limited	-		7.69	
Loan/Advance received back during the year		-		155.84
Bharat BPO Services Limited	-		155.84	

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
Receivables		-		199.30
Bharat BPO Services Limited	-		199.30	
Provision for doubtful receivables		-		199.30
Bharat BPO Services Limited	-		199.30	
Payables		0.77		0.92
WSFx Global Pay Limited (formerly known as Wall Street Finance Limited)	-		0.15	
Bharat BPO Services Limited	0.77		0.77	
Loan/advances receivable		-		400.00
Bharat BPO Services Limited-unsecured loan	-		400.00	
Provision for doubtful debts and advances		-		400.00
Bharat BPO Services Limited	-		400.00	

Notes forming part of Consolidated Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
Other Receivable		25.69		174.75
Mr. Dilip Modi	9.42		20.10	
Mr. Rohit Ahuja	16.27		-	
Smart Global Corporate Holding Private Limited	-		154.65	
Payables to KMP		-		25.14
Mr. Rohit Ahuja	-		4.39	
Mr. M R Bothra	-		10.15	
Mr. Vinit Kishore	-		10.60	

Particulars	For the year ended 31 st March, 2023		For the year ended 31 st March, 2022	
Break up of remuneration		285.47		338.98
- Short term employee benefits#*	268.16		231.32	
- Long term employee benefits	17.31		-	
- Share based payment	-		107.66	

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 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 KMPs.

**During the year, the Parent Company has granted 4,50,000 options (Till 31st March, 2022: 12,00,000 options) to persons who were KMP at any time during the financial year ended 31st March, 2023, out of which Nil options has been lapsed (Till 31st March, 2022: Nil lapsed) during the year, value of which shall be disclosed at the time of exercise of options.

#* Include payment made towards compensated absences of ₹ 0.64 Lakhs (31st March, 2022: 11.55 Lakhs) during the year against the provisions made in earlier years.

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

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance.

The Spice Group has organised 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

Particulars	Digital Technology Services (DiGiSPICE)		Financial Technology Services (Spice Money)		Total	
	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022
Revenue						
External revenue (including other operating revenue)	6,743.42	13,298.40	94,881.93	85,823.61	1,01,625.35	99,122.01
Inter segment revenue	92.47	61.39	-	-	92.47	61.39
Total revenue	6,650.95	13,237.01	94,881.93	85,823.61	1,01,532.88	99,060.62

Particulars	Digital Technology Services (DiGiSPICE)		Financial Technology Services (Spice Money)		Total	
	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022
Income/ (expense)						
Depreciation and amortisation	384.41	559.79	2,011.78	1,161.58	2,396.19	1,721.37
Segment profit	(1,194.73)	(376.98)	92.98	1,133.28	(1,101.75)	756.30
Segment assets	4,548.80	8,130.05	43,443.06	41,892.57	47,991.86	50,022.62
Segment liabilities	4,040.51	6,473.51	41,150.71	37,368.70	45,191.23	43,842.21

Reconciliations to amounts reflected in the financial statements

Particulars	31 st March, 2023	31 st March, 2022
Reconciliation of profit		
Segment profit/(loss)	(1,101.75)	756.30
Reconciliation items:-		
Interest income	353.10	1,429.32
Depreciation and amortisation	(147.67)	(268.58)
Interest Cost	(129.76)	(117.82)
Exceptional items	(471.07)	(100.00)
Unallocated (expenses)/income nett off unallocated income/(expense)	(391.54)	(374.25)
Share of profit/(loss) of associates and a joint venture	1.30	(10.81)
Profit before tax from continuing operations	(1,887.40)	1,314.16
Profit/(Loss) before tax from Discontinued Operations	(8.37)	29.77
Profit/Loss before tax for Continued + Discontinued Operation	(1,895.76)	1,343.93

Reconciliation of assets

Particulars	31 st March, 2023	31 st March, 2022
Segment operating assets	47,991.86	50,022.62
Goodwill	5,230.18	5,179.46
Investment in associates accounted for by the equity method	40.61	39.31
Assets of a discontinued operations	370.67	405.54
Unallocated/Corporate assets	17,164.98	14,400.09
Total assets	70,798.30	70,047.02

Reconciliation of liabilities

Particulars	31 st March, 2023	31 st March, 2022
Segment operating liabilities	45,191.23	43,842.21
Liabilities of a discontinued operations	270.92	279.41
Unallocated/Corporate liabilities	2,028.83	594.69
Total liabilities	47,490.98	44,716.31

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	31 st March, 2023	31 st March, 2022
Revenue from the Domestic market	99,909.82	96,699.70
Revenue from the Overseas markets	1,623.06	2,360.92
Total Revenue	1,01,532.88	99,060.62

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, 2023
(₹ in Lakhs unless otherwise stated)

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	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**	
	As at 31 st March, 2023	As at 31 st March, 2022	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022	As at 31 st March, 2023	As at 31 st March, 2022
	Domestic Market	8,207.27	10,217.42	2,501.29	2,442.00	4,415.43
Overseas Markets	530.60	546.07	-	11.95	123.92	1.20
Total	8,737.87	10,763.49	2,501.29	2,453.95	4,539.35	3,996.78

* 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 2022-23.

