

**Walker Chandiok & Co LLP**  
Chartered Accountants  
2<sup>nd</sup> Floor, Plot No. 19A  
Sector 16A, Noida 201301  
India

**KG Somani & Co LLP**  
(formerly KG Somani & Co)  
Chartered Accountants  
3/15 Asaf Ali Road, 4<sup>th</sup> Floor  
Delhi- 110002  
India

## **Independent Auditor's Report**

**To the Members of Ebix Money Express Private Limited**

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

#### **Opinion**

1. We have audited the accompanying financial statements of Ebix Money Express Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

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

#### **Emphasis of Matter- Restatement of Comparative Financial Statements**

4. We draw attention to note 51 to the accompanying financial statements, which describes the restatement of the comparative financial information for the year ended 31 March 2020 and 1 April 2019 included in the accompanying financial statements, in accordance with the principles of Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, for correction of certain errors as further described in the aforesaid note. Our opinion is not modified in respect of this matter.

#### **Information other than the Financial Statements and Auditor's Report thereon**

5. The 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 financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially



**Independent Auditor's Report to the Members of Ebix Money Express Private Limited Report on the Audit of the Financial Statements for the year ended 31 March 2021 (cont'd)**

inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

**Responsibilities of Management for the Financial Statements**

6. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company



**Independent Auditor's Report to the Members of Ebix Money Express Private Limited Report on the Audit of the Financial Statements for the year ended 31 March 2021 (cont'd)**

has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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.

**Other Matter**

11. The financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor, TR Chadha & Co LLP (Chartered Accountants), who have expressed an unmodified opinion on those financial statements vide their audit report dated 18 September 2020.

**Report on Other Legal and Regulatory Requirements**

12. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
13. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
  - 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;



**Independent Auditor's Report to the Members of Ebix Money Express Private Limited Report on the Audit of the Financial Statements for the year ended 31 March 2021 (cont'd)**

- c) the financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
- f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 27 November 2021 as per Annexure B expressed an unmodified opinion; and
- 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 does not have any pending litigation which would impact its financial position as at 31 March 2021.
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.:  
001076N/N500013



**Rohit Arora**  
Partner  
Membership No.: 504774  
UDIN: 21504774AAAALF8987

For **KG Somani & Co LLP**  
Chartered Accountants  
Firm's Registration No.:  
006591N/N500377



**Varun Sharma**  
Partner  
Membership No.: 512916  
UDIN: 21512916AAAABL5579



**Place:** Noida  
**Date:** 27 November 2021

**Place:** Noida  
**Date:** 27 November 2021

**Annexure A to the Independent Auditor's Report of even date to the members of Ebix Money Express Private Limited, on the financial statements for the year ended 31 March 2021**

**Annexure A**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The property, plant and equipment have been physically verified by the management during the year by engaging the outside expert and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) The Company does not have inventory. Accordingly, the provisions of Clause (ii) are not applicable.
- (iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
  - (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;
  - (b) the schedule of repayment of principal and payment of interest has been stipulated wherein the principal amounts are repayable and interest is payable on demand and since the repayment of such loans and interest has not been demanded, in our opinion, repayment of the principal and payment of interest amount is regular;
  - (c) there is no overdue amount in respect of loans granted to such companies.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans and investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases.

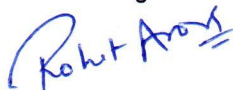
**Annexure A to the Independent Auditor's Report of even date to the members of Ebix Money Express Private Limited, on the financial statements for the year ended 31 March 2021 (cont'd)**

Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any disputes.

- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and there are no dues payable to debenture-holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Rohit Arora**  
Partner  
Membership No.: 504774  
UDIN: 21504774AAAALF8987

**Place:** Noida  
**Date:** 27 November 2021

For **KG Somani & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 006591N/N500377



**Varun Sharma**  
Partner  
Membership No.: 512916  
UDIN: 21512916AAAABL5579

**Place:** Noida  
**Date:** 27 November 2021



**Annexure B to the Independent Auditor's Report of even date to the members of Ebix Money Express Private Limited on the financial statements for the year ended 31 March 2021**

**Annexure B**

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

1. In conjunction with our audit of the financial statements of Ebix Money Express Private Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

**Responsibilities of Management for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the 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 Act.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.



**Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act') (cont'd)**

**Meaning of Internal Financial Controls with Reference to Financial Statements**

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

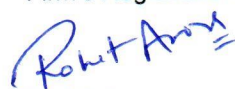
**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Rohit Arora**  
Partner  
Membership No.: 504774  
UDIN: 21504774AAAALF8987

**Place:** Noida  
**Date:** 27 November 2021

For **KG Somani & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 006591N/N500377



**Varun Sharma**  
Partner  
Membership No.: 512916  
UDIN: 21512916AAAABL5579

**Place:** Noida  
**Date:** 27 November 2021





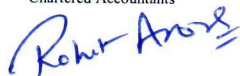
**Ebix Money Express Private Limited**  
**Balance Sheet as at March 31, 2021**  
 (All Amounts in INR lakhs unless otherwise stated )

|  | Notes | March 31, 2021          | March 31, 2020          | April 01, 2019          |
|--|-------|-------------------------|-------------------------|-------------------------|
| <b>I ASSETS</b>  |       |                         |                         |                         |
| <b>(1) Non-current assets</b>  |       |                         |                         |                         |
| Property, plant and equipment  | 3     | 33.92                   | 40.69                   | 4.87                    |
| Right-of-use assets  | 4     | 193.58                  | 379.69                  | -                       |
| Goodwill   | 6     | 36,961.90               | 36,961.90               | 36,961.90               |
| Other intangible assets  | 5     | 6.35                    | 12.24                   | 18.62                   |
| Financial assets   |       |                         |                         |                         |
| Loans  | 7     | 29.97                   | 34.76                   | 52.46                   |
| Other financial assets   | 8     | 119.86                  | 133.64                  | 538.90                  |
| Non-current tax assets (net)   | 9     | 46.27                   | 46.27                   | 46.27                   |
| Deferred tax asset (net)   | 24    | -                       | -                       | 145.26                  |
| Other non-current assets   | 10    | 539.67                  | 184.65                  | 141.61                  |
|  |       | <u>37,931.52</u>        | <u>37,793.84</u>        | <u>37,909.88</u>        |
| <b>(2) Current assets</b>  |       |                         |                         |                         |
| Inventories  | 11    | -                       | -                       | 1.59                    |
| Financial assets   |       |                         |                         |                         |
| Investments  | 12    | 33.25                   | 18.64                   | 601.21                  |
| Trade receivables  | 13    | 26.61                   | 190.99                  | 3,414.67                |
| Cash and cash equivalents  | 14    | 8,449.02                | 4,862.96                | 13,869.37               |
| Bank balance other than cash and cash equivalents                                      | 15    | 2,177.47                | 1,964.01                | 1,865.79                |
| Loans  | 16    | 17,147.41               | 19,423.82               | 26,113.21               |
| Other financial assets   | 17    | 5,524.67                | 3,710.97                | 489.78                  |
| Other current assets   | 18    | 1,224.85                | 1,319.76                | 1,792.10                |
|  |       | <u>34,583.28</u>        | <u>31,491.15</u>        | <u>48,147.72</u>        |
| <b>Total assets</b>  |       | <u><b>72,514.80</b></u> | <u><b>69,284.99</b></u> | <u><b>86,057.60</b></u> |
| <b>II EQUITY AND LIABILITIES</b>   |       |                         |                         |                         |
| <b>(1) Equity</b>  |       |                         |                         |                         |
| Equity share capital   | 19    | 3,095.46                | 3,095.46                | 3,095.46                |
| Other equity   | 20    | 46,493.06               | 48,069.48               | 45,340.18               |
|  |       | <u>49,588.52</u>        | <u>51,164.94</u>        | <u>48,435.64</u>        |
| <b>Liabilities</b>   |       |                         |                         |                         |
| <b>(2) Non-current liabilities</b>   |       |                         |                         |                         |
| Financial liabilities  |       |                         |                         |                         |
| Borrowings   | 21    | 2,802.03                | 3,133.03                | 3,436.79                |
| Lease liabilities  | 22    | 147.71                  | 273.00                  | -                       |
| Provisions   | 23    | 12.16                   | 65.09                   | 54.79                   |
| Deferred tax liabilities (net)   | 24    | 4,623.54                | 447.40                  | -                       |
|  |       | <u>7,585.44</u>         | <u>3,918.52</u>         | <u>3,491.58</u>         |
| <b>(3) Current Liabilities</b>   |       |                         |                         |                         |
| Financial liabilities  |       |                         |                         |                         |
| Borrowings   | 25    | 3,685.54                | 7,905.00                | 20,546.57               |
| Trade payables   |       |                         |                         |                         |
| Total outstanding dues of micro enterprises and small enterprises                      | 26    | -                       | -                       | -                       |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 26    | 1,788.65                | 1,121.71                | 6,052.52                |
| Lease liabilities  | 27    | 68.86                   | 122.76                  | -                       |
| Other financial liabilities  | 28    | 5,076.63                | 4,038.96                | 4,251.63                |
| Other current liabilities  | 29    | 4,255.49                | 710.52                  | 980.91                  |
| Provisions   | 30    | 1.78                    | 1.95                    | 2.14                    |
| Current tax liabilities (net)  | 31    | 463.89                  | 300.63                  | 2,296.61                |
|  |       | <u>15,340.84</u>        | <u>14,201.53</u>        | <u>34,130.38</u>        |
| <b>Total equity and liabilities</b>  |       | <u><b>22,926.28</b></u> | <u><b>18,120.05</b></u> | <u><b>37,621.96</b></u> |
|  |       | <u><b>72,514.80</b></u> | <u><b>69,284.99</b></u> | <u><b>86,057.60</b></u> |

The accompanying notes are an integral part of these financial statements

This is the balance sheet referred to in our report of even date

For **Walker Chandlok & Co LLP**  
 ICAI firm registration number : 001076N/NS00013  
 Chartered Accountants



**Rohit Arora**  
 Partner  
 Membership number: 504774

For **KG Somani & Co LLP**  
 ICAI firm registration number : 006591N/NS00377  
 Chartered Accountants

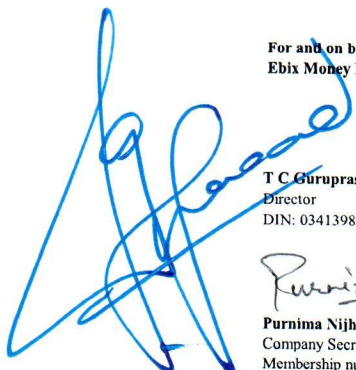


**Varun Sharma**  
 Partner  
 Membership number: 512916

Place: Noida  
 Date: November 2021



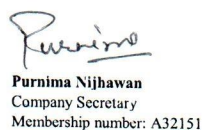
For and on behalf of the Board of Directors of  
**Ebix Money Express Private Limited**



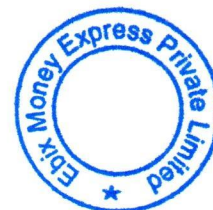
**T.C. Guruprasad**  
 Director  
 DIN: 03413982



**Sumit Khadria**  
 Director  
 DIN: 07945188



**Purnima Nijhawan**  
 Company Secretary  
 Membership number: A32151



**Ebix Money Express Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2021**  
 (All Amounts in INR lakhs unless otherwise stated )

|  | Notes | March 31, 2021    | March 31, 2020   |
|--|-------|-------------------|------------------|
| <b>I Income</b>  |       |                   |                  |
| Revenue from operations  | 32    | 6,162.27          | 9,941.72         |
| Other income   | 33    | 2,089.20          | 3,188.09         |
| <b>Total income</b>  |       | <b>8,251.47</b>   | <b>13,129.81</b> |
| <b>II Expenses</b>   |       |                   |                  |
| Employee benefits expense  | 34    | 264.25            | 665.26           |
| Finance costs  | 35    | 873.31            | 2,187.63         |
| Depreciation and amortisation expenses                                   | 36    | 122.97            | 122.19           |
| Other expenses   | 37    | 3,770.39          | 5,962.16         |
| <b>Total expenses</b>  |       | <b>5,030.92</b>   | <b>8,937.24</b>  |
| <b>III Profit before tax</b>   |       | <b>3,220.55</b>   | <b>4,192.57</b>  |
| <b>IV Tax expense:</b>   |       |                   |                  |
| Current tax  | 38    | 621.09            | 871.90           |
| Deferred tax   | 38    | 4,176.14          | 592.66           |
| <b>Total tax expenses</b>  |       | <b>4,797.23</b>   | <b>1,464.56</b>  |
| <b>V Profit for the year</b>   |       | <b>(1,576.68)</b> | <b>2,728.01</b>  |
| <b>VI Other comprehensive income</b>                                     |       |                   |                  |
| Items that will not be reclassified to profit or loss                    |       |                   |                  |
| - Re-measurement gain of defined benefit plans                           | 38.1  | 0.37              | 1.82             |
| - Income tax effect  | 38.1  | (0.11)            | (0.53)           |
| <b>Total other comprehensive income for the year</b>                     |       | <b>0.26</b>       | <b>1.29</b>      |
| <b>IX Total comprehensive income for the year</b>                        |       | <b>(1,576.42)</b> | <b>2,729.30</b>  |
| <b>X Earnings per equity share (nominal value of shares INR 10 each)</b> | 39    |                   |                  |
| Basic  |       | (5.09)            | 8.21             |
| Diluted  |       | (5.09)            | 8.21             |

The accompanying notes are an integral part of these financial statements

This is the statement of profit and loss referred to in our report of even date

For Walker Chandiook & Co LLP

ICAI firm registration number : 001076N/N500013

Chartered Accountants

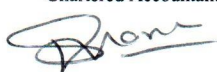


**Rohit Arora**  
 Partner  
 Membership number: 504774

For KG Somani & Co LLP

ICAI firm registration number : 006591N/N500377

Chartered Accountants

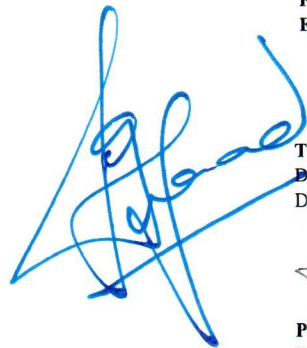


**Varun Sharma**  
 Partner  
 Membership number: 512916

Place: Noida  
 Date: November 2021



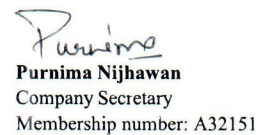
For and on behalf of the Board of Directors of  
 Ebix Money Express Private Limited