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 st March, 2023	90.03%	20,873.82	53.30%	(1,097.94)	-15.15%	(32.38)	61.22%	(1,130.32)
Balance as at 31 st March, 2022	88.52%	21,887.46	-70.98%	(385.02)	-135.79%	27.73	-68.44%	(357.29)
Subsidiaries								
Indian								
1 Spice Money Limited								
Balance as at 31 st March, 2023	39.96%	9,265.12	29.98%	(617.65)	-19.01%	(40.65)	35.66%	(658.30)
Balance as at 31 st March, 2022	39.69%	9,813.05	226.79%	1,230.21	-32.56%	6.65	236.94%	1,236.86
2 Kimaan Exports Private Limited								
Balance as at 31 st March, 2023	4.64%	1,074.90	8.22%	(169.44)	0.00%	-	9.18%	(169.44)
Balance as at 31 st March, 2022	5.03%	1,244.34	-34.32%	(186.19)	0.00%	-	-35.67%	(186.19)
3 E-Arth Travel Solutions Private Limited								
Balance as at 31 st March, 2023	0.06%	13.42	-2.11%	43.43	0.00%	-	-2.35%	43.43
Balance as at 31 st March, 2022	-0.13%	(30.01)	1.47%	(30.29)	0.00%	-	1.64%	(30.29)
4 Vikasni Fintech Private Limited								
Balance as at 31 st March, 2023	0.00%	0.02	0.02%	(0.32)	0.00%	-	0.02%	(0.32)
Balance as at 31 st March, 2022	0.00%	0.34	0.03%	(0.66)	0.00%	-	0.04%	(0.66)

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
	Domestic							
5 Hindustan Retail Private Limited								
Balance as at 31 st March, 2023	-2.55%	(591.56)	0.14%	(2.87)	0.00%	-	0.16%	(2.87)
Balance as at 31 st March, 2022	-2.38%	(588.68)	-0.73%	(3.95)	0.00%	-	-0.76%	(3.95)
6 New Spice Sales & Solutions Limited								
Balance as at 31 st March, 2023	-57.08%	(13,234.14)	24.77%	(510.27)	0.00%	-	27.64%	(510.27)
Balance as at 31 st March, 2022	-51.46%	(12,723.87)	60.92%	330.43	0.00%	-	63.30%	330.43
7 Cellucom Retail India Private Limited								
Balance as at 31 st March, 2023	-0.23%	(53.93)	0.04%	(0.79)	0.00%	-	0.04%	(0.79)
Balance as at 31 st March, 2022	-0.21%	(53.14)	-1.26%	(6.86)	0.00%	-	-1.31%	(6.86)
Foreign								
1 Spice Digital Bangladesh Limited								
Balance as at 31 st March, 2023	-2.19%	(506.92)	3.12%	(64.29)	-9.21%	(19.69)	4.55%	(83.98)
Balance as at 31 st March, 2022	-1.71%	(422.28)	-45.52%	(246.95)	19.98%	(4.08)	-48.09%	(251.03)
2 S Global Services Pte. Ltd.								
Balance as at 31 st March, 2023	4.38%	1,015.08	4.61%	(95.02)	0.00%	-	5.15%	(95.02)
Balance as at 31 st March, 2022	4.07%	1,006.26	-232.46%	(1,260.95)	0.00%	-	-241.55%	(1,260.95)
3 Beoworld SDN. BHD								
Balance as at 31 st March, 2023	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Balance as at 31 st March, 2022	0.00%	-	0.44%	2.41	0.00%	-	0.46%	2.41
4 PT Spice Digital Indonesia								
Balance as at 31 st March, 2023	-1.11%	(257.55)	-1.40%	28.87	0.00%	-	-1.56%	28.87
Balance as at 31 st March, 2022	-1.10%	(272.25)	-54.29%	(294.49)	0.00%	-	-56.41%	(294.49)
5 Omnia Pte. Ltd.								
Balance as at 31 st March, 2023	-5.31%	(1,230.44)	0.42%	(8.59)	0.00%	-	0.47%	(8.59)
Balance as at 31 st March, 2022	-4.46%	(1,101.78)	121.82%	660.81	0.00%	-	126.59%	660.81
6 S Mobility Pte. Ltd.								
Balance as at 31 st March, 2023	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Balance as at 31 st March, 2022	0.00%	-	2.27%	12.33	0.00%	-	2.36%	12.33

Notes forming part of Consolidated Financial Statements

As at and for the year ended 31st March, 2023

(₹ in Lakhs unless otherwise stated)

	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
7	Spice VAS (Africa) Pte. Limited								
	Balance as at 31 st March, 2023	9.98%	2,313.34	-5.88%	121.17	0.00%	-	-6.56%	121.17
	Balance as at 31 st March, 2022	5.83%	1,442.76	-271.31%	(1,471.71)	0.00%	-	-281.93%	(1,471.71)
8	Digispice Nigeria Limited								
	Balance as at 31 st March, 2023	-2.72%	(630.93)	-3.51%	72.31	0.00%	-	-3.92%	72.31
	Balance as at 31 st March, 2022	-2.90%	(717.11)	20.82%	112.95	0.00%	-	21.64%	112.95
9	Spice VAS Kenya Limited								
	Balance as at 31 st March, 2023	0.35%	80.77	-2.23%	46.03	0.00%	-	-2.49%	46.03
	Balance as at 31 st March, 2022	0.17%	41.23	13.52%	73.33	0.00%	-	14.05%	73.33
10	Digispice Uganda Limited								
	Balance as at 31 st March, 2023	-0.04%	(9.78)	-0.42%	8.72	0.00%	-	-0.47%	8.72
	Balance as at 31 st March, 2022	-0.07%	(18.07)	-4.37%	(23.72)	0.00%	-	-4.54%	(23.72)
11	Digispice Ghana Limited								
	Balance as at 31 st March, 2023	-0.09%	(21.38)	10.80%	(222.50)	0.00%	-	12.05%	(222.50)
	Balance as at 31 st March, 2022	0.98%	241.49	25.32%	137.35	0.00%	-	26.31%	137.35
12	Digispice Zambia Limited								
	Balance as at 31 st March, 2023	0.34%	79.44	-0.71%	14.55	0.00%	-	-0.79%	14.55
	Balance as at 31 st March, 2022	0.30%	73.97	1.93%	10.45	0.00%	-	2.00%	10.45
13	Digispice Tanzania Limited								
	Balance as at 31 st March, 2023	-2.96%	(687.25)	3.59%	(73.98)	0.00%	-	4.01%	(73.98)
	Balance as at 31 st March, 2022	-2.29%	(566.79)	-15.29%	(82.92)	0.00%	-	-15.88%	(82.92)
14	Spice Digital RDC Limited								
	Balance as at 31 st March, 2023	-0.07%	(16.29)	0.03%	(0.66)	0.00%	-	0.04%	(0.66)
	Balance as at 31 st March, 2022	-0.06%	(14.74)	-0.02%	(0.08)	0.00%	-	-0.02%	(0.08)

	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
15	S Mobility (HK) Limited								
	Balance as at 31 st March, 2023	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	Balance as at 31 st March, 2022	0.00%	(0.00)	1.45%	7.87	0.00%	-	1.51%	7.87
16	Spice Digital FZCO								
	Balance as at 31 st March, 2023	-3.67%	(851.91)	5.42%	(111.65)	0.00%	-	6.05%	(111.65)
	Balance as at 31 st March, 2022	-2.74%	(678.41)	-11.36%	(61.62)	0.00%	-	-11.80%	(61.62)
17	Fast Track IT Solutions Ltd								
	Balance as at 31 st March, 2023	0.09%	20.07	-0.44%	8.98	0.00%	-	-0.49%	8.98
	Balance as at 31 st March, 2022	0.06%	14.06	2.33%	12.67	0.00%	-	2.43%	12.67
18	Digispice Nepal Pvt. Limited								
	Balance as at 31 st March, 2023	-0.01%	(1.34)	-1.07%	22.11	-9.82%	(21.00)	-0.06%	1.11
	Balance as at 31 st March, 2022	-0.14%	(33.70)	-3.55%	(19.27)	-3.80%	0.78	-3.54%	(18.49)
	Non-controlling interests in all subsidiaries								
	Balance as at 31 st March, 2023	-0.53%	(121.91)	-5.03%	103.65	-0.59%	(1.26)	-5.55%	102.39
	Balance as at 31 st March, 2022	-2.44%	(603.83)	-23.51%	(127.54)	-291.98%	59.63	-13.01%	(67.91)
	Associates								
1	Creative Functionapps Lab Private Limited								
	Balance as at 31 st March, 2023	0.00%	-	-0.06%	1.30	0.00%	-	-0.07%	1.30
	Balance as at 31 st March, 2022	0.00%	-	-1.99%	(10.81)	0.00%	-	-2.07%	(10.81)
	Eliminations								
	Balance as at 31 st March, 2023	28.75%	6,664.74	-21.59%	444.83	153.78%	328.77	-41.90%	773.60
	Balance as at 31 st March, 2022	27.45%	6,786.57	399.06%	2,164.64	544.15%	(111.13)	393.38%	2,053.51
	Total								
	Balance as at 31st March, 2023	100.00%	23,185.40	100.00%	(2,060.01)	100.00%	213.79	100.00%	(1,846.22)
	Balance as at 31st March, 2022	100.00%	24,726.88	100.00%	542.44	100.00%	(20.42)	100.00%	522.02

Notes forming part of Consolidated Financial Statements

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(₹ in Lakhs unless otherwise stated)

44. Business combinations

During the year, the Group has not entered any transaction that fall under business combination.

Acquisitions during the year ended 31st March, 2022

On 4th 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:

Particulars	Values recognised on acquisition
Assets	
Cash and cash equivalents	7.66
Total assets	7.66
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:	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	7.66
Net cash flow on acquisition	7.66

45. Investment in associates

Particulars	31 st March, 2023		31 st March, 2022	
	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				
3,514 (31 st March, 2022 : 3,514) equity share of ₹ 10 each in Creative Functionapps Lab Pvt. Ltd	40.61	1.30	39.31	(10.81)
95,058 (31 st March, 2022 : 95,508) equity share of ₹ 1 each in Sunstone Learning Pvt. Ltd*	-	-	-	-
Total	40.61	1.30	39.31	(10.81)

* Fully impaired in earlier years.

46. Share-based payments

1) DTL Employees stock option Plan (ESOP) 2018 of the Parent Company

The Parent Company has granted stock options under the DTL 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 18th September, 2018 and 3,439,000 options on 5th February, 2019 and 25,25,000 options on 1st August, 2022. 40%, 30% and 30% of total options granted would vest in after one year, two years and three years from the date of respective grant subject to fulfilment of vesting conditions. The maximum period for exercise of options is 5 (five) years 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. Also, the Nomination and Remuneration Committee approved the increase in exercise period to 5 (Five) years from the respective vesting from 3 (Three) years earlier, in relations to options granted on 18th September, 2018 and 5th February, 2019 which still remain unexercised on 1st August, 2022. Each option when exercised would be converted into one fully paid-up equity share of ₹3 each of the Parent 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 st March, 2023		As at 31 st March, 2022	
	No. of Options	Weighted Average exercise price (₹)	No. of Options	Weighted Average exercise price (₹)
Options outstanding at the beginning of the year*	70,58,659	13.25	1,03,50,186	13.25
Options granted under ESOP 2018**	25,25,000	29.00	-	-
Options exercised during the year	6,06,800	-	25,38,227	-
Options cancelled/provision for attrition during the year*	3,07,959	13.25	7,53,300	13.25
Options cancelled/provision for attrition during the year**	16,75,000	29.00	-	-
Options expired during the year	-	-	-	-
Options outstanding at the end of the year*	61,43,900	13.25	70,58,659	13.25
Options outstanding at the end of the year**	8,50,000	29.00	-	-
Options exercisable at the end of the year*	61,43,900	13.25	70,58,659	13.25
Options exercisable at the end of the year**	8,50,000	29.00	-	-
Range of exercise price of outstanding options (₹)	13.25 - 29.00		13.25	
Remaining contractual life of outstanding options granted on 18 th September, 2018	1.47 years (40% vesting) 2.47 years (30% vesting) 3.47 years (30% vesting)		0.47 years (40% vesting) 1.47 years (30% vesting) 2.47 years (30% vesting)	
Remaining contractual life of outstanding options granted on 5 th February, 2019	1.85 years (40% vesting) 2.85 years (30% vesting) 3.85 years (30% vesting)		0.85 years (40% vesting) 1.85 years (30% vesting) 2.85 years (30% vesting)	
Remaining contractual life of outstanding options granted on 1 st August, 2022	5.33 years (40% vesting) 6.33 years (30% vesting) 7.33 years (30% vesting)		NA	