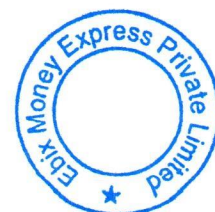
**T C Guruprasad**  
 Director  
 DIN: 03413982



**Sumit Khadria**  
 Director  
 DIN:07945188



**Purnima Nijhawan**  
 Company Secretary  
 Membership number: A32151



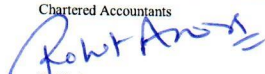
**Ebix Money Express Private Limited**  
**Cash Flow Statement for the year ended March 31, 2021**  
 (All Amounts in INR lakhs unless otherwise stated)

|   | March 31, 2021    | March 31, 2020     |
|---|-------------------|--------------------|
| <b>Cash flows from operating activities</b>   |                   |                    |
| Net profit before tax   | 3,220.55          | 4,192.57           |
| <b>Adjustments For:</b>   |                   |                    |
| Interest income   | (1,534.33)        | (2,659.73)         |
| Depreciation and amortisation expenses  | 122.97            | 122.19             |
| Finance costs   | 821.87            | 2,187.63           |
| Income from investment  | (14.60)           | (21.08)            |
| Liabilities no longer required written back   | (59.43)           | (0.71)             |
| Sundry balances written off   | 142.38            | -                  |
| Bad debts and advances written off  | 180.00            | -                  |
| <b>Operating profit before working capital changes</b>  | <b>2,879.41</b>   | <b>3,820.87</b>    |
| <b>Movement in working capital:-</b>  |                   |                    |
| Change in trade payables  | 726.37            | (4,930.63)         |
| Change in other financial liabilities   | 406.36            | (212.67)           |
| Change in financial liabilities   | (331.00)          | (303.76)           |
| Change in other liabilities   | 3,544.97          | (270.39)           |
| Change in provisions  | (52.73)           | 11.93              |
| Change in non-current loans   | 4.79              | 17.70              |
| Change in non-current financial assets  | 15.92             | 405.26             |
| Change in other-current financial assets  | (480.06)          | (3,221.19)         |
| Change in non-current assets  | (355.02)          | (9.63)             |
| Change in inventories   | -                 | 1.59               |
| Change in trade receivables   | (15.62)           | 3,223.68           |
| Change in other current assets  | (47.47)           | 472.34             |
| <b>Cash generated from/ (used in) operations</b>  | <b>3,416.51</b>   | <b>(994.90)</b>    |
| Less: Income tax paid (net of refunds)  | (457.83)          | (2,867.90)         |
| <b>Net cash generated from/ (used in) operating activities (A)</b>                            | <b>5,838.09</b>   | <b>(3,862.79)</b>  |
| <b>Cash flows from investing activities:</b>  |                   |                    |
| Purchase of property, plant and equipment   | (9.81)            | (42.85)            |
| Capital advance   | -                 | (33.41)            |
| Interest received   | 200.68            | 2,659.73           |
| Investment in bank deposits   | (215.60)          | (98.22)            |
| Sale/(purchase) of mutual funds   | -                 | 603.65             |
| Investment made/(repayment received) in inter-corporate deposits                              | 2,276.41          | 6,689.39           |
| <b>Net cash generated from/ (used in) investing activities (B)</b>                            | <b>2,251.68</b>   | <b>9,778.29</b>    |
| <b>Cash flows from financing activities:</b>  |                   |                    |
| Net proceeds/(repayment) of short-term borrowings   | (4,219.46)        | (12,641.57)        |
| Interest paid   | (190.56)          | (2,187.63)         |
| Lease liabilities paid  | (93.69)           | (92.71)            |
| <b>Net cash used in financing activities (C)</b>  | <b>(4,503.71)</b> | <b>(14,921.91)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>                           | <b>3,586.06</b>   | <b>(9,006.41)</b>  |
| Cash and cash equivalents at the beginning of the year  | 4,862.96          | 13,869.37          |
| <b>Cash and cash equivalents at the end of the year</b>                                       | <b>8,449.02</b>   | <b>4,862.96</b>    |
| <b>Note: The break up of cash and cash equivalents as at the end of the year is as under:</b> |                   |                    |
| Cash on hand  | 43.72             | 97.07              |
| Balances with banks:  |                   |                    |
| - In current accounts   | 8,405.30          | 4,765.89           |
|   | <b>8,449.02</b>   | <b>4,862.96</b>    |

The accompanying notes are an integral part of these financial statements

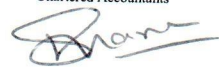
This is the cash flow statement referred to in our report of even date.

For Walker Chandiook & Co LLP  
 ICAI firm registration number : 001076N/N500013  
 Chartered Accountants

  
**Rohit Arora**  
 Partner

Membership number: 504774



For KG Somani & Co LLP  
 ICAI firm registration number : 006591N/N500377  
 Chartered Accountants

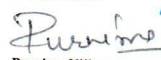


**Varun Sharma**  
 Partner  
 Membership number: 512916  
 Place: Noida  
 Date: November 2021



For and on behalf of the Board of Directors of  
 Ebix Money Express Private Limited

   
**Sumit Khadria** Director  
 DIN:07945188  
**T C Guruprasad** Director  
 DIN: 03413982

  
**Purnima Nijhawan**  
 Company Secretary  
 Membership number: A32151



**Ebix Money Express Private Limited**  
**Statement of changes in equity for the year ended March 31, 2021**  
 (All Amounts in INR lakhs unless otherwise stated )

**(a) Equity share capital**  
 Equity share of INR 10 each issued, subscribed and fully paid

| Particulars                 | Number of shares | Amount   |
|-----------------------------|------------------|----------|
| At April 01, 2019           | 30,954,598       | 3,095.46 |
| Add: issued during the year | -                | -        |
| At March 31, 2020           | 30,954,598       | 3,095.46 |
| Add: issued during the year | -                | -        |
| At March 31, 2021           | 30,954,598       | 3,095.46 |

**(b) Other equity**

| Particulars   | Equity component of compound financial instrument | Reserves and surplus       |                   | Total      |
|---|---|----------------------------|-------------------|------------|
|   |   | Securities premium account | Retained earnings |            |
| As at April 01, 2019                                      | 2,860.54  | 32,019.64                  | 10,460.00         | 45,340.18  |
| Restated balance at the beginning of the reporting period | 2,860.54  | 32,019.64                  | 10,460.00         | 45,340.18  |
| Profit for the year                                       | -   | -                          | 2,728.01          | 2,728.01   |
| Other comprehensive income for the year                   | -   | -                          | 1.29              | 1.29       |
| Total comprehensive income for the year                   | -   | -                          | 2,729.30          | 2,729.30   |
| As at March 31, 2020                                      | 2,860.54  | 32,019.64                  | 13,189.30         | 48,069.48  |
| Profit for the year                                       | -   | -                          | (1,576.68)        | (1,576.68) |
| Other comprehensive income for the year                   | -   | -                          | 0.26              | 0.26       |
| Total comprehensive income for the year                   | -   | -                          | (1,576.42)        | (1,576.42) |
| As at March 31, 2021                                      | 2,860.54  | 32,019.64                  | 11,612.88         | 46,493.06  |

The accompanying notes are an integral part of these financial statements

This is the statement of changes in equity referred to in our report of even date

For Walker Chandio & Co LLP  
 ICAI firm registration number : 001076N/N500013  
 Chartered Accountants

*Rohit Arora*

**Rohit Arora**  
 Partner  
 Membership number: 504774

For KG Somani & Co. LLP  
 ICAI firm registration number : 006591N/N500377  
 Chartered Accountants

*Varun Sharma*

**Varun Sharma**  
 Partner  
 Membership number: 512916

Place: Noida  
 Date: November 2021



For and on behalf of the Board of Directors of  
 Ebix Money Express Private Limited

*T C Guruprasad*

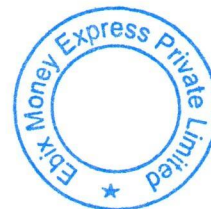
**T C Guruprasad**  
 Director  
 DIN: 03413982

*Sumit Khadria*

**Sumit Khadria**  
 Director  
 DIN:07945188

*Purnima*

**Purnima Nijhawan**  
 Company Secretary  
 Membership number: A32151



**Ebix Money Express Private Limited**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021**

(All Amounts in INR lakhs unless otherwise stated )

**3 Property, plant and equipment**

| Particulars                     | Computers    | Leasehold improvement | Total        |
|---------------------------------|--------------|-----------------------|--------------|
| <b>Gross carrying value</b>     |              |                       |              |
| As at April 01, 2019            | 9.07         | -                     | 9.07         |
| Additions                       | 42.85        | -                     | 42.85        |
| <b>As at March 31, 2020</b>     | <b>51.92</b> | <b>-</b>              | <b>51.92</b> |
| Additions                       | 0.72         | 9.09                  | 9.81         |
| Disposals/adjustments           | -            | -                     | -            |
| <b>As at March 31, 2021</b>     | <b>52.64</b> | <b>9.09</b>           | <b>61.73</b> |
| <b>Accumulated depreciation</b> |              |                       |              |
| As at April 01, 2019            | 4.20         | -                     | 4.20         |
| Charge for the year             | 7.03         | -                     | 7.03         |
| Disposals/adjustments           | -            | -                     | -            |
| <b>As at March 31, 2020</b>     | <b>11.23</b> | <b>-</b>              | <b>11.23</b> |
| Charge for the year             | 15.14        | 1.44                  | 16.58        |
| Disposals/adjustments           | -            | -                     | -            |
| <b>As at March 31, 2021</b>     | <b>26.37</b> | <b>1.44</b>           | <b>27.81</b> |
| <b>Net carrying value</b>       |              |                       |              |
| As at March 31, 2021            | 26.27        | 7.65                  | 33.92        |
| As at March 31, 2020            | 40.69        | -                     | 40.69        |
| As at April 01, 2019            | 4.87         | -                     | 4.87         |

**4 Right-of-use assets**

| Particulars                          | Buildings     | Total         |
|--------------------------------------|---------------|---------------|
| <b>Gross carrying value</b>          |               |               |
| As at April 1, 2019                  | -             | -             |
| As at March 31, 2020                 | 488.47        | 488.47        |
| Disposals/deductions during the year | (115.44)      | (115.44)      |
| <b>As at March 31, 2021</b>          | <b>373.03</b> | <b>373.03</b> |
| <b>Accumulated depreciation</b>      |               |               |
| As at April 1, 2019                  | -             | -             |
| Charge for the year                  | 108.78        | 108.78        |
| <b>As at March 31, 2020</b>          | <b>108.78</b> | <b>108.78</b> |
| Charge for the year                  | 100.50        | 100.50        |
| Reversal for the year                | (29.83)       | -             |
| <b>As at March 31, 2021</b>          | <b>179.45</b> | <b>209.28</b> |
| <b>Net carrying value</b>            |               |               |
| As at March 31, 2021                 | 193.58        | 193.58        |
| As at March 31, 2020                 | 379.69        | 379.69        |
| As at April 01, 2019                 | -             | -             |

**5 Other intangible assets**

| Particulars                     | Computer softwares | Total        |
|---------------------------------|--------------------|--------------|
| <b>Gross carrying value</b>     |                    |              |
| As at April 01, 2019            | 31.77              | 31.77        |
| Additions                       | -                  | -            |
| Disposals/adjustments           | -                  | -            |
| <b>As at March 31, 2020</b>     | <b>31.77</b>       | <b>31.77</b> |
| Additions                       | -                  | -            |
| Disposals/adjustments           | -                  | -            |
| <b>As at March 31, 2021</b>     | <b>31.77</b>       | <b>31.77</b> |
| <b>Accumulated amortisation</b> |                    |              |
| As at April 01, 2019            | 13.15              | 13.15        |
| Charge for the year             | 6.38               | 6.38         |
| Disposals/adjustments           | -                  | -            |
| <b>As at March 31, 2020</b>     | <b>19.53</b>       | <b>19.53</b> |
| Charge for the year             | 5.89               | 5.89         |
| Disposals/adjustments           | -                  | -            |
| <b>As at March 31, 2021</b>     | <b>25.42</b>       | <b>25.42</b> |
| <b>Net carrying value</b>       |                    |              |
| As at March 31, 2021            | 6.35               | 6.35         |
| As at March 31, 2020            | 12.24              | 12.24        |
| As at April 01, 2019            | 18.62              | 18.62        |



**Note 1 Description of Business**

**Reporting Entity**

Ebix Money Express Private Limited (the "Company") is a Company domiciled in India and limited by shares. The Company is licensed by the Reserve Bank of India to operate as Full Fledged Money Changer ("FFMC") and also acts as an agent of Western Union Ireland (the Principal) for the Money Transfer Service Scheme ("MTSS") in India. The company also provides Program Management support for Prepaid Cards, Domestic Money Transfer and national level business correspondence services for certain banks.

**Note 2 Summary of Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of these statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a) Statement of Compliance**

The Company has prepared financial statements for the year ended March 31, 2021 on a going concern basis following accrual system of accounting and comply with Indian Accounting Standards (Ind AS) as specified under Section 133 of Companies Act 2013 read with rule 3 of Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.

**b) Basis of preparation**

The financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

**c) Functional and presentation currency**

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency.

**d) Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

**e) Use of Judgement and estimates**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

**Critical Accounting Estimates**

**i. Useful life of Property, Plant and Equipment**

The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

**ii. Provisions and Contingent Liabilities**

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

**iii. Defined Benefit Plans**

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. 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.

**iv. Income Taxes & Deferred Taxes**

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

**v. Impairment Testing**

Intangible assets are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.



**vi. Expected credit losses on financial assets**

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

**f) Property, plant and equipment:**

**i. Recognition and measurement**

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment. Land and buildings acquired/constructed, not intended to be used in the operations of the Company are categorized as investment property. Any gain/loss on disposal of property, plant and equipment is recognized in Profit and loss account.

**ii. Subsequent Measurement**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

**iii. Depreciation**

Depreciation on fixed assets is calculated on Written down Value Method (WDV) using the rates arrived at based on the estimated useful lives given in Schedule II of the Companies Act, 2013 Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell.

**iv. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at historical cost. Intangibles assets having a finite life are subsequently carried at cost less any accumulated amortization and accumulated impairment losses. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Intangible assets with finite lives are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

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 recognized in the statement of profit or loss when the asset is derecognized.