The above options include following options held by Employees of holding and subsidiary companies:

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	Employees of Holding company	Employees of Subsidiary companies	Employees of Holding company	Employees of Subsidiary companies
Options outstanding at the beginning of the year	44,30,500	2,97,000	48,93,000	3,39,000
Options granted under ESOP 2018	-	-	-	-
Options exercised during the year	4,21,800	-	4,62,500	-
Options cancelled/provision for attrition during the year	-	10,000	-	42,000
Options cancelled/provision for attrition during the year	40,08,700	2,87,000	44,30,500	2,97,000

* pertains to ESOP issued on 18th September, 2018 and 5th February, 2019.

** pertains to ESOP issued on 1st August, 2022.

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

Particulars	As at 31 st March, 2023		
	18 th September, 2018	5 th February, 2019	1 st August, 2022
No of options outstanding at the end of the year	61,33,900	10,000	8,50,000
Dividend yield (%)	-	-	-
Expected life	2.50,3.50 and 4.50 yrs.	2.50,3.50 and 4.50 yrs.	3.50,4.50 and 5.50 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.)	6.83% (3.50 yrs.) 6.98% (4.50 yrs.) 7.09% (5.50 yrs.)
Expected Volatility (%)	62.56%	69.49%	63.43% (40% vesting) 65.32% (30% vesting) 66.10% (30% vesting)
Market price on date of grant/re-pricing (₹)	13.25	9.70	29.00
Weighted Average Fair Value of option at grant date	6.73	4.43	16.67

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2) 'SDL Employee Stock Option Plan 2015' of Spice Money Limited, a subsidiary company

In May 2018, in order to motivate the employees of the Fintech Business Undertaking ('designated 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 as well as over a period of 5 years from the date of grant in the manner given below:

Time Period (3 years)	% of Options granted	Time Period (5 years)	% of Options granted
1 st Vesting	40	1 st Vesting	10
2 nd Vesting	30	2 nd Vesting	15
3 rd Vesting	30	3 rd Vesting	20
		4 th Vesting	25
		5 th Vesting	30

The subsidiary company further granted options ("newly issued options") to employees in FY 2022-23 and FY 2021-22 under ESOP 2015.

The maximum period for exercise of options is 3 years or 5 years from end of each vesting date. Each option, when exercised, would be converted into one fully paid-up equity share of 10 each of the Company. The options granted under ESOP 2015 carry no rights to dividends and no voting rights till the date of exercise.

The fair value of the share options is estimated at the grant date using Black and Scholes Model, taking into account the terms and conditions upon which the share options were granted.

During the year, certain unvested options were cancelled on non-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:

3) Year Vesting Plan

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	No. of Options	Weighted Average exercise price (₹)	No. of Options	Weighted Average exercise price (₹)
Options outstanding at the beginning of the year	50,97,340	34.10	65,92,479	34.10
Options granted under ESOP 2015	8,01,600	34.10	13,50,640	34.10
Options exercised during the year	-	-	5,51,500	-
Options cancelled during the year	5,50,400	34.10	22,94,279	34.10
Options expired during the year	-	-	-	-
Options outstanding at the end of the year	53,48,540	34.10	50,97,340	34.10
Options exercisable at the end of the year	-	-	-	-
Remaining contractual life of outstanding options (years) (Issued in FY 2018-19)	2 months for 1st Vesting 1yr 2 months for 2nd Vesting 2yrs 2 months for 3rd vesting		1 yr for 1st Vesting 2 yrs for 2nd Vesting 3 yrs for 3rd vesting	
Remaining contractual life of outstanding options (years) (Issued in FY 2020-21)	2 yrs for 1st Vesting 3 yrs for 2nd Vesting 4 yrs for 3rd vesting		1 yr for 1st Vesting 2 yrs for 2nd Vesting 3 yrs for 3rd vesting	
Remaining contractual life of outstanding options (years) (Issued in FY 2021-22)	3 yrs for 1st Vesting 4 yrs for 2nd Vesting 5 yrs for 3rd vesting		-	
Remaining contractual life of outstanding options (years) (Issued in FY 2022-23)	4 yrs for 1st Vesting 5 yrs for 2nd Vesting 6 yrs for 3rd vesting		-	

5 Year Vesting Plan

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	No of Options	Weighted Average exercise price (₹)	No of Options	Weighted Average exercise price (₹)
Options outstanding at the beginning of the year	-	-	-	-
Options granted under ESOP 2015	17,29,520	34.10	-	-
Options granted under ESOP 2015	95,000	82.27	-	-
Options exercised during the year	-	-	-	-
Options cancelled during the year	29,840	34.10	-	-
Options expired during the year	-	-	-	-
Options outstanding at the end of the year	16,99,680	34.10	-	-
Options outstanding at the end of the year	95,000	82.27	-	-
Options exercisable at the end of the year	-	-	-	-
Remaining contractual life of outstanding options (years) (Issued in FY 2022-23)	4yrs for 1st Vesting 5yrs for 2nd Vesting 6yrs for 3rd vesting 7yrs for 4th vesting 8yrs for 5th vesting		-	

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

Particulars	ESOP 2015			
	Issued in FY 2018-19	Issued in FY 2020-21, 2021-22, 2022-23	Issued in FY 2022-23	Issued in FY 2022-23
Valuation Dated	April, 2018	Aug 2020	May, 2022	June, 2022
Dividend yield (%)	Nil	Nil	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	2.5 yrs for 1st vesting 3.5 yrs for 2nd vesting 4.5 yrs for 3rd vesting 5.5 yrs for 4th vesting 6.5 yrs for 5th vesting	2.5 yrs for 1st vesting 3.5 yrs for 2nd vesting 4.5 yrs for 3rd vesting 5.5 yrs for 4th vesting 6.5 yrs for 5th 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	6.50% for 1st Vesting 6.79% for 2nd vesting 6.99% for 3rd Vesting 7.12% for 4th vesting 7.23% for 5th vesting	6.67% for 1st Vesting 6.94% for 2nd vesting 7.11% for 3rd Vesting 7.22% for 4th vesting 7.29% for 5th vesting
Volatility(%)	24.90%	31.35%	35.50%	35.44%
Fair Value on date of grant/re-pricing (₹)	34.10	33.80	34.52	82.27
Fair Value Per Option (₹) - 3 years	9.81	10.26	-	28.41
Fair Value Per Option (₹) - 5 years	-	-	14.85	35.51

47. Discontinued operations

- 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 13th February, 2018. These subsidiaries were operating in retail business.
- Pursuant to decision of board of directors of a step down subsidiary company on 10th 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.

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The details of assets and liabilities as at 31st March, 2023 and 31st March, 2022 classified separately as assets / liabilities related to discontinued operations are given below:

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Assets		
Financial Assets		
Loans	-	0.24
Others	0.20	0.20
Other assets	0.29	0.15
Non Current Tax Assets	-	33.89
Total non-current assets	0.49	34.49
Current assets		
Financial Assets		
Trade receivables	11.76	12.86
Cash and bank balances	3.66	4.39
Other Bank Balances	11.71	11.71
Loans	1.49	1.49
Others	5.12	4.90
Other assets	336.44	335.70
Total current assets	370.18	371.05
Assets directly associated with assets pertaining to discontinued operations	370.67	405.54
Non-current liabilities		
Financial Liabilities		
Others	91.09	92.09
Total non-current liabilities	91.09	92.09
Current liabilities		
Financial Liabilities		
Trade payables	58.84	(8.00)
Others	8.89	8.89
Other liabilities	111.95	186.27
Provisions	0.15	0.15
Total current liabilities	179.83	187.32
Liability directly associated with assets pertaining to discontinued operations	270.92	279.41
Net assets directly associated with discontinued operations	(99.75)	(126.12)

The following statement shows the revenue and expenses of discontinued operations, of the Company which has been discontinued.

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Income		
Revenue from operations	-	-
Revenue from operations (net)	-	-
Other income	3.31	56.57
Total revenue (I)	3.31	56.57
Expenses		
Employee benefits expense	0.02	4.95
Finance costs	-	-
Other expenses	11.66	21.85
Total (II)	11.68	26.80
(Loss) before exceptional items and tax from discontinued operations (I) – (II)	(8.37)	29.77
Exceptional items	-	-
(Loss) before tax	(8.37)	29.77

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Profit/(Loss) for the year from discontinued operations	(8.37)	29.77
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	(8.37)	29.77

The Net cash flow incurred by discontinued business are, as follows:

Particulars	31 st March, 2023	31 st March, 2022
Operating	25.76	11.23
Investing	-	-
Financing	-	-
Net cash (outflow)/inflow	25.76	11.23
Earning Per Share:		
Earnings per equity share from discontinued operations	(0.00)	0.01

C. The Board of directors of DiGiSPICE Technologies Limited, in its meeting held on 7th April, 2023 has approved, in principle, to exit Digital Technology Services Business. This is in keeping with the repositioning of the overall group strategy to focus on Financial Technology Services opportunities, mainly through its subsidiary Spice Money Limited ('Spice Money') and other group entities.

48A Fair value

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

Financial assets	As at 31 st March, 2023		As at 31 st March, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non current assets				
- Equity and other investment	5.00	5.00	5.00	5.00
- Loans and advances	0.65	0.65	10.69	10.69
- Other financial assets	4,410.21	4,410.21	3,880.59	3,880.59
Total non current assets	4,415.86	4,415.86	3,896.28	3,896.28
Current assets				
- Trade receivables	3,393.80	3,393.80	7,116.14	7,116.14
- Cash and cash equivalents	14,046.09	14,046.09	14,580.62	14,580.62
- Bank balances other than above	24,268.17	24,268.17	20,706.82	20,706.82
- Loans and advances	1.97	1.97	4.61	4.61
- Other financial assets	1,942.96	1,942.96	2,578.62	2,578.62
Total current assets	43,652.99	43,652.99	44,986.81	44,986.81
Total financial assets	48,068.85	48,068.85	48,883.09	48,883.09
Financial liabilities				
Non current liabilities				
- Other financial liabilities	0.02	0.02	32.93	32.93
Total non current liabilities	0.02	0.02	32.93	32.93
Current liabilities				
- Borrowings	8,370.61	8,370.61	5,400.45	5,400.45
- Trade payables	5,302.85	5,302.85	6,986.34	6,986.34
- Other financial liabilities	2,323.01	2,323.01	2,804.32	2,804.32
Total current liabilities	15,996.47	15,996.47	15,191.11	15,191.11
Total financial liabilities	15,996.49	15,996.49	15,224.04	15,224.04

Notes forming part of Consolidated Financial Statements

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(₹ in Lakhs unless otherwise stated)

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 inputs are quoted prices /net asset value (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices (unadjusted) included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

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, is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

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, 2023:

Fair value measurement using

Particulars	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	0.65	-	-	0.65
- Other financial assets	4,410.21	-	-	4,410.21
Total	4,410.86	-	-	4,410.86

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, 2022:

Particulars	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at 31st March, 2023				
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

Particulars	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
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.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31st March, 2023:

Particulars	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	0.02	-	-	0.02
Total non current liabilities	0.02	-	-	0.02

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, 2022:

Particulars	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				
- 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.