**v. Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 - 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU. Assessment is also done at each balance sheet for possible reversal of an impairment loss recognized for an asset, in prior accounting periods.

**g) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets**

**Initial recognition and measurement**

All financial assets are recognized initially at fair value on initial recognition 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 the purpose of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instrument at fair value through Other Comprehensive Income (FVTOCI)
- Debt instrument at fair value through profit and loss (FVTPL)
- Equity instrument measured at fair value through Other Comprehensive Income (FVTOCI)

**Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized 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 amortized cost using the EIR (effective interest rate) method. Amortized 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 amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.



#### **Debt instrument at Fair value through OCI (FVTOCI)**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### **Debt instrument at Fair value through profit or loss (FVTPL)**

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

#### **Equity Instrument measured at fair value through Other Comprehensive Income**

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.

#### **Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the company's balance sheet) when:

- (a) The rights to receive cash flows from the asset have expired, or
- (b) The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company 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 company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

#### **Impairment of financial assets**

The Company assesses on a forward-looking basis, the expected credit losses associated with the assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 "Financial Instruments" which requires expected life time losses to be recognized from initial recognition of receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward-looking estimates are analyzed.

#### **Financial liabilities**

##### **Initial recognition and measurement**

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in the statement of profit and loss.

##### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

##### **1) Financial liabilities at amortized cost**

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included in finance costs in the profit or loss. This category generally applies to borrowings, trade payables and other contractual liabilities.





## 2) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risks are recognized in OCI. These gains/losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss.

## 3) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. 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 recognized in the statement of profit and loss.

## Modifications of financial assets and financial liabilities

### **Financial assets**

If the terms of a financial asset are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

### **Financial liabilities**

The company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

## h) Revenue Recognition

The Company earns revenue primarily from Money Transfer Services. With effect from 1st April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. The Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted the Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognized at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to the contracts that are not completed as at the date of initial application. The comparative information in the statement of profit and loss is not restated - i.e. the comparative information continues to be reported under the Ind AS 18 and Ind AS 11. Refer Note 2 to the audited financial statements of the Company for the year ended March 31, 2018, for the revenue recognition policy as per the Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

### **Revenue from Services**

Income from Money Transfer services is accounted for on completion of transactions with the end customer in India. Revenue is measured at the fair value of consideration received or receivable, net of service tax, sales tax, value added tax and GST. Revenue is recognized when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

### **Interest income**

Interest income is recognized using the Effective Interest Rate ('EIR') method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.

### **Dividend Income**

Dividend income is recognized, when the right to receive the dividend is established.

## i) Foreign currency transactions & translations

- a. On initial recognition, foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.
- b. As at the reporting date, monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year-end are translated at exchange rates applicable on year end date.
- c. As at the reporting date, non-monetary items denominated in foreign currency, (such as fixed assets) are valued at the exchange rate prevailing on the date of transaction and carried at cost.
- d. Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Statement of Profit and Loss.

## j) Employee benefits

### **Short term employee benefits**

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



#### Defined contribution plans

The Company has defined contribution plan for the post-employment benefits namely Provident Fund which is administered through the Regional Provident Fund Commissioner and the contributions towards such fund are recognized as employee benefits expense and charged to the Statement of Profit and Loss when they are due. The Company does not carry any further obligations with respect to this, apart from contributions made on a monthly basis.

#### Defined benefit plans

The company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### k) Borrowing Cost

Borrowing costs consist of interest expense calculated using the effective interest method as described in Ind AS 109 - 'Financial Instruments'

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use.

Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Other borrowing costs are expensed in the period in which they are incurred.

#### l) Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income.

##### a. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

- i) Has a legally enforceable right to set off the recognized amounts; and
- ii) Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

##### b. Deferred tax

Deferred tax is recognized using balance sheet approach on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. Deferred tax is not recognized for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) The entity has a legally enforceable right to set off current tax assets against
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity.

#### m) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.



Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgement of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgement of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

**n) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**o) Leases**

The Company has adopted the new accounting standard Ind AS 116 "Leases" on April 1, 2019 as per Companies (Indian Accounting Standards) Amendment Rules, 2019, notified by MCA on March 30, 2019. Ind AS 116 is a single lessee accounting model and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. On application of IndAS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use assets(ROU), and finance cost for interest accrued on lease liability.

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

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset even if that right is not explicitly specified in an arrangement.

**Company as a lessee**

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

**Transition to Ind AS 116**

Effective April 1, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application.

Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.



The following is the summary of practical expedients elected on initial application :

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

**p) Operating segment**

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's management to allocate resources to the segments and assess their performance. The Board of Directors and Chief Executive Officer is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly head office expenses, finance costs, income tax expenses and head office income.

Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Segment assets comprise property, plant and equipment, intangible assets, trade and other receivables, inventories and other assets that can be directly or reasonably allocated to segments. For the purpose of segment reporting for the year, property, plant and equipment have been allocated to segments based on the extent of usage of assets for operations attributable to the respective segments. Segment assets do not include investments, income tax assets, capital work in progress, capital advances, head office assets and other current assets that cannot reasonably be allocated to segments.

Segment liabilities include all operating liabilities in respect of a segment and consist principally of trade and other payables, employee benefits and provisions. Segment liabilities do not include equity, income tax liabilities, loans and borrowings and other liabilities and provisions that cannot reasonably be allocated to segments.

**q) Earnings per share**

Basic earnings per equity share are computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**r) Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for.

**s) Recent Accounting Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. On 24 July 2020, the MCA has issued amendments to certain Ind AS. The amendments are effective from annual reporting periods beginning on or after 1 April 2020. Some of the important amendments relate to:

- **Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Error:** Refined definition of term "Materiality"- 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

- **Ind AS 103, Business Combinations:** Revised definition of a 'business' and introduction of an optional concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business.

- **Ind AS 109, Financial Instruments:** Modification to some specific hedge accounting requirements to provide relief to the potential effects of uncertainty caused by the interest rate benchmark (IBOR) reform.

- **Ind Ind AS 116, Leases:** Practical expedient which permits lessees not to account for COVID-19 related rent concessions as a lease modification. However, in case a lessee has not yet approved the financial statements for issue before the issuance of the amendments, then the same may be applied for annual reporting periods beginning on or after 1 April 2019.

- **Ind AS 10 - "Events after the Reporting Period":** Disclosure for nature of the event and an estimate of its financial effect / not being able to make such an estimate will be required for all non-adjusting events.

- **Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets:** A management decision to restructure, taken before the end of the reporting period does not give rise to a constructive obligation at the end of the reporting period unless the entity has, before the end of the reporting period, started to implement the restructuring plan or announced the main features of the restructuring plan to those affected by it.

The company is in the process of evaluating the impact of adoption of the above pronouncements on its financial statements.



**Ebix Money Express Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021**  
 (All Amounts in INR lakhs unless otherwise stated )

| Particulars  | March 31, 2021   | March 31, 2020   | April 01, 2019   |
|--|------------------|------------------|------------------|
| <b>6 Goodwill</b>  |                  |                  |                  |
| Goodwill on BTA  | 36,961.90        | 36,961.90        | 36,961.90        |
|  | <u>36,961.90</u> | <u>36,961.90</u> | <u>36,961.90</u> |
| <b>Note: 6.1</b>   |                  |                  |                  |
| Goodwill is tested for impairment on annual basis and impairment is carried out whenever there is an indication that the recoverable amount is less than its carrying amount based on a number of factors including business plan, operating results, future cash flows and economic conditions. The recoverable amount is determined based on higher of value in use and fair value. The Company carried out goodwill impairment test and no impairment is identified as of March 31, 2021 as recoverable value exceeds the carrying value. |                  |                  |                  |
| <b>7 Loans (non-current)</b>   |                  |                  |                  |
| Unsecured, considered good   |                  |                  |                  |
| Security deposits  | 29.97            | 34.76            | 52.46            |
|  | <u>29.97</u>     | <u>34.76</u>     | <u>52.46</u>     |
| <b>8 Other financial assets</b>  |                  |                  |                  |
| Balance with banks in deposits accounts with remaining maturity of more than 12 months*  | 49.86            | 47.72            | 7.00             |
| Advance to sub agents  | 70.00            | 85.92            | 531.90           |
|  | <u>119.86</u>    | <u>133.64</u>    | <u>538.90</u>    |
| *Pledged with banks against guarantee  |                  |                  |                  |
| <b>9 Non-current tax assets (net)</b>  |                  |                  |                  |
| Taxes paid (net of provision for income tax)   | 46.27            | 46.27            | 46.27            |
|  | <u>46.27</u>     | <u>46.27</u>     | <u>46.27</u>     |
| <b>10 Other assets</b>   |                  |                  |                  |
| Capital advances   | 33.41            | 33.41            | -                |
| Balance with statutory/government authorities  | 506.26           | 151.24           | 141.61           |
|  | <u>539.67</u>    | <u>184.65</u>    | <u>141.61</u>    |
| <b>11 Inventories</b>  |                  |                  |                  |
| Foreign currencies- notes and paid documents   | -                | -                | 1.59             |
|  | <u>-</u>         | <u>-</u>         | <u>1.59</u>      |
| <b>12 Current investments</b>  |                  |                  |                  |
| Investment in mutual funds carried at fair value through profit or loss (quoted, fully paid up)  |                  |                  |                  |
| HDFC Capital Builder Value Fund Direct Plan-Growth   | 33.25            | 18.64            | 601.21           |
|  | <u>33.25</u>     | <u>18.64</u>     | <u>601.21</u>    |
| Aggregate book value of quoted investment and market value thereof   | 33.25            | 18.64            | 601.21           |
| Aggregate amount of unquoted investments   | -                | -                | -                |
| Aggregate amount of impairment in value of investments   | -                | -                | -                |
| Investments in mutual funds includes 9,640.245 units (March 31, 2020: 9,640.245 units, April 01, 2019: 15,67,158.344 units) of HDFC Capital Builder Value Fund Direct Plan-Growth.   |                  |                  |                  |
| <b>13 Trade receivables</b>  |                  |                  |                  |
| (Unsecured, considered good)   |                  |                  |                  |
| Trade receivables considered good, unsecured   | 26.61            | 190.99           | 3,414.67         |
| Trade receivables-credit impaired  | 180.00           | -                | -                |
|  | <u>206.61</u>    | <u>190.99</u>    | <u>3,414.67</u>  |
| Less: Allowance for bad and doubtful debts   | 180.00           | -                | -                |
|  | <u>26.61</u>     | <u>190.99</u>    | <u>3,414.67</u>  |
| <b>14 Cash and cash equivalents</b>  |                  |                  |                  |
| Balances with banks:   |                  |                  |                  |
| - In current accounts  | 8,405.30         | 4,765.89         | 732.63           |
| Cash on hand   | 43.72            | 97.07            | 196.48           |
|  | <u>8,449.02</u>  | <u>4,862.96</u>  | <u>13,869.37</u> |
| <b>15 Bank balances other than cash and cash equivalents</b>   |                  |                  |                  |
| Balance with banks:  |                  |                  |                  |
| - Fixed deposits with remaining maturity for more than 3 months but less than 12 months*   | 2,177.47         | 1,964.01         | 1,865.79         |
|  | <u>2,177.47</u>  | <u>1,964.01</u>  | <u>1,865.79</u>  |

**Note 15.1**

Bank deposit includes amount of USD 26,18,478 (March 31, 2021: INR 1,917.25 lakhs, March 31, 2020: INR 1,861.94 lakhs, April 01, 2019: INR 1,753.84 lakhs) which has been received as collateral security deposits from the Overseas Principals.

**Note 15.2**

\*includes deposits of INR 172.70 Lakhs (March 31, 2020: INR. 77.75 Lakhs, April 01, 2019: INR 73.81 Lakhs) pledged with banks.

**Note 15.3**

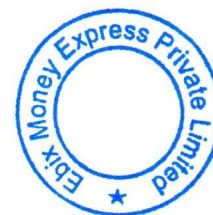
\*Bank deposits due to mature after 12 months of the reporting date are included under 'Other non-current financial assets' (refer note 8)



**Ebix Money Express Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021**  
 (All Amounts in INR lakhs unless otherwise stated )

| Particulars   | March 31, 2021   | March 31, 2020   | April 01, 2019   |
|---|------------------|------------------|------------------|
| <b>16 Loans (current)</b><br>(Unsecured, considered good)   |                  |                  |                  |
| Loan to related parties (refer note 45)   | 17,147.41        | 19,423.82        | 26,113.21        |
|   | <u>17,147.41</u> | <u>19,423.82</u> | <u>26,113.21</u> |
| Loan to related parties represent loan given to holding company and fellow subsidiaries of INR 19,147.41 lakhs @ 8.25% per annum (March 31, 2020: INR 19,423.82 lakhs, April 01, 2019: INR 26113.21 lakhs @9% per annum) and are repayable on demand. |                  |                  |                  |
| <b>17 Other financial assets</b><br>(Unsecured, considered good unless stated otherwise)  |                  |                  |                  |
| Interest accrued on fixed deposits  | 11.27            | 14.47            | 38.95            |
| Interest accrued and not due on loan to related parties (refer note 45)   | 3,846.21         | 2,509.36         | 176.46           |
| Other receivables   | 1,667.19         | 1,187.14         | 274.37           |
|   | <u>5,524.67</u>  | <u>3,710.97</u>  | <u>489.78</u>    |
| <b>18 Other current assets</b>  |                  |                  |                  |
| Advance to vendors  | 406.65           | 153.57           | 1,216.49         |
| Advance to employees  | -                | -                | -                |
| Duties and taxes recoverable  | 815.79           | 1,163.31         | 530.83           |
| Prepaid expenses  | 2.41             | 2.88             | 44.78            |
|   | <u>1,224.85</u>  | <u>1,319.76</u>  | <u>1,792.10</u>  |

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**Ebix Money Express Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021**  
 (All Amounts in INR lakhs unless otherwise stated)

| Particulars  | March 31, 2021  | March 31, 2020  | April 01, 2019  |
|--|-----------------|-----------------|-----------------|
| <b>19 Equity share capital</b>   |                 |                 |                 |
| <b>Authorised share capital:</b>   |                 |                 |                 |
| 32,000,000 (March 31, 2020: 32,000,000, April 01, 2019: 32,000,000) equity shares of INR 10 each               | 3,200.00        | 3,200.00        | 3,200.00        |
|  | <b>3,200.00</b> | <b>3,200.00</b> | <b>3,200.00</b> |
| <b>Issued, subscribed and fully paid up:</b>   |                 |                 |                 |
| 30,954,598 (March 31, 2020: 30,954,598, April 01, 2019: 30,954,598) equity shares of INR 10 each fully paid up | 3,095.46        | 3,095.46        | 3,095.46        |
|  | <b>3,095.46</b> | <b>3,095.46</b> | <b>3,095.46</b> |

**a. Terms and rights attached to Equity Shares**

The Company has only one class of equity share having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining asset of the Company after distribution of all preferential amounts.