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 associates 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.

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 7.12% (P.Y. 8.75% equivalent to MCLR), the impact of change in rate is as follows:

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(₹ in Lakhs unless otherwise stated)

Interest rate sensitivity calculated on borrowing . The impact of change in interest rate is given below:-

Particulars	Increase/decrease in basis points	Effect on profit before tax
31 st March, 2023		
₹ Lakhs	50	(41.85)
₹ Lakhs	-50	41.85
31 st March, 2022		
₹ Lakhs	50	(27.00)
₹ Lakhs	-50	27.00

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.

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.

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.

Particulars	Currency	Change in rates	Effect on profit before tax	Effect on pre-tax equity
31 st March, 2023	USD (US Dollar)	5%	29.18	29.18
		-5%	(29.18)	(29.18)
	AFN (Afghanistan Afghani)	5%	3.44	3.44
		-5%	(3.44)	(3.44)
	BDT (Bangladeshi Taka)	5%	85.44	85.44
		-5%	(85.44)	(85.44)
31 st March, 2022	USD (US Dollar)	5%	38.31	38.31
		-5%	(38.31)	(38.31)
	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)

Equity price risk

The Groups 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 the Parent Company reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value is not material.

Other risk

The Group operates in a service sector on revenue sharing model. There is downward revision of revenue shares 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.

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.

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, 2023:

Particulars	Gross Carrying Amount	Weighted-Average Loss Rate	Loss Allowance
Not Due	709.48	0%	0.06
1- 90 days	237.30	4%	9.02
91-180 days	368.79	14%	50.36
181-270 days	96.46	91%	87.92
271-360 days	160.10	67%	107.77
More than 360 days	2,953.75	95%	2,812.72
	4,525.88		3,067.85

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:

Particulars	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

Movement in the expected credit loss allowance of receivables

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Balance at beginning of the year	2,877.76	3,079.55
Add: provided during the year	243.73	76.77
Less: reversals of provision	(114.04)	(262.18)
Less: FCTR	60.40	(16.38)
Balance at the end of the year	3,067.85	2,877.76

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.

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

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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.

The table below summarises the maturity profile of the Group financial liabilities based on contractual undiscounted payments.

Particulars	On Demand	Less than 3 months	3-12 months	1-5 years	> 5 years	Total
As at 31st March, 2023						
Borrowings	8,370.61	-	-	-	-	8,370.61
Other financial liabilities(non-current)	-	-	-	0.02	-	0.02
Other financial liabilities(current)	3.64	2,212.08	107.28	-	-	2,323.01
Trade and other payables	-	4,246.81	290.87	765.17	-	5,302.85
Total	8,374.25	6,458.89	398.16	765.19	-	15,996.48

Particulars	On Demand	Less than 3 months	3-12 months	1-5 years	> 5 years	Total
As at 31st March, 2022						
Borrowings	5,400.45	-	-	-	-	5,400.45
Other financial liabilities(non-current)	-	-	19.80	13.13	-	32.93
Other financial liabilities(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	-	15,230.15

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 31st March, 2023 and 31st March, 2022, the fair values of fixed deposits pledged were ₹ 15,569.70 Lakhs (31st March, 2022: 9,675.87 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).

49 (a) Foreign currency risk exposure:

The groups exposure to foreign currency risk at the end of the reporting period, are as follows:

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 st March, 2023	Dirham	11.78	13.12	-	-	24.90	-	-	24.90	1.25
	AFN	67.58	1.30	-	-	68.88	-	-	68.88	3.44
	IDR	10.46	-	-	-	10.46	-	-	10.46	0.52
	BDT	1,708.79	-	-	-	1,708.79	-	-	1,708.79	85.44
	LKR	0.81	-	-	-	0.81	-	-	0.81	0.04
	USD	862.00	(19.51)	785.48	-	1,627.97	1,044.42	1,044.42	583.55	29.18

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 st March, 2022	Dirham	21.08	11.15	-	-	32.24	-	-	32.24	1.61
	AFN	212.42	8.81	-	-	221.24	-	-	221.24	11.06
	IDR	5.45	-	-	-	5.45	-	-	5.45	0.27
	BDT	1,777.94	-	-	-	1,777.94	-	-	1,777.94	88.90
	LKR	2.22	0.22	-	-	2.44	-	-	2.44	0.12
	USD	876.02	33.02	785.48	-	1,694.53	928.29	928.29	766.23	38.31

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, less cash and cash equivalents (excluding discontinued operations).

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Borrowings	8,370.61	5,400.45
Less: cash and cash equivalents	14,046.09	14,580.62
Net debt	(5,675.47)	(9,180.16)
Equity	6,164.20	6,146.00
Other equity attributable	17,021.20	18,580.88
Total equity attributable to owner of the Company	23,185.41	24,726.88
Capital and net debt	17,509.94	15,546.71
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 31st March, 2023 and 31st March, 2022.

51 As on 31st March, 2023, Independent Non-Promoter (Spice Employee Benefit) Trust ('EBT') holds 10,155,067 (31st March, 2022: 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, 2022: 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, 2022 ₹ 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, 2022: ₹ 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.