**b. Reconciliation of equity shares outstanding at the beginning and end of the year :**

|                                      | Number of shares  | Amount          |
|--------------------------------------|-------------------|-----------------|
| <b>Balance as at April 1, 2019</b>   | 30,954,598        | 3,095.46        |
| Equity shares issued during the year | -                 | -               |
| <b>Balance as at March 31, 2020</b>  | <b>30,954,598</b> | <b>3,095.46</b> |
| Equity shares issued during the year | -                 | -               |
| <b>Balance as at March 31, 2021</b>  | <b>30,954,598</b> | <b>3,095.46</b> |

**c. Shares held by holding / Ultimate holding company, their subsidiaries and associates**

|   | March 31, 2021 |        | March 31, 2020 |        | April 01, 2019 |        |
|---|----------------|--------|----------------|--------|----------------|--------|
|   | Number         | Amount | Number         | Amount | Number         | Amount |
| EbixCash Private Limited (Holding Company)<br>(formerly known as Ebix Software India Private Limited) | 20,076,820     | 2,008  | 5,876,820      | 588    | 5,876,820      | 588    |

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

| Name of the Equity Shareholders   | March 31, 2021 |            | March 31, 2020 |            | April 01, 2019 |            |
|---|----------------|------------|----------------|------------|----------------|------------|
|   | No. of shares  | Percentage | No. of shares  | Percentage | No. of shares  | Percentage |
| EbixCash Private Limited<br>(formerly known as Ebix Software India Private Limited) | 20,076,820     | 64.86%     | 5,876,820      | 18.99%     | 5,876,820      | 18.99%     |
| Ebix Fincorp Exchange Pte Ltd   | -              | 0.00%      | 14,200,000     | 45.87%     | 14,200,000     | 45.87%     |
| EbixCash World Money Limited  | 10,877,778     | 35.14%     | 10,877,778     | 35.14%     | 10,877,778     | 35.14%     |

**20 Other equity**

| Particulars   | Amount     |
|---|------------|
| <b>a. Securities premium</b>                                |            |
| Balance as at April 01, 2019                                | 32,019.64  |
| Balance as at March 31, 2020                                | 32,019.64  |
| Balance as at March 31, 2021                                | 32,019.64  |
| <b>b. Retained earnings</b>                                 |            |
| Balance as at April 01, 2019                                | 10,460.00  |
| Profit for the year   | 2,728.01   |
| Add: Re-measurement gain on defined benefit plans           | 1.29       |
| Balance as at March 31, 2020                                | 13,189.30  |
| Profit for the year   | (1,576.68) |
| Add: Re-measurement gain on defined benefit plans           | 0.26       |
| Balance as at March 31, 2021                                | 11,612.88  |
| <b>c. Equity component of compound financial instrument</b> |            |
| Balance as at April 01, 2019                                | 2,860.54   |
| Balance as at March 31, 2020                                | 2,860.54   |
| Balance as at March 31, 2021                                | 2,860.54   |
| <b>Total other equity</b>                                   |            |
| Balance as at March 31, 2021                                | 46,493.06  |
| Balance as at March 31, 2020                                | 48,069.48  |
| Balance as at April 01, 2019                                | 45,340.18  |

**d. Nature and purpose of reserves**

**Securities premium**

Securities premium is the unutilised accumulated excess of issue price over face value on issue of shares. This reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

**Retained earnings**

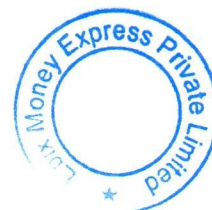
This represents the cumulative profits/(losses) of the Company.



**Ebix Money Express Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021**  
 (All Amounts in INR lakhs unless otherwise stated)

| Particulars  | March 31, 2021  | March 31, 2020  | April 01, 2019  |
|--|-----------------|-----------------|-----------------|
| <b>21 Borrowings- non current</b>  |                 |                 |                 |
| Compulsory convertible debentures  | 2,802.03        | 3,133.03        | 3,436.79        |
|  | <u>2,802.03</u> | <u>3,133.03</u> | <u>3,436.79</u> |
| <b>Note 21.1:</b>  |                 |                 |                 |
| 679,900 (March 31, 2020: 679,900, April 01, 2019: 679,900) compulsory convertible debentures (CCD) of INR 1,000 each have been issued to Ebix Asia Holding Inc, Mauritius. These unsecured debentures carry interest rate of 9% p.a. Further, these CCD would be compulsorily converted into 3.33 equity shares for every CCD held at the end of 10 years from the date of issue i.e. in financial year 2028-29. |                 |                 |                 |
| <b>Particulars</b>   |                 |                 |                 |
| Face value of compulsory convertible debentures  | 6,799.00        | 6,799.00        | 6,799.00        |
| Equity component of compulsory convertible debentures  | (2,860.54)      | (2,860.54)      | (2,860.54)      |
| Finance cost differential  | (805.89)        | (502.18)        | (223.46)        |
| Payment made or TDS deducted   | -               | -               | -               |
| <b>Liability component of compound financial instrument</b>  | <u>3,132.57</u> | <u>3,436.28</u> | <u>3,715.00</u> |
| Compulsory convertible debentures: non-current portion (refer note 21)   | 2,802.03        | 3,133.03        | 3,436.79        |
| Compulsory convertible debentures: current portion (refer note 28)   | 330.54          | 303.25          | 278.21          |
| <b>Total</b>   | <u>3,132.57</u> | <u>3,436.28</u> | <u>3,715.00</u> |

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**Ebix Money Express Private Limited**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021**

(All Amounts in INR lakhs unless otherwise stated )

| Particulars                            | March 31, 2021 | March 31, 2020 | April 01, 2019 |
|--|----------------|----------------|----------------|
| <b>22 Lease liabilities</b>            |                |                |                |
| Lease liabilities                      | 147.71         | 273.00         | -              |
|  | <b>147.71</b>  | <b>273.00</b>  | -              |
| <b>23 Provisions- non-current</b>      |                |                |                |
| Provision for gratuity (refer note 44) | 10.27          | 56.14          | 45.84          |
| Provision for compensated absences     | 1.89           | 8.95           | 8.95           |
|  | <b>12.16</b>   | <b>65.09</b>   | <b>54.79</b>   |

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**Ebix Money Express Private Limited**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021**

(All Amounts in INR lakhs unless otherwise stated )

**24 Deferred tax**

Deferred income tax reflect the net tax effects of temporary difference between the carrying amount of asset and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant component of the Company's net deferred income tax are as follows:

**Deferred tax assets:**

|                                   | Provision for long-term employee benefits | Difference between book balance and tax balance of property, plant and equipment / other intangible assets | MAT Credit Entitlement | Liability Component of Compound Financial Instruments/Lease Liability | Accumulated Losses | Others       | Total             |
|-----------------------------------|---|--|------------------------|---|--------------------|--------------|-------------------|
| <b>As at April 01, 2019</b>       | 15.84                                     | (3,615.57)   | 2,732.59               | 1,033.51  |                    | (21.11)      | 145.26            |
| (Charged)/credited                |   |  |                        |   |                    |              |                   |
| - to statement of profit and loss | 3.68                                      | (1,916.03)   | 768.45                 | (28.18)   | 557.34             | 22.61        | (592.13)          |
| - to other comprehensive income   | -   | -  | -                      | -   | -                  | (0.53)       | (0.53)            |
| <b>As at March 31, 2020</b>       | <b>19.52</b>                              | <b>(5,531.60)</b>  | <b>3,501.04</b>        | <b>1,005.33</b>   | <b>557.34</b>      | <b>0.97</b>  | <b>(447.40)</b>   |
| (Charged)/credited                |   |  |                        |   |                    |              |                   |
| - to statement of profit and loss | (15.46)                                   | (3,761.29)   | 194.75                 | (86.43)   | (557.34)           | 49.74        | (4,176.03)        |
| - to other comprehensive income   |   | ( refer foot note a)   |                        |   |                    | (0.11)       | (0.11)            |
| <b>As at March 31, 2021</b>       | <b>4.06</b>                               | <b>(9,292.89)</b>  | <b>3,695.79</b>        | <b>918.90</b>   | <b>-</b>           | <b>50.60</b> | <b>(4,623.54)</b> |

**Reflected in the Balance Sheet as follows:**

|                                       | March 31, 2021    | March 31, 2020  |
|---------------------------------------|-------------------|-----------------|
| Deferred tax liabilities              | (4,623.54)        | (447.40)        |
| Deferred tax assets                   | -                 | -               |
| <b>Deferred tax liabilities (net)</b> | <b>(4,623.54)</b> | <b>(447.40)</b> |

**Reconciliation of deferred tax liabilities (net):**

|   | March 31, 2021    | March 31, 2020  |
|---|-------------------|-----------------|
| <b>Balance as at the commencement of the year</b>                           | (447.40)          | 145.26          |
| Expense/(income) during the year recognised in statement of profit and loss | (4,176.03)        | (592.13)        |
| Expenses/(credit) during the year recognised in other comprehensive income  | (0.11)            | (0.53)          |
| <b>Balance as at the end of the year</b>                                    | <b>(4,623.54)</b> | <b>(447.40)</b> |

Notes:

a) The amendment in the Income Tax Act through the Finance Bill enacted in March 2021 has taken out goodwill from the purview of tax depreciation with effect from 1 April 2020. Consequent to the enactment and as per the requirements of Ind AS 12, the Company has recognised corresponding deferred tax expense and deferred tax liability on difference between book base and tax base of goodwill.

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**Ebix Money Express Private Limited**
**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021**

(All Amounts in INR lakhs unless otherwise stated )

| Particulars   | March 31, 2021  | March 31, 2020  | April 01, 2019   |
|---|-----------------|-----------------|------------------|
| <b>25 Borrowings- current</b>   |                 |                 |                  |
| Unsecured - carried at amortised cost   |                 |                 |                  |
| Bank overdraft  | 2,955.54        | 4,200.00        | 19,646.29        |
| Loan from related parties   | 730.00          | 3,705.00        | 900.28           |
|   | <b>3,685.54</b> | <b>7,905.00</b> | <b>20,546.57</b> |
| <b>Note 25.1 Overdraft facility from banks</b>  |                 |                 |                  |
| <b>a. Axis bank</b>   |                 |                 |                  |
| <b>Secured by</b>   |                 |                 |                  |
| - by way of first pari- passu charge on all current assets and moveable fixed assets both present and future.   |                 |                 |                  |
| - by unconditional and irrevocable corporate guarantee of Ebix Cash Private Limited to remain valid till end of the facility.   |                 |                 |                  |
| <b>Repayment Terms:</b> Repayable on demand   |                 |                 |                  |
| <b>Interest charged @ MCLR plus 1% i.e. 8.80% p.a</b>   |                 |                 |                  |
| <b>b. HDFC Bank:</b>  |                 |                 |                  |
| <b>Secured by</b>   |                 |                 |                  |
| - by way of debt mutual funds.  |                 |                 |                  |
| - by way of exclusive charge over entire current assets and moveable fixed assets both present and future, except specifically charged to lender.   |                 |                 |                  |
| It carries interest rate from 9.25% to 9.75% p.a.   |                 |                 |                  |
| <b>Note 25.2 Loan from related parties</b>  |                 |                 |                  |
| Loan from related parties represents loan received from fellow subsidiaries of INR 730 lakhs @8.25% p.a. (March 31, 2020: INR 3705 lakhs @ 9% p.a, April 01, 2019: INR 900.28 lakhs @ 9% p.a.) and are repayable on demand. |                 |                 |                  |
| <b>26 Trade payables</b>  |                 |                 |                  |
| Total outstanding dues of micro enterprises and small enterprises (refer note 40)   | -               | -               | -                |
| Total outstanding dues of creditors other than micro enterprises and small enterprises  | 1,788.65        | 1,121.71        | 6,052.52         |
|   | <b>1,788.65</b> | <b>1,121.71</b> | <b>6,052.52</b>  |
| <b>27 Lease liabilities- current</b>  |                 |                 |                  |
| Lease liabilities   | 68.86           | 122.76          | -                |
|   | <b>68.86</b>    | <b>122.76</b>   | <b>-</b>         |
| <b>28 Other financial liabilities</b>   |                 |                 |                  |
| Current maturities of finance liability towards compulsory convertible debentures   | 330.54          | 303.25          | 278.21           |
| Payable to related parties  | 766.35          | 462.58          | 1,640.90         |
| <b>Interest accrued but not due on:</b>   |                 |                 |                  |
| - On compulsory convertible debentures from related parties   | 1,621.01        | 1,100.89        | 488.98           |
| - On inter-corporate deposits from related parties  | 367.20          | 256.01          | 1.61             |
| Collateral securities from principal agents   | 1,917.46        | 1,861.94        | 1,753.84         |
| Expenses payable  | 74.07           | 54.29           | 88.09            |
|   | <b>5,076.63</b> | <b>4,038.96</b> | <b>4,251.63</b>  |
| <b>29 Other current liabilities</b>   |                 |                 |                  |
| Advance received from related parties   | -               | -               | 900.00           |
| Advance received from customers   | 4,190.20        | 665.99          | -                |
| Statutory dues  | 65.29           | 44.53           | 80.91            |
|   | <b>4,255.49</b> | <b>710.52</b>   | <b>980.91</b>    |
| <b>30 Provisions- current</b>   |                 |                 |                  |
| <b>Provision for employee benefits</b>  |                 |                 |                  |
| Provision for gratuity (refer note 44)  | 1.32            | 1.95            | 2.14             |
| Provision for compensated absences  | 0.46            | -               | -                |
|   | <b>1.78</b>     | <b>1.95</b>     | <b>2.14</b>      |
| <b>31 Income tax liabilities (current)</b>  |                 |                 |                  |
| Provision for tax (net of advance tax of INR 229.18 lakhs (March 31, 2020: INR 460.37 lakhs, April 01, 2019: INR 53.10 lakhs)   | 463.89          | 300.63          | 2,296.61         |
|   | <b>463.89</b>   | <b>300.63</b>   | <b>2,296.61</b>  |



**Ebix Money Express Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021**

(All Amounts in INR lakhs unless otherwise stated )

| 32 Particulars  | March 31, 2021         | March 31, 2020         |
|---|------------------------|------------------------|
| <b>(a) Revenue from foreign currencies</b>                |                        |                        |
| Sale of foreign currencies                                | -                      | 374.58                 |
| Less: cost of sales of foreign currencies                 |                        |                        |
| - Purchase of foreign currencies                          | -                      | (370.00)               |
| - Changes in inventories of foreign currencies            | -                      | (1.59)                 |
|   | <u>-</u>               | <u>2.99</u>            |
| <b>(b) Revenue from operations</b>                        |                        |                        |
| Sale of services  |                        |                        |
| - Income from commissions                                 | 6,159.93               | 9,912.35               |
| - Income from incentives                                  | -                      | 2.10                   |
| - Ancillary income  | 2.34                   | 23.18                  |
| - Income from promotional activities                      | -                      | 1.10                   |
|   | <u>6,162.27</u>        | <u>9,941.72</u>        |
|   | <u><u>6,162.27</u></u> | <u><u>9,941.72</u></u> |
| <b>32.1 Changes in inventories of foreign currencies</b>  |                        |                        |
| Opening stock   |                        | 1.59                   |
| Less: Closing stock                                       |                        | -                      |
|   |                        | <u>1.59</u>            |
|   |                        | <u><u>1.59</u></u>     |
| <b>33 Other income</b>                                    |                        |                        |
| Interest income on  |                        |                        |
| Bank deposits   | 11.17                  | 63.64                  |
| Inter-corporate deposits to related party (refer note 45) | 1,474.81               | 2,592.12               |
| Financial assets carried at amortised cost                | 48.35                  | 3.97                   |
| Income from investments                                   | 14.60                  | 21.08                  |
| Liabilities no longer required written back               | 59.43                  | 0.18                   |
| Foreign exchange gain                                     | 459.16                 | 494.38                 |
| Miscellaneous income                                      | 21.68                  | 12.72                  |
|   | <u>2,089.20</u>        | <u>3,188.09</u>        |
|   | <u><u>2,089.20</u></u> | <u><u>3,188.09</u></u> |
| <b>34 Employee benefits expense</b>                       |                        |                        |
| Salaries, wages and other benefits                        | 235.30                 | 613.45                 |
| Contribution to provident and other funds                 | 16.21                  | 34.70                  |
| Gratuity expenses (refer note 44)                         | 11.60                  | 13.37                  |
| Staff welfare expenses                                    | 1.14                   | 3.74                   |
|   | <u>264.25</u>          | <u>665.26</u>          |
|   | <u><u>264.25</u></u>   | <u><u>665.26</u></u>   |
| <b>35 Finance costs</b>                                   |                        |                        |
| Interest on loan from related parties                     | 132.11                 | 282.66                 |
| Interest on borrowings from banks                         | 277.57                 | 1,528.64               |
| Finance charges on compulsorily convertible debentures    | 308.20                 | 333.20                 |
| Interest on lease liabilities                             | 29.26                  | 37.94                  |
| Interest on statutory dues                                | 126.17                 | 4.53                   |
| Other financial charges                                   | -                      | 0.66                   |
|   | <u>873.31</u>          | <u>2,187.63</u>        |
|   | <u><u>873.31</u></u>   | <u><u>2,187.63</u></u> |



**Ebix Money Express Private Limited****Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021**

(All Amounts in INR lakhs unless otherwise stated )

| Particulars  | March 31, 2021        | March 31, 2020        |
|--|-----------------------|-----------------------|
| <b>36 Depreciation and amortisation expenses</b>   |                       |                       |
| Depreciation on property, plant and equipment (refer note 3)   | 16.58                 | 7.03                  |
| Depreciation of right-of-use assets (refer note 4)   | 100.50                | 108.78                |
| Amortisation of intangible assets (refer note 5)   | 5.89                  | 6.38                  |
|  | <b>122.97</b>         | <b>122.19</b>         |
| <b>37 Other expenses</b>   |                       |                       |
| Commission to agents   | 2,678.69              | 4,333.76              |
| Technology support expenses  | 311.26                | 769.93                |
| Bank charges   | 21.93                 | 42.15                 |
| Short term leases (refer note 43)  | 5.77                  | 40.90                 |
| Legal and professional charges   | 60.92                 | 148.57                |
| Travelling and conveyance expenses   | 47.90                 | 117.18                |
| Repair and maintenance   | 2.42                  | 3.92                  |
| Advertisement and publicity expenses   | 14.06                 | 404.09                |
| Audit fee  | 23.50                 | 8.70                  |
| Communication expenses   | 31.28                 | 39.25                 |
| Electricity expenses   | 7.68                  | 16.34                 |
| Office administration expenses   | 2.21                  | 7.95                  |
| Expenditure on corporate social responsibility (refer note 47)   | 230.00                | -                     |
| Sundry balances written off  | 142.38                | -                     |
| Provision for doubtful debts   | 180.00                | -                     |
| Miscellaneous expenses   | 4.96                  | 29.42                 |
|  | <b>3,770.39</b>       | <b>5,962.16</b>       |
| <b>37.1 Payment to auditor as (exclusive of goods and services tax)</b>  |                       |                       |
| <b>As auditor:</b>   |                       |                       |
| Audit fee  | 22.00                 | 6.50                  |
| Tax audit fee  | 1.50                  | 1.50                  |
| Other services (including certification fees)  | -                     | 0.70                  |
|  | <b>23.50</b>          | <b>8.70</b>           |
| <b>38 Income tax</b>   |                       |                       |
| The Company is subject to income tax in India. As per the Income Tax Act, 1961 the Company is liable to pay income tax which is the higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT). |                       |                       |
| Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.                                |                       |                       |
|  | <b>March 31, 2021</b> | <b>March 31, 2020</b> |
| (a) Current tax  | 621.09                | 761.00                |
| (b) Income tax earlier year  | -                     | 110.90                |
| (c) Deferred tax   | 4,176.14              | 592.66                |
| <b>Total</b>   | <b>4,797.23</b>       | <b>1,464.56</b>       |



**Ebix Money Express Private Limited****Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021**

(All Amounts in INR lakhs unless otherwise stated )

| Particulars   | March 31, 2021  | March 31, 2020  |
|---|-----------------|-----------------|
| <b>38.1 Reconciliation of effective tax rate</b>                |                 |                 |
| Profit before taxes   | 3,220.55        | 4,192.57        |
| Applicable tax rates  | 29.12%          | 29.12%          |
| Computed tax expenses   | <b>937.82</b>   | <b>1,220.88</b> |
| <b>Tax effect of:</b>   |                 |                 |
| Tax rate change on opening deferred tax                         | -               | 1.89            |
| Expenses disallowed   | 103.71          | 3.36            |
| Earlier year tax adjustments                                    | -               | 110.90          |
| Impact on goodwill  | 3,755.70        | -               |
| Other adjustments   | -               | 127.54          |
| <b>Tax expenses recognised in profit and loss</b>               | <b>4,797.23</b> | <b>1,464.56</b> |
| <b>Effective tax rate</b>                                       | <b>148.96%</b>  | <b>34.92%</b>   |
| <b>Other comprehensive income</b>                               |                 |                 |
| Remeasurement of defined benefit plans                          | 0.37            | 1.82            |
| Deferred Tax relating to remeasurement of defined benefit plans | 0.11            | 0.53            |
|   | <b>0.26</b>     | <b>1.29</b>     |

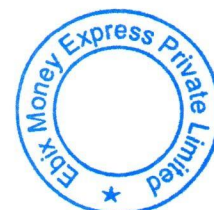
**39 Earnings per share (EPS)**

The following reflects the income and share data used in the basic and diluted EPS computations:

|   | March 31, 2021 | March 31, 2020 |
|---|----------------|----------------|
| Profit attributable to the equity shareholders  | (1,576.68)     | 2,728.01       |
| Weighted average number of equity shares outstanding during the year for calculating basic earning per share (nos.)   | 30,954,598     | 33,220,931     |
| Weighted average number of equity shares outstanding during the year for calculating diluted earning per share (nos.) | 30,954,598     | 33,220,931     |
| Nominal value of equity shares  | 10             | 10             |
| <b>EPS - basic (INR)</b>  | <b>(5.09)</b>  | <b>8.21</b>    |
| <b>EPS - diluted (INR)*</b>   | <b>(5.09)</b>  | <b>8.21</b>    |

\*Since the effect of conversion of compulsory convertible debenture was antidilutive for the year ended 31 March 2021, it has not been considered for the purpose of computing diluted EPS.

(This space has been left blank intentionally)



**40 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006")**

| S.No. | Particulars  | March 31, 2021 | March 31, 2020 | April 01, 2019 |
|-------|--|----------------|----------------|----------------|
| i     | the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;  | -              | -              | -              |
| ii    | the amount of interest paid by the buyer in terms of Section 16 of MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;   | -              | -              | -              |
| iii.  | 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 this Act;   | -              | -              | -              |
| iv.   | the amount of interest accrued and remaining unpaid at the end of each accounting year; and  | -              | -              | -              |
| v.    | 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 MSMED Act, 2006. | -              | -              | -              |

**41 Contingent liabilities and commitments**

**A. Contingent liabilities**

There is no contingent liability as at the end of current and previous year. This excludes matters where amount of liability is not ascertainable.

**B. Capital and other commitments**

Estimated amount of contracts on capital account remaining to be executed and not provided for in accounts Rs. Nil (March 31, 2020: Rs. Nil)

**42 Segment information:**

The management information system of the Company identifies and monitors foreign currency dealing and MTSS (Money Transfer Service Scheme) business as the business segment. The Company is managed organizationally as a single unit. In the opinion of the management, the Company is primarily engaged in the business of MTSS and foreign currency trading. As the basic nature of these activities are governed by the same set of risks and returns, these constitute and are grouped as a single segment. Accordingly, there is only one reportable segment for the Company which is "MTSS Business", hence no specific disclosures have been made. This is also inline with the way the operational results are reviewed by the Chief Operating Decision Makers.

**Entity wise disclosures**

**A. Information about products and services**

During the year, the Company primarily operated in one product line, therefore product wise revenue disclosure is not applicable.

**B. Information about geographical areas**

Domestic segment revenue includes sales and services to the customers located in India and overseas segment revenue includes sales and services rendered to the customers located outside India.

Domestic revenue includes revenue from the sale of foreign currencies and export revenue includes sale of services from MTSS business. Also, all the assets of the Company are located in India.

**C. Information about major customers (from external customers)**

| Customers   | March 31, 2021  | March 31, 2020  | April 01, 2019   |
|---|-----------------|-----------------|------------------|
| Western Union Financial Services Inc.                         | 5,099.38        | 8,784.70        | 12,574.81        |
| Continental Exchange Solutions, Inc. (Ria Financial Services) | 1,038.73        | 1,097.07        | 6,914.33         |
|   | <b>6,138.11</b> | <b>9,881.77</b> | <b>19,489.14</b> |

**43 Leases:**

a. The Company's significant Leases arrangements are in respect of leases for office spaces only. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate as at April 01, 2021. The weighted average rate applied is 9 % per annum.

**b. Amount recognized in balance sheet are as follows:**

|   | March 31, 2021 | March 31, 2020 | April 01, 2019 |
|---|----------------|----------------|----------------|
| Right-of-use assets (refer note 4)            | 193.58         | 379.69         | -              |
| Current lease liabilities (refer note 27)     | 68.86          | 122.76         | -              |
| Non-current lease liabilities (refer note 22) | 147.71         | 273.00         | -              |
|   | <b>216.57</b>  | <b>395.76</b>  | -              |

**c. The following amounts are recognised in the statement of profit and loss:**

|  | March 31, 2021 | March 31, 2020 |
|--|----------------|----------------|
| -Depreciation on right-of-use assets   | 100.50         | 100.78         |
| -Interest expense on lease liabilities | 29.26          | 37.94          |
| -Expenses related to short term-leases | 5.77           | 40.90          |

**d. Refer note 46 for contractual maturities of lease liabilities**

(This space has been left blank intentionally)



**44 Employee benefits**

The Company contributes to the following post employment benefit plans in India

**Defined contribution plans:**

The Company's contribution to provident and other funds amounts to INR 16.21 lakhs (March 31, 2020: INR 34.70 lakhs). The obligation of the Company is limited to the amount contributed and it has no further contractual and / or constructive obligation.

**Post employment benefit obligation:**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972. The scheme is funded with "The Employees Gratuity fund Scheme" managed by Reliance Nippon Life Insurance Company Limited.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the projected unit credit method.