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52 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
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	58.88	90.65
- Interest due on above	-	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.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	0.71
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

53 Exceptional Items

- a) RBI had imposed a penalty of ₹ 100 Lakhs in FY 2021-22 for not maintaining net worth of ₹ 10,000 Lakhs as required under Payment and Settlement Systems Act, 2007. The subsidiary company had paid amount and charged to the statement of Profit and loss under exceptional items.
- b) Morefun devices were capitalised and depreciated over 1 year from the date of activation. Fixed amount recovered from the agent for use of such devices was booked as revenue over a period of 1 year from the date of dispatch. The subsidiary company has reassessed its control over the devices and repossession of devices from the agents and concluded that it is not commercially and practically feasible to repossess these devices from agents. Hence, the subsidiary company has decided to remove these devices from its Property, Plant and Equipment and written off the carrying value of ₹ 797.05 Lakhs of these devices as on 31st March, 2023. Similarly, carrying value of related deferred revenue of ₹ 325.98 Lakhs has also been written back and shown as an exceptional items (net) in the statement of profit and loss as on 31st March, 2023.

54 Goodwill on consolidation appearing in the financial statements denotes the goodwill in respect of subsidiaries acquired by the Group in the earlier years

The Group has recognised and is carrying forward goodwill of ₹ 515.37 Lakhs (31st March, 2022: ₹ 464.90 Lakhs), ₹ 136.29 Lakhs (31st March, 2022 : ₹ 122.95 Lakhs), ₹ 2.20 Lakhs (31st March, 2022: ₹ 1.99 Lakhs), ₹ 4,710.75 Lakhs (31st March, 2022 : ₹ 4,710.75 Lakhs), ₹ 0.39 Lakhs (31st March, 2022: ₹ 0.35 lakhs) and ₹ 1.47 Lakhs (31st March, 2022: ₹ 1.47 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 31st March, 2023. The group has already provided the

provision for impairment amounting to ₹ 136.29 Lakhs (31st March, 2022: ₹ 122.95 Lakhs) on investment in Spice VAS Tanzania Limited.

- 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. 1st April, 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 1st April, 2017 in previous year. The Scheme has become effective on 1st June, 2019.

- 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 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, 2023	Maximum balance in FY 2022-23	Outstanding balance as at 31 st March, 2022	Maximum balance in FY 2021-22
Bharat BPO Services Limited	General Corporate purposes	10.50%	-	-	-	142.65
Bharat BPO Services Limited	Advances against supply	0.00%	-	400.00	400.00	400.00

The Group has provided ₹ Nil (Previous year: ₹ 400.00 Lakhs) against above loans as doubtful. During the year, the Group has written off ₹ 400.00 Lakhs (31st March, 2022: ₹ Nil) of advances.

Particulars of Corporate Loans given as required by Section 186(4) of Companies Act, 2013:

Name of Loanee	Purpose	Rate of interest	Due Date	Outstanding balance as at 31 st March, 2023	Outstanding balance as at 31 st March, 2022
Hotspot Sales and Solutions Private Limited	General Corporate purposes	11%	On demand	-	4,923.07
Spice Online Retail Private Limited	General Corporate purposes		On demand	-	22.07

The Group has provided ₹ Nil (Previous year: ₹ 4,945.14 Lakhs) against above loans as doubtful. During the year, the Group has written off ₹ 4,945.14 Lakhs (31st March, 2022: ₹ Nil) of loans.

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:

A) 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.

A) 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.

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B) Taxes

The Group recognises 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 ₹ 84.56 Lakhs (31st March, 2022: ₹ 586.26 Lakhs) recognised by the Group 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 Group to utilise 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 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.

C) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of 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.

D) 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.

Further details about gratuity obligations are given in Note 39.

E) 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.

F) Provision and contingent liability

On an ongoing basis, Group 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 recognised until the contingency has been resolved and amounts are received or receivable.

G) 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.

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.

H) 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.

I) 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 a) During the year, the Parent Company has not declared/paid any dividend.
- b) Spice Money Limited (subsidiary company) has declared and paid dividend on Cumulative Compulsory Convertible Preference Shares during the year.
- c) Associate Companies has not paid or declared any dividend during the year.

60 Additional regulatory information required by Schedule III to be disclosed in the financial statements:

- i) The Group has no transaction during the year 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.
- ii) No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Amendment Act, 2016 and rules made thereunder.

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: 19th May, 2023

- iii) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- iv) The Group has complied with the number of layers prescribed under the Companies Act, 2013.
- v) There is no undisclosed income under the tax assessments under the Income Tax Act, 1961 for the year ending 31st March, 2023 and 31st March, 2022 which needs to be recorded in the books of account.
- vi) The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.
- vii) Utilisation of borrowed funds and share premium:-
- a) The Group, during the year and previous year, has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall 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 to or on behalf of the ultimate beneficiaries.
- b) The Group has not received any fund, during the current year and previous year from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall 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.

- viii) Borrowings obtained, during the current year and previous year, by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken.

61. The following charge is appearing on the website of the Ministry of Corporate Affairs ('MCA'), against which the Parent Company has no loan outstanding as at reporting date. The charge stood satisfied as per records of the Parent Company and the Parent Company is taking up with the MCA to record satisfaction of this charge on its website.