The amount recognised in the balance sheet and the movement in the net defined obligation over the year are as follows :

|   | March 31, 2021        | March 31, 2020        | April 01, 2019 |
|---|-----------------------|-----------------------|----------------|
| <b>(a) Net defined benefit liability</b>  |                       |                       |                |
| <b>(i) Net defined benefit asset/ (liability)</b>                                       |                       |                       |                |
| Defined benefit obligation  | 52.63                 | 61.91                 | 65.22          |
| Fair value of plan assets   | 41.04                 | 3.82                  | 17.24          |
| <b>Plan liability</b>   | <b>11.59</b>          | <b>58.09</b>          | <b>47.98</b>   |
| Current   | 10.27                 | 56.14                 | 45.84          |
| Non-Current   | 1.32                  | 1.95                  | 2.14           |
|   | <b>March 31, 2021</b> | <b>March 31, 2020</b> |                |
| <b>(ii) Net defined benefit expenses (recognised in statement of profit and loss)</b>   |                       |                       |                |
| Current service cost  | 7.58                  | 9.70                  |                |
| Net interest cost on defined benefit obligations  | 4.02                  | 3.67                  |                |
| <b>Net benefit expenses</b>   | <b>11.60</b>          | <b>13.37</b>          |                |
|   | <b>March 31, 2021</b> | <b>March 31, 2020</b> |                |
| <b>(iii) Remeasurement (gains) /loss recognised in other comprehensive income (OCI)</b> |                       |                       |                |
| Actuarial (gain) /loss for the year on present defined benefit obligation               | (0.15)                | (3.20)                |                |
| Actuarial (gain)/ loss for the year on asset  | (0.22)                | 1.38                  |                |
| <b>Actuarial (gain)/loss recognised in OCI</b>  | <b>(0.37)</b>         | <b>(1.82)</b>         |                |

**(iv) (a) Changes in present value of the defined benefit obligation as follows:**

| Particulars                                     | March 31, 2021 | March 31, 2020 | April 01, 2019 |
|---|----------------|----------------|----------------|
| Opening defined benefit obligation              | 61.91          | 65.22          | 66.31          |
| Interest cost on the defined benefit obligation | 4.28           | 5.00           | 5.11           |
| Current service cost                            | 7.58           | 9.70           | 10.81          |
| Actuarial (gain)/loss on obligation             | (0.16)         | (3.21)         | 5.90           |
| Benefits paid                                   | (20.98)        | (14.80)        | (22.91)        |
| Closing defined benefit obligation              | <b>52.63</b>   | <b>61.91</b>   | <b>65.22</b>   |

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

| Particulars  | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Fair value of plan assets at beginning of the year | 3.82                              | 17.24                             | 31.01                             |
| Return on plan assets                              | 0.48                              | 0.56                              | 1.09                              |
| Fund management charges                            | -                                 | (0.63)                            | -                                 |
| Contributions paid to the fund                     | 57.38                             | -                                 | -                                 |
| Benefits paid                                      | (20.65)                           | (13.35)                           | (14.85)                           |
| Fair value of plan asset at end of the year        | <b>41.04</b>                      | <b>3.82</b>                       | <b>17.24</b>                      |

**(c) Net defined benefit asset/(liability)**

| Particulars                                     | March 31, 2021 | March 31, 2020 | April 01, 2019 |
|---|----------------|----------------|----------------|
| Present value of defined benefit obligation     | 52.63          | 61.91          | 65.22          |
| Fair value of plan asset                        | (41.04)        | (3.82)         | (17.24)        |
| Unfunded liability / provision in Balance sheet | <b>11.59</b>   | <b>58.09</b>   | <b>47.98</b>   |

**(d) Change in net defined benefit obligation**

| Particulars  | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Net defined benefit liability at the start of the period | 58.09                             | 47.98                             | 35.31                             |
| Total service cost                                       | 7.58                              | 9.70                              | 10.81                             |
| Net interest cost (Income)                               | 4.02                              | 3.67                              | 2.72                              |
| Re-measurements  | (0.37)                            | (1.82)                            | 7.20                              |
| Contribution paid to the fund                            | (57.38)                           | -                                 | -                                 |
| Benefits paid  | (0.34)                            | (1.44)                            | (8.07)                            |
| Net defined benefit liability at the end of the period   | <b>11.59</b>                      | <b>58.09</b>                      | <b>47.98</b>                      |

**(e) Investment Details:**

|  | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|----------------------|
| Funds managed by insurer (investment with insurer) | 100%                 | 100%                 | 100%                 |





**Ebix Money Express Private Limited**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021**

(All Amounts in INR lakhs unless otherwise stated )

**(f) The principal assumptions used in determining present value of gratuity and long -term employee benefit obligation are given below:**

| Particulars            | March 31, 2021 | March 31, 2020 | April 01, 2019 |
|------------------------|----------------|----------------|----------------|
| Discount rate          | 6.92%          | 6.92%          | 7.66%          |
| Salary escalation rate | 7.00%          | 7.00%          | 7.00%          |

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for Plan Assets management.

The expected contributions for defined benefit plan for the next financial year will be in line with FY 2020-21.

**(g) Maturity profile of defined benefit obligations**

| Year           | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|----------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 0 to 1 Year    | 1.32                                 | 1.95                                 | 2.14                                 |
| 1 to 2 Year    | 1.38                                 | 1.96                                 | 1.74                                 |
| 2 to 3 Year    | 1.44                                 | 1.63                                 | 1.99                                 |
| 3 to 4 Year    | 5.39                                 | 1.62                                 | 1.70                                 |
| 4 to 5 Year    | 1.25                                 | 5.18                                 | 1.67                                 |
| 5 to 6 Year    | 1.19                                 | 1.40                                 | 4.76                                 |
| 6 Year onwards | 40.65                                | 48.16                                | 51.23                                |

**(h) Sensitivity analysis:**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

| Particulars  | As at March 31, 2021 |          | As at March 31, 2020 |          |
|--|----------------------|----------|----------------------|----------|
|  | Increase             | Decrease | Increase             | Decrease |
| Change in discounting rate (delta effect of +/- 0.5%)        | (3.25)               | 3.56     | (3.93)               | 4.31     |
| Change in rate of salary increase (delta effect of +/- 0.5%) | 3.54                 | (3.26)   | 4.29                 | (3.95)   |

**Other long term benefits (compensated absences):**

| Particulars  | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| Present value of obligation at the end of the year | 2.35                 | -                    |

Note: Principal assumptions used in determining present value of long term employee benefits are stated above (refer point (f) ).

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**Ebix Money Express Private Limited**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021  
(All Amounts in INR lakhs unless otherwise stated)

**45 Related party disclosure:-**
**A) List of related parties and relationships**
**i. Ultimate Holding Company**

Ebix Inc, USA  
EbixCash Private Limited (erstwhile Ebix Software India Private Limited)

**ii. Companies having significant influence**

Ebix Fincorp Exchange Pte Ltd  
EbixCash World Money Limited (w.e.f. January 16, 2019)

**iii. Key Management Personnel**

Mr. Guruprasad Tiruvanamalai Chandrashekhara, Director (w.e.f. January 3, 2019)  
Mr. Sumit Khadaria, Director  
Ms. Purnima Nijhawan, Company Secretary

**iv. Other related parties\***

Ebix Asia Pacific FZE (Dubai)  
Ebix Asia Holding Inc., Mauritius  
Ebix Payment Services Private Limited  
Zillious Solutions Private Limited  
Ebix Travel & Holidays Limited (erstwhile Mercury Travels Limited)  
Ebix Travels Private Limited  
EbixCash World Money India Limited (erstwhile Weizmann Forex Limited)  
Ebix Paytech Private Limited  
Ebix Smartclass Educational Services Private Limited  
EbixCash World Money Limited  
Ebix Technologies Private Limited (erstwhile Indus Software Technologies Private Limited)

\*where transactions have occurred during the reporting period or previous year.

**B) Transactions with related parties during the year in the ordinary course of business is given below:**
**Nature of transaction with related parties**

|   | March 31, 2021 | March 31, 2020 |
|---|----------------|----------------|
| <b>i. Issue of compulsory convertible debentures (CCD):</b> |                |                |
| Ebix Asia Holding Inc., Mauritius                           | -              | -              |
| <b>ii. Inter-corporate deposits taken</b>                   |                |                |
| Zillious Solutions Private Limited                          | -              | 2,400.28       |
| Ebix Technologies Private Limited                           | 1,300.00       | 450.00         |
| Ebix Payment Services Private Limited                       | 49,430.00      | 38,450.43      |
| EbixCash World Money Limited                                | -              | 5,450.00       |
| Ebix Smartclass Educational Services Private Limited        | -              | 425.00         |
| <b>iii. Inter-corporate deposits repaid</b>                 |                |                |
| Zillious Solutions Private Limited                          | -              | 3,300.56       |
| Ebix Technologies Private Limited                           | 1,300.00       | 450.00         |
| Ebix Payment Services Private Limited                       | 51,980.00      | 36,070.43      |
| EbixCash World Money Limited                                | -              | 5,450.00       |
| EbixCash Private Limited                                    | -              | -              |
| <b>iv. Inter-corporate deposits given</b>                   |                |                |
| Ebix Travel & Holidays Limited                              | -              | 2,325.00       |
| EbixCash Private Limited                                    | 19,634.86      | 30,864.97      |
| Ebix Corporate Services Private Limited                     | -              | 35,269.00      |
| Ebix Paytech Private Limited                                | 238.00         | 9,234.60       |
| Ebix Travels Private Limited                                | 33,923.54      | 155,732.11     |
| EbixCash World Money Limited                                | -              | -              |
| Ebix Smartclass Educational Services Private Limited        | -              | 830.00         |
| <b>v. Inter-corporate deposits received/recovered</b>       |                |                |
| Ebix Travel & Holidays Limited                              | -              | 2,529.00       |
| EbixCash Private Limited                                    | 18,814.16      | 45,370.30      |
| Ebix Corporate Services Private Limited                     | -              | 35,269.00      |
| Ebix Paytech Private Limited                                | -              | 1,808.00       |
| Ebix Travels Private Limited                                | 37,274.93      | 155,138.78     |
| EbixCash World Money Limited                                | -              | -              |
| Ebix Smartclass Educational Services Private Limited        | -              | 830.00         |
| <b>vi. Interest received</b>                                |                |                |
| Ebix Travel & Holidays Limited                              | -              | 47.00          |
| EbixCash Private Limited                                    | 49.71          | 927.03         |
| Ebix Corporate Services Private Limited                     | -              | 20.84          |
| Ebix Paytech Private Limited                                | 630.16         | 641.12         |
| Ebix Payment Services Private Limited                       | -              | -              |
| Ebix Travels Private Limited                                | 794.94         | 927.01         |
| Ebix Smartclass Educational Services Private Limited        | -              | 29.11          |
| <b>vii. Interest paid</b>                                   |                |                |
| Zillious Solutions Private Limited                          | -              | 120.74         |
| Ebix Technologies Private Limited                           | 5.74           | 13.13          |
| Ebix Corporate Services Private Limited                     | 0.60           | -              |
| Ebix Smartclass Educational Services Private Limited        | 11.43          | -              |
| Ebix Payment Services Private Limited                       | 109.27         | 134.04         |
| EbixCash World Money Limited                                | 5.07           | 14.74          |
| Ebix Asia Holding Inc, (CCD)                                | 308.20         | 333.20         |
| EbixCash Private Limited                                    | -              | -              |
| <b>viii. Trade advance received</b>                         |                |                |
| Ebix Payment Services Private Limited                       | -              | -              |
| Ebix Travels Private Limited                                | -              | -              |
| <b>ix. Sale of services</b>                                 |                |                |
| Weizmann Forex Limited- Signing Bonus                       | -              | -              |
| <b>x. Purchase of service</b>                               |                |                |
| EbixCash Private Limited                                    | -              | -              |
| Ebix Payment Services Private Limited- Gift card loan taken | 1.90           | -              |
| Ebix Asia Pacific FZ LLC (Dubai)- Technology Support Fee    | 311.26         | 769.93         |
| Mercury Travels Limited- Air Tickets (GMV basis)            | -              | 2.22           |



**Ebix Money Express Private Limited****Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021**

(All Amounts in INR lakhs unless otherwise stated )

**C) Closing Balances with related parties during the year ended in the ordinary course of business is given below:**

| <b>Outstanding Balances</b>   | <b>March 31, 2021</b> | <b>March 31, 2020</b> | <b>April 01, 2019</b> |
|---|-----------------------|-----------------------|-----------------------|
| <b>Compulsory convertible debentures (CCD) and inter-corporate deposits payable</b> |                       |                       |                       |
| Ebix Asia Holding Inc   | 6,799.00              | 6,799.00              | 6,799.00              |
| Zillious Solutions Private Limited  | -                     | -                     | 900.28                |
| Ebix Payment Services Private Limited   | 730.00                | 3,280.00              | -                     |
| Ebix Smartclass Educational Services Private Limited                                | -                     | 425.00                | -                     |
| <b>Interest payable</b>   |                       |                       |                       |
| Ebix Asia Holding Inc   | 1,621.01              | 1,100.89              | 488.98                |
| Zillious Solutions Private Limited  | 110.28                | 110.28                | 1.61                  |
| Ebix Technologies Private Limited   | 29.22                 | 11.82                 | -                     |
| Ebix Payment Services Private Limited   | 209.74                | 108.67                | -                     |
| EbixCash World Money Limited  | 17.96                 | 13.27                 | -                     |
| <b>Other payable</b>  |                       |                       |                       |
| Ebix Payment Services Private Limited   | -                     | -                     | 900.00                |
| Ebix Asia Pacific FZ LLC (Dubai)  | 766.35                | 462.58                | 1,640.90              |
| <b>Inter-corporate deposits receivables</b>   |                       |                       |                       |
| Mercury Travels Limited   | -                     | -                     | 204.00                |
| Ebix Corporate Services Private Limited   | 16.07                 | -                     | -                     |
| EbixCash Private Limited  | 1,642.59              | 821.89                | 15,327.22             |
| Ebix Paytech Private Limited  | 7,664.60              | 7,426.60              | -                     |
| Ebix Travels Private Limited  | 7,823.93              | 11,175.33             | 10,582.00             |
| <b>Interest receivables</b>   |                       |                       |                       |
| Mercury Travels Limited   | 43.28                 | 43.28                 | 0.98                  |
| EbixCash Private Limited  | 1,026.88              | 980.90                | 146.57                |
| Ebix Corporate Services Private Limited   | -                     | 18.75                 | -                     |
| Ebix Paytech Private Limited  | 1,161.87              | 577.01                | -                     |
| Ebix Travels Private Limited  | 1,598.55              | 834.31                | 28.91                 |
| Ebix Smartclass Educational Services Private Limited                                | 15.63                 | 26.20                 | -                     |
| <b>Other receivables</b>  |                       |                       |                       |
| Ebix Travels Private Limited  | -                     | -                     | 0.47                  |
| Weizmann Forex Limited  | -                     | -                     | 2,812.30              |

Transactions with related parties have been disclosed from or up to the date, the parties became/remain as related parties.

*(This space has been left blank intentionally)*

**Ebix Money Express Private Limited**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021**

(All Amounts in INR lakhs unless otherwise stated )

**46 Financial instruments – fair values and risk management**

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(i) to the financial statements.

**Fair value measurements**

**A. Financial instruments by Category**

The carrying value of financial instruments by categories as of March 31, 2021

| Particulars                                       | March 31, 2021 |                  | March 31, 2020 |                  | April 01, 2019 |                  |
|---|----------------|------------------|----------------|------------------|----------------|------------------|
|   | FVTPL          | Amortised Cost   | FVTPL          | Amortised Cost   | FVTPL          | Amortised Cost   |
| <b>Financial assets</b>                           |                |                  |                |                  |                |                  |
| Loans (non-current)                               | -              | 29.97            | -              | 34.76            | -              | 52.46            |
| Other non current financial assets                | -              | 119.86           | -              | 133.64           | -              | 538.90           |
| Investments (current)                             | 33.25          | -                | 18.64          | -                | 601.21         | -                |
| Loans (current)                                   | -              | 17,147.41        | -              | 19,423.82        | -              | 26,113.21        |
| Trade receivables                                 | -              | 26.61            | -              | 190.99           | -              | 3,414.67         |
| Cash and cash equivalents                         | -              | 8,449.02         | -              | 4,862.96         | -              | 13,869.37        |
| Bank balance other than cash and cash equivalents | -              | 2,177.47         | -              | 1,964.01         | -              | 1,865.79         |
| Other financial assets (current)                  | -              | 5,524.67         | -              | 3,710.97         | -              | 489.78           |
|   | <b>33.25</b>   | <b>33,475.01</b> | <b>18.64</b>   | <b>30,321.15</b> | <b>601.21</b>  | <b>46,344.18</b> |
| <b>Financial liabilities</b>                      |                |                  |                |                  |                |                  |
| Borrowings (non-current)                          | -              | 2,802.03         | -              | 3,133.03         | -              | 3,436.79         |
| Lease liabilities                                 | -              | 216.57           | -              | 395.76           | -              | -                |
| Borrowings (current)                              | -              | 3,685.54         | -              | 7,905.00         | -              | 20,546.57        |
| Trade payables                                    | -              | 1,788.65         | -              | 1,121.71         | -              | 6,052.52         |
| Other financial liabilities (current)             | -              | 5,076.63         | -              | 4,038.96         | -              | 4,251.63         |
|   | -              | <b>13,569.42</b> | -              | <b>16,594.46</b> | -              | <b>34,287.51</b> |

**B. Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- recognised and measured at fair value and
- measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**Quoted prices in an active Market (level 1)**

This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments.

**Valuation techniques with observable inputs (level 2)**

This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly ( i.e. as prices) or indirectly ( i.e. derived from prices) .

**Valuation techniques with significant unobservable inputs (level 3)**

This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs) . Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market.

**Financial assets measured at fair value - recurring fair value measurements**

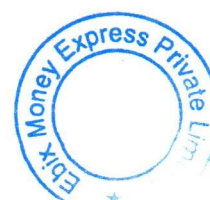
| Particulars             | March 31, 2021 |         |         | Total        |
|-------------------------|----------------|---------|---------|--------------|
|                         | Level 1        | Level 2 | Level 3 |              |
| <b>Financial assets</b> |                |         |         |              |
| Investments             | 33.25          | -       | -       | 33.25        |
|                         | <b>33.25</b>   | -       | -       | <b>33.25</b> |

**Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed**

| Particulars                                       | As at March 31, 2021 |         |                  | Total            |
|---|----------------------|---------|------------------|------------------|
|   | Level 1              | Level 2 | Level 3          |                  |
| <b>Financial assets</b>                           |                      |         |                  |                  |
| Loans (non-current)                               | -                    | -       | 29.97            | 29.97            |
| Other non current financial assets                | -                    | -       | 119.86           | 119.86           |
| Investments (current)                             | -                    | -       | -                | -                |
| Loans (current)                                   | -                    | -       | 17,147.41        | 17,147.41        |
| Trade receivables                                 | -                    | -       | 26.61            | 26.61            |
| Cash and cash equivalents                         | -                    | -       | 8,449.02         | 8,449.02         |
| Bank balance other than cash and cash equivalents | -                    | -       | 2,177.47         | 2,177.47         |
| Other financial assets (current)                  | -                    | -       | 5,524.67         | 5,524.67         |
|   | -                    | -       | <b>33,475.01</b> | <b>33,475.01</b> |
| <b>Financial liabilities</b>                      |                      |         |                  |                  |
| Borrowings (non-current)                          | -                    | -       | 2,802.03         | 2,802.03         |
| Lease liabilities                                 | -                    | -       | 216.57           | 216.57           |
| Borrowings (current)                              | -                    | -       | 3,685.54         | 3,685.54         |
| Trade payables                                    | -                    | -       | 1,788.65         | 1,788.65         |
| Other financial liabilities (current)             | -                    | -       | 5,076.63         | 5,076.63         |
|   | -                    | -       | <b>13,569.42</b> | <b>13,569.42</b> |

**Financial assets measured at fair value - recurring fair value measurements**

| Particulars             | March 31, 2020 |         |         | Total        |
|-------------------------|----------------|---------|---------|--------------|
|                         | Level 1        | Level 2 | Level 3 |              |
| <b>Financial assets</b> |                |         |         |              |
| Investments             | 18.64          | -       | -       | 18.64        |
|                         | <b>18.64</b>   | -       | -       | <b>18.64</b> |



**Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed**

|   | March 31, 2020 |         |                  | Total            |
|---|----------------|---------|------------------|------------------|
|   | Level 1        | Level 2 | Level 3          |                  |
| <b>Financial assets</b>                           |                |         |                  |                  |
| Loans (non-current)                               | -              | -       | 34.76            | 34.76            |
| Other non current financial assets                | -              | -       | 133.64           | 133.64           |
| Investments                                       | -              | -       | -                | -                |
| Loans (current)                                   | -              | -       | 19,423.82        | 19,423.82        |
| Trade receivables                                 | -              | -       | 190.99           | 190.99           |
| Cash and cash equivalents                         | -              | -       | 4,862.96         | 4,862.96         |
| Bank balance other than cash and cash equivalents | -              | -       | 1,964.01         | 1,964.01         |
| Other financial assets (current)                  | -              | -       | 3,710.97         | 3,710.97         |
|   | -              | -       | <b>30,321.15</b> | <b>30,321.15</b> |
| <b>Financial liabilities</b>                      |                |         |                  |                  |
| Borrowings (non-current)                          | -              | -       | 3,133.03         | 3,133.03         |
| Lease liabilities                                 | -              | -       | 395.76           | 395.76           |
| Borrowings (current)                              | -              | -       | 7,905.00         | 7,905.00         |
| Trade payables                                    | -              | -       | 1,121.71         | 1,121.71         |
| Other financial liabilities (current)             | -              | -       | 4,038.96         | 4,038.96         |
|   | -              | -       | <b>16,594.46</b> | <b>16,594.46</b> |

**Financial assets measured at fair value - recurring fair value measurements**

| Particulars             | April 01, 2019 |         |         | Total         |
|-------------------------|----------------|---------|---------|---------------|
|                         | Level 1        | Level 2 | Level 3 |               |
| <b>Financial assets</b> |                |         |         |               |
| Investments             | 601.21         | -       | -       | 601.21        |
|                         | <b>601.21</b>  | -       | -       | <b>601.21</b> |

**Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed**

|   | April 01, 2019 |         |                  | Total            |
|---|----------------|---------|------------------|------------------|
|   | Level 1        | Level 2 | Level 3          |                  |
| <b>Financial assets</b>                           |                |         |                  |                  |
| Loans (non-current)                               | -              | -       | 52.46            | 52.46            |
| Other non current financial assets                | -              | -       | 538.90           | 538.90           |
| Investments                                       | -              | -       | -                | -                |
| Loans (current)                                   | -              | -       | 26,113.21        | 26,113.21        |
| Trade receivables                                 | -              | -       | 3,414.67         | 3,414.67         |
| Cash and cash equivalents                         | -              | -       | 13,869.37        | 13,869.37        |
| Bank balance other than cash and cash equivalents | -              | -       | 1,865.79         | 1,865.79         |
| Other financial assets (current)                  | -              | -       | 489.78           | 489.78           |
|   | -              | -       | <b>46,344.18</b> | <b>46,344.18</b> |
| <b>Financial liabilities</b>                      |                |         |                  |                  |
| Borrowings (non-current)                          | -              | -       | 3,436.79         | 3,436.79         |
| Lease liabilities                                 | -              | -       | -                | -                |
| Borrowings (current)                              | -              | -       | 20,546.57        | 20,546.57        |
| Trade payables                                    | -              | -       | 6,052.52         | 6,052.52         |
| Other financial liabilities (current)             | -              | -       | 4,251.63         | 4,251.63         |
|   | -              | -       | <b>34,287.51</b> | <b>34,287.51</b> |

- Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.
- There have been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2021, March 31, 2020 and 01 April, 2019.

**II. Financial risk management**

The Company is exposed primarily to credit, liquidity, foreign currency exchange rates and market risk which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

**i. Credit risk**

Credit risk is the risk of financial loss to Company if a customer or counterparty to the financial instrument fails to meet its financial obligations leading to financial loss.

Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk other than trade receivable.

The Company maintains its cash and cash equivalents and bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit rating on a timely basis.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was INR 33508.26 lakhs and INR 30339.79 lakhs as at March 31, 2021 and March 31, 2020 respectively, being the total carrying value of investments, trade receivables, cash and cash equivalents, loans and other current financial assets.

**Trade receivables**

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

During the period, the Company has made no write-offs of trade receivables. The Company management also pursue all options for recovery of dues wherever necessary based on its internal assessment. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment is recognized, where considered appropriate by management.

**Movements in allowance for credit losses of receivables is as below:**

| Particulars                            | As at          | As at          | As at          |
|--|----------------|----------------|----------------|
|  | March 31, 2021 | March 31, 2020 | April 01, 2019 |
| Opening balance                        | -              | -              | -              |
| Provision for Doubtful debt recognized | 180.00         | -              | -              |
| <b>Closing balance</b>                 | <b>180.00</b>  | -              | -              |

**ii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are to be settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company invests its surplus funds in bank fixed deposit which carry no market risk. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**Exposure to liquidity risk**

The following are the details of contractual maturities of financial liabilities at the reporting date:

| Particulars                                 | March 31, 2021   |                  |                      |                      |                  | Total            |
|---|------------------|------------------|----------------------|----------------------|------------------|------------------|
|   | On demand        | Up to 1 year     | Between 1 to 2 years | Between 3 to 5 years | More than 5 year |                  |
| <b>Non-derivative financial liabilities</b> |                  |                  |                      |                      |                  |                  |
| Borrowings                                  | 3,685.54         | 612.00           | 1,224.00             | 1,836.00             | 703.80           | 8,061.34         |
| Lease liability                             | -                | 85.61            | 120.38               | 43.98                | 11.09            | 261.06           |
| Trade payables                              | -                | 1,788.65         | -                    | -                    | -                | 1,788.65         |
| Other financial liabilities                 | -                | 3,125.08         | -                    | -                    | -                | 3,125.08         |
| <b>Total</b>                                | <b>3,685.54</b>  | <b>5,611.34</b>  | <b>1,344.38</b>      | <b>1,879.98</b>      | <b>714.89</b>    | <b>13,236.12</b> |
| <b>March 31, 2020</b>                       |                  |                  |                      |                      |                  |                  |
| <b>Non-derivative financial liabilities</b> |                  |                  |                      |                      |                  |                  |
| Borrowings                                  | 7,905.00         | 612.00           | 1,224.00             | 1,836.00             | 1,315.80         | 12,892.80        |
| Lease liability                             | -                | 112.03           | 168.30               | 68.79                | 23.96            | 373.08           |
| Trade payables                              | -                | 1,121.71         | -                    | -                    | -                | 1,121.71         |
| Other financial liabilities                 | -                | 2,634.82         | -                    | -                    | -                | 2,634.82         |
| <b>Total</b>                                | <b>7,905.00</b>  | <b>4,480.56</b>  | <b>1,392.30</b>      | <b>1,904.79</b>      | <b>1,339.76</b>  | <b>17,022.41</b> |
| <b>April 01, 2019</b>                       |                  |                  |                      |                      |                  |                  |
| <b>Non-derivative financial liabilities</b> |                  |                  |                      |                      |                  |                  |
| Borrowings                                  | 20,546.57        | 612.00           | 1,224.00             | 1,836.00             | 1,927.80         | 26,146.37        |
| Trade payables                              | -                | 6,052.52         | -                    | -                    | -                | 6,052.52         |
| Other financial liabilities                 | -                | 3,484.44         | -                    | -                    | -                | 3,484.44         |
| <b>Total</b>                                | <b>20,546.57</b> | <b>10,148.96</b> | <b>1,224.00</b>      | <b>1,836.00</b>      | <b>1,927.80</b>  | <b>35,683.33</b> |

**iii. Market risk**

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of change in the interest rate, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

**a) 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 primarily relates to the fixed deposits and borrowings. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

**Exposure to interest rate risk**

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows:

| Particulars                       | As at March 31, 2021 | As at March 31, 2020 | As at April 01, 2019 |
|-----------------------------------|----------------------|----------------------|----------------------|
| <b>Fixed rate instruments</b>     |                      |                      |                      |
| Financial assets                  | 19,374.74            | 21,435.55            | 27,986.00            |
| Financial liabilities             | 10,484.54            | 14,704.00            | 27,345.57            |
|                                   | <b>19,374.74</b>     | <b>21,435.55</b>     | <b>27,986.00</b>     |
| <b>Financial liabilities</b>      |                      |                      |                      |
| Short term borrowings             | 2,955.54             | 4,200.00             | 19,646.29            |
| Inter-corporate deposit           | 730.00               | 3,705.00             | 900.28               |
| <b>Fixed Rate</b>                 |                      |                      |                      |
| <b>Financial Liabilities</b>      |                      |                      |                      |
| Compulsory convertible debentures | 6,799                | 6,799                | 6,799                |
|                                   | <b>6,799</b>         | <b>6,799</b>         | <b>6,799</b>         |

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**Ebix Money Express Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021**  
 (All Amounts in INR lakhs unless otherwise stated )

**Interest rate sensitivity - fixed rate instruments**

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

**b) Currency risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Hong Kong Dollar and Euro against the respective functional currencies of the company. The Company, as per its risk management policy, primarily to hedge foreign exchange.

**Exposure to currency risk**

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

| Particulars   | March 31, 2021 |          |
|---|----------------|----------|
|   | USD            | HKD      |
| <b>Financial assets</b>                             |                |          |
| Trade receivables                                   | 10.83          | -        |
| Cash and cash equivalents                           | -              | -        |
| Other bank balances                                 | 26.18          | -        |
| Other current financial assets                      | -              | -        |
| inventories   | -              | -        |
|   | <b>37.02</b>   | <b>-</b> |
| <b>Financial liabilities</b>                        |                |          |
| Trade payables                                      | -              | -        |
| Other current financial liabilities                 | 87.92          | -        |
|   | <b>87.92</b>   | <b>-</b> |
| <b>Net statement of financial position exposure</b> | <b>(50.90)</b> | <b>-</b> |

| Particulars   | March 31, 2020 |          |
|---|----------------|----------|
|   | USD            | HKD      |
| <b>Financial assets</b>                             |                |          |
| Trade receivables                                   | 2.20           | -        |
| Cash and cash equivalents                           | -              | -        |
| Other bank balances                                 | 25.30          | -        |
| Other current financial assets                      | -              | -        |
| inventories   | -              | -        |
|   | <b>27.50</b>   | <b>-</b> |
| <b>Financial liabilities</b>                        |                |          |
| Trade payables                                      | -              | -        |
| Other current financial liabilities                 | 40.19          | -        |
|   | <b>40.19</b>   | <b>-</b> |
| <b>Net statement of financial position exposure</b> | <b>(12.69)</b> | <b>-</b> |

**Sensitivity analysis**

A 5% strengthening / weakening of the respective foreign currencies with respect to functional currency of the Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

|     | Impact on profit |             |                |             |
|-----|------------------|-------------|----------------|-------------|
|     | March 31, 2021   |             | March 31, 2020 |             |
|     | Strengthening    | Weakening   | Strengthening  | Weakening   |
| USD | (2.54)           | 2.54        | (0.63)         | 0.63        |
| HKD | -                | -           | -              | -           |
|     | <b>(2.54)</b>    | <b>2.54</b> | <b>(0.63)</b>  | <b>0.63</b> |

**47 Capital management**

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements.