S. No.	Lender Name	Amount	Location of the Registrar
1	L.I.C. OF INDIA	100.00	DELHI

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

Sr. 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, 2022 to 31 st March, 2023	4 th November, 2010	INR	1.00	4,408.99	4,856.13	53,747.36	53,747.36	-	96,132.31	(822.83)	(205.18)	(617.65)	165	96.83%
2	Hindustan Retail Private Limited	1 st April, 2022 to 31 st March, 2023	4 th November, 2010	INR	1.00	42,238.00	(42,829.56)	1.49	1.49	-	-	(2.87)	-	(2.87)	-	100.00%
3	Kimaan Export Private Limited	1 st April, 2022 to 31 st March, 2023	24 th December, 2010	INR	1.00	2.00	1,072.90	1,115.47	1,115.47	-	307.25	(141.77)	27.67	(169.44)	-	100.00%
4	S Mobility (HK) Limited	1 st April, 2022 to 31 st March, 2023	12 th May, 2011	USD	82.15	0.64	(0.64)	-	-	-	-	7.87	-	7.87	-	100.00%
5	New Spice Sales and Solutions Limited	1 st April, 2022 to 31 st March, 2023	4 th November, 2010	INR	1.00	9,971.74	(23,205.88)	363.19	363.19	-	3.32	(510.27)	-	(510.27)	-	100.00%
6	Cellucom Retail India Private Limited	1 st April, 2022 to 31 st March, 2023	4 th November, 2010	INR	1.00	5,000.00	(5,053.93)	22.15	22.15	-	-	(0.79)	-	(0.79)	-	100.00%
7	Spice Digital Bangladesh Limited	1 st April, 2022 to 31 st March, 2023	11 th August, 2012	BDT	0.76	81.26	(588.18)	328.66	328.66	-	(11.48)	(64.29)	-	(64.29)	-	100.00%
8	S Global Services Pte. Ltd	1 st April, 2022 to 31 st March, 2023	28 th February, 2008	SGD	61.83	9,729.26	(8,714.17)	1,092.55	1,092.55	-	29.33	(95.02)	-	(95.02)	-	100.00%
9	Beoworld SDN. BHD	1 st April, 2022 to 31 st March, 2023	2 nd December, 2010	MYR	18.61	89.92	(89.92)	-	-	-	-	-	-	-	-	100.00%
10	Spice VAS (Africa) Pte. Limited	1 st April, 2022 to 31 st March, 2023	4 th November, 2010	SGD	61.83	3,189.91	(876.57)	2,396.29	2,396.29	-	496.84	140.54	19.38	121.16	-	100.00%
11	S Mobility Pte. Limited [§]	1 st April, 2022 to 31 st March, 2023	20 th October, 2011	SGD	61.83	185.49	(185.49)	-	-	-	-	-	-	-	-	NA
12	PT Spice Digital Indonesia	1 st April, 2022 to 31 st March, 2023	7 th April, 2016	IDR	0.01	163.84	(421.39)	212.15	212.15	-	308.77	41.26	12.38	28.88	-	100.00%
13	Omnia Pte. Ltd.	1 st April, 2022 to 31 st March, 2023	17 th February, 2017	SGD	61.83	15.77	(1,246.21)	-	-	-	(19.23)	(8.59)	-	(8.59)	-	100.00%
14	Spice Digital FZCO	1 st April, 2022 to 31 st March, 2023	26 th March, 2017	AED	22.37	-	(851.91)	-	-	-	13.19	(111.65)	-	(111.65)	-	100.00%
15	DigiSpice Nigeria Ltd. (FKA Spice Digital Nigeria Ltd.)	1 st April, 2022 to 31 st March, 2023	4 th November, 2010	NAIRA	0.18	54.62	(685.55)	-	-	-	112.24	97.98	25.68	72.30	-	100.00%

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)

Sr. 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#
16	Spice VAS Kenya Limited	1 st April, 2022 to 31 st March, 2023	31 st March, 2011	KSH	0.62	0.95	79.82	327.85	327.85	-	761.02	68.57	22.54	46.03	-	100.00%
17	DigiSpice Uganda Ltd. (FKA Spice VAS Uganda Ltd.)	1 st April, 2022 to 31 st March, 2023	11 th November, 2010	UGX	0.02	0.34	(10.12)	32.02	32.02	-	16.61	8.72	-	8.72	-	75.00%
18	DigiSpice Ghana LTD (FKA Spice VAS Ghana Ltd.)	1 st April, 2022 to 31 st March, 2023	15 th April, 2011	GHS	7.02	45.47	(66.86)	358.82	358.82	-	754.92	(212.14)	10.36	(222.50)	-	70.00%
19	DigiSpice Zambia Ltd. (FKA Spice VAS Zambia Ltd.)	1 st April, 2022 to 31 st March, 2023	1 st September, 2011	ZMW	3.58	0.79	78.65	102.20	102.20	-	130.66	22.43	7.89	14.55	-	100.00%
20	DigiSpice Tanzania Ltd. (FKA Spice VAS Tanzania Ltd.)	1 st April, 2022 to 31 st March, 2023	29 th November, 2011	TZS	0.04	93.14	(780.39)	-	-	-	-	(73.98)	-	(73.98)	-	100.00%
21	Spice VAS RDC	1 st April, 2022 to 31 st March, 2023	8 th April, 2016	CDF	0.04	0.44	(16.73)	-	-	-	-	(0.66)	-	(0.66)	-	100.00%
22	Fast Track IT Solutions Ltd	1 st April, 2022 to 31 st March, 2023	27 th November, 2018	BDT	0.76	3.47	16.60	27.87	27.87	-	13.49	12.83	3.85	8.98	-	70.00%
23	DigiSpice Nepal Pvt. Ltd.	1 st April, 2022 to 31 st March, 2023	21 st January, 2019	NPR	0.62	31.25	(32.59)	728.05	728.05	-	46.54	22.11	-	22.11	-	100.00%
24	E-Arth Travel Solutions Private Limited	1 st April, 2022 to 31 st March, 2023	6 th August, 2021	INR	1.00	1.50	11.92	54.69	54.69	-	95.24	44.14	0.71	43.43	-	100.00%
25	Vikasni Fintech Private Limited	1 st April, 2022 to 31 st March, 2023	1 st November, 2021	INR	1.00	12.89	(0.98)	1.39	1.39	-	-	(0.44)	0.12	(32.05)	-	100.00%

* Subsidiaries whose reporting period is different from that of the Parent Company, financial statements used for the purpose of consolidation are drawn upto the same reporting date as that of the Parent Company i.e. year ended 31st March, 2023.

Refer Note no. 38 of the Consolidated Financial Statements.

§ S Mobility Pte. Limited was struck off w.e.f 4th July, 2022.



DiGiSPICE

DiGiSPICE Technologies Limited

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