The Company monitors capital using a ratio of 'debt to equity'. for this purpose, debt is defined as total liabilities, comprising interest-bearing loans and borrowings. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

The Company's adjusted net debt to equity ratio at March 31, 2021 March 31, 2020 and March 31, 2019 is as follows -

|  | March 31, 2021    | March 31, 2020    | March 31, 2019     |
|--|-------------------|-------------------|--------------------|
| <b>Borrowings</b>                          |                   |                   |                    |
| Non current and current borrowings         | 6,487.57          | 11,038.03         | 23,983.36          |
| Current maturities of long term borrowings | 330.54            | 303.25            | 278.21             |
| <b>Total debt</b>                          | <b>6,818.11</b>   | <b>11,341.28</b>  | <b>24,261.57</b>   |
| <b>Less: cash and cash equivalents</b>     | <b>(8,449.02)</b> | <b>(4,862.96)</b> | <b>(13,869.37)</b> |
| Net debt                                   | (1,630.91)        | 6,478.32          | 10,392.20          |
| Total equity                               | 49,588.52         | 51,164.94         | 48,435.64          |
| Net debt to equity ratio                   | <b>(0.03)</b>     | <b>0.13</b>       | <b>0.21</b>        |

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**Ebix Money Express Private Limited**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021**

(All Amounts in INR lakhs unless otherwise stated )

**48 Corporate social responsibility**

As per Section 135 of the Companies Act, 2013, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

| Particulars  | March 31, 2021 | March 31, 2020 | April 01, 2019 |
|--|----------------|----------------|----------------|
| Amount required to be spent during the year (A)      | 116.50         | 88.54          | 22.28          |
| Shortfall amount of previous year (B)                | 110.82         | 22.28          | -              |
| <b>Total (A+B)</b>                                   | <b>227.32</b>  | <b>110.82</b>  | <b>22.28</b>   |
| Amount spent on CSR                                  | (230.00)       | -              | -              |
| <b>Shortfall/(excess) amount of current year (C)</b> | <b>(2.68)</b>  | <b>110.82</b>  | <b>22.28</b>   |

- a) Unspent amount required to be deposited in a designated bank account, in terms of section 135(6) of the Companies Act, 2013
- b) The Company has not contributed in nature of CSR expenditure to related party covered under Ind AS 24, Related party disclosures.
- c) The Company has created provisions for Corporate social responsibility expenses for current year amounting to INR 230 lakhs (previous year: nil).

**49 Transfer pricing**

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of conducting a transfer pricing study as required by the transfer pricing regulations under the IT Act ('regulations') to determine whether the transactions entered during the year ended March 31, 2021, with the associated enterprises were undertaken at "arm's length price". The management confirms that all the transactions with associated enterprises are undertaken at negotiated prices on usual commercial terms and is confident that the aforesaid regulations will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

- 50 The Code of Social Security, 2020 ("Code") relating to employee benefits during employment and post employment received Presidential assent in September 2020. Subsequently the Ministry of Labour and Employment had released the draft rules on the aforementioned code. However, the same is yet to be notified. The Company will evaluate the impact and make necessary adjustments to the financial statements in the period when the code will come into effect.

**51 Prior year adjustments**

During the year, the Company noted certain changes and reclassifications to be made to the previous year's financial statements to make them comparable with the ones of current year. The Company's financial statements have thus been reclassified/restated. The effect of restatement due to aforesaid adjustments is summarized below:

**Extract of Balance Sheet as at April 01, 2019**

| Particulars                 | As previously reported | Adjustment | As restated |
|-----------------------------|------------------------|------------|-------------|
| <b>Assets</b>               |                        |            |             |
| <b>Non current</b>          |                        |            |             |
| Other financial assets      | 7.00                   | 531.90     | 538.90      |
| Non-current tax assets      | 187.88                 | (141.62)   | 46.27       |
| Other non-current assets    | -                      | 141.61     | 141.61      |
| <b>Current</b>              |                        |            |             |
| Other assets                | 2,324.00               | (531.90)   | 1,792.10    |
| <b>Liabilities</b>          |                        |            |             |
| <b>Non current</b>          |                        |            |             |
| Borrowings                  | 3,103.09               | 333.70     | 3,436.79    |
| <b>Current</b>              |                        |            |             |
| Trade payables              | 5,865.93               | 186.59     | 6,052.52    |
| Other financial liabilities | 4,585.33               | (333.70)   | 4,251.63    |
| Other current liabilities   | 1,167.50               | (186.59)   | 980.91      |

**Extract of Balance Sheet as at March 31, 2020**

| Particulars                  | As previously reported | Adjustment | As restated |
|------------------------------|------------------------|------------|-------------|
| <b>Assets</b>                |                        |            |             |
| <b>Non current</b>           |                        |            |             |
| Other financial assets       | 81.10                  | 52.54      | 133.64      |
| Other non-current tax assets | 197.52                 | (151.25)   | 46.27       |
| Other non-current assets     | -                      | 184.65     | 184.65      |
| <b>Current</b>               |                        |            |             |
| Trade receivables            | 355.05                 | (164.06)   | 190.99      |
| Financial assets             | 2,850.75               | 860.22     | 3,710.97    |
| Loans                        | 20,118.82              | (695.00)   | 19,423.82   |
| Other current assets         | 1,406.85               | (87.09)    | 1,319.76    |
| <b>Liabilities</b>           |                        |            |             |
| <b>Non current</b>           |                        |            |             |
| Borrowings                   | 2,824.37               | 308.66     | 3,133.03    |
| <b>Current</b>               |                        |            |             |
| Trade payables               | 821.19                 | 300.52     | 1,121.71    |
| Other financial liabilities  | 4,347.61               | (308.65)   | 4,038.96    |
| Other current liabilities    | 1011.06                | (300.54)   | 710.52      |





**Extract of statement of cash flows for the year ended March 31, 2020**

| Particulars                          | As previously reported | Adjustment | As restated |
|--------------------------------------|------------------------|------------|-------------|
| Cash flows from operating activities | (1,418.77)             | (2,444.02) | (3,862.79)  |
| Cash flows from investing activities | 6,730.17               | 3,048.12   | 9,778.29    |
| Cash flows from financing activities | (14,317.81)            | (604.10)   | (14,921.91) |

52 The outbreak of Coronavirus Disease 2019 (COVID-19), declared as a pandemic by the World Health Organization, severely impacted the businesses and economic activities around the world including India. During the year ended March 31, 2021, both Central and State Governments of India had imposed lockdown and other emergency restrictions which had led to the disruption of all regular business operations. Further, the recent second wave of COVID-19 has again resulted in partial lockdown/restrictions in various states. The Company is closely monitoring the impact of the aforementioned pandemic and has made a detailed assessment and considered possible effects, if any, on its liquidity position, including recoverability of its assets as at the balance sheet date and currently believes that there will not be any adverse impact on the long term operations, financial position and performance of the Company.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

**For Walker Chandio & Co LLP**  
 ICAI firm registration number :001076N/N500013  
 Chartered Accountants



**Rohit Arora**  
 Partner  
 Membership number: 504774

**For KG Somani & Co LLP**  
 ICAI firm registration number : 006591N/N500377  
 Chartered Accountants

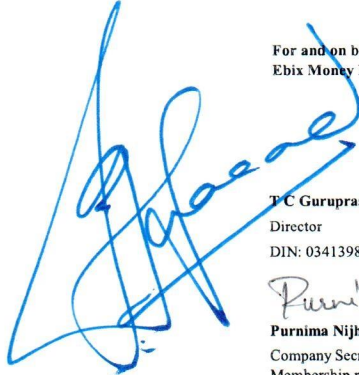


**Varun Sharma**  
 Partner  
 Membership number: 512916

Place: Noida  
 Date: November 2021



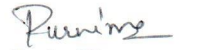
**For and on behalf of the Board of Directors of  
 Ebix Money Express Private Limited**



**T.C Guruprasad**  
 Director  
 DIN: 03413982



**Sumit Khadria**  
 Director  
 DIN:07945188

  
**Purnima Nijhawan**  
 Company Secretary  
 Membership number: A32151



**Ebix Money Express Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended**  
**March 31, 2021**

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**1. Background of the Company**

Ebix Money Express Private Limited (the 'Company') is a private company incorporated under the provisions of Indian Companies Act having its registered office at 7nd floor, Manek Plaza, Kalina CST Road, Kolkalyan, Santacruz (E), Mumbai, Maharashtra, India. The Company is licensed to operate as Full Fledged Money Changer ("FFMC") and authorised by the Reserve Bank of India to undertake inward cross-border money transfer activities in India in association with the Overseas Principals i.e. Western Union Financial Services, Continental Exchange Solutions, Inc, USA (doing business as Ria Financial Services), Transfast Inc., Canada under the Money Transfer Service Scheme (MTSS) in accordance with the relevant provisions of and the directions issued from time to time.

**2. Significant accounting policies**

**a) Statement of compliance**

These financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 (the 'Act').

These financial statements were authorised for issue by the Company's Board of Directors on November 27, 2021.

**b) Basis of preparation**

The financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period.

**c) Functional and presentation currency**

These financial statements are presented in Indian National Rupee ('INR' which is the Company's functional currency).

**d) Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Based on the nature of services and the time between the rendering of services and their realisation, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

An asset is classified as current when it is: a) Expected to be realised or intended to be sold or consumed in normal operating cycle, b) Held primarily for the purpose of trading, c) Expected to be realised within twelve months after the reporting period, or d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.  
All other assets are classified as non-current.

A liability is classified as current when: a) It is expected to be settled in normal operating cycle, b) It is held primarily for the purpose of trading, c) It is due to be settled within twelve months after the reporting period, or d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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



**Ebix Money Express Private Limited**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021**

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**e) Use of Judgment and estimates**

The Company is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosures of contingent liabilities at the date of financial statement and the reported amounts of revenue and expenses during the reporting period.

Actual result could differ from those estimates. The Company basis its estimates on historical experience and on various other assumptions that are believed to be reasonable, the result of which form the basis for making judgements about carrying values of assets and liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Key accounting estimates**

**i. Useful life of property, plant and equipment ('PPE') and intangible assets**

The useful lives and residual values of PPE and intangible assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

**ii. Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

**iii. Defined benefit plans**

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. 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.

**iv. Expected credit losses on financial assets**

The expected credit loss provision of financial assets is based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the expected credit losses calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

**f) Property, plant and equipment:**

Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss (if any). Cost directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use as intended by the management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment.



Any gain/loss on disposal of property, plant and equipment is recognised in profit and loss account on the date of disposal or retirement.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and cost of the item can be measured reliably.

Depreciation methods, estimated useful lives and residual value

Depreciation on PPE is calculated on Straight Line Method ('SLM') using the rates arrived at based on the estimated useful lives given in Schedule II of the Companies Act, 2013 except for technical evaluation done by management's experts for given below assets.

| <b>Assets category</b> | <b>Useful life (in years)</b>                               |
|------------------------|---|
| Leasehold Improvement  | Over the lease period or useful life (whichever is shorter) |

Depreciation method, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss.

#### **g) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at historical cost. Intangible assets having a finite useful life are subsequently carried at cost less any accumulated amortization and accumulated impairment losses (if any). Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

##### **Amortisation method, estimated useful lives and residual value**

Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

| <b>Assets category</b> | <b>Useful life (in years)</b> |
|------------------------|-------------------------------|
| Computer Softwares     | 3 years                       |

#### **h) Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36- 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows of asset or CGU are

**Ebix Money Express Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended**  
**March 31, 2021**

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discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded companies or other available fair valuation indicators.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit' or 'CGU')

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognised in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's or CGU's recoverable amount since the last impairment loss was recognized.

The reversal is limited so that the carrying amount of the assets does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss has been recognised for the asset in prior years. Such reversal is recognised in the Statement of profit or loss.

**i) 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***

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade rate.

***Subsequent measurement***

For the purpose of subsequent measurement, financial assets are classified in four categories:

- *Debt instruments at amortized cost*
- *Debt instrument at fair value through Other Comprehensive Income (FVTOCI)*
- *Debt instrument, derivatives and equity instruments at fair value through profit and loss (FVTPL)*
- *Equity Instrument measured at fair value through Other Comprehensive Income (FVTOCI)*



**Ebix Money Express Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended**  
**March 31, 2021**

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*Debt instruments at amortized cost*

A financial asset is measured at amortized cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR (effective interest rate) method. Amortized 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 amortization is included as finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

*Debt instrument at fair value through Other Comprehensive Income (FVTOCI)*

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent solely payments of principal and interest

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

*Debt instrument at fair value through profit and loss (FVTPL)*

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

*Equity Instrument measured at fair value through Other Comprehensive Income (FVTOCI)*

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.



### ***Derecognition of financial assets***

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (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, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company 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 Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

### ***Impairment of financial assets***

The Company assesses on a forward-looking basis, the expected credit losses associated with the assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 "Financial Instruments" which requires expected lifetime losses to be recognized from initial recognition of trade receivables and unbilled revenue. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward-looking estimates are analyzed.

### **Financial liabilities**

#### ***Initial recognition and measurement***

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised

cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

***Subsequent measurement***

The measurement of financial liabilities depends on their classification, as described below:

*Financial Liabilities measured at amortised cost*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss.

*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.

***Derecognition of financial liabilities***

A financial liability is derecognized 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 recognized in the statement of profit and loss.

**j) Revenue recognition**

The Company's revenues are primarily derived from consumer money transfer commission fees that is based on the principal amount of the money transferred. Principal amount is the amount received from money transfer overseas operators for International Money Transfer ('IMT') transactions undertaken by the Company as per instructions of overseas operators. Commission fees are set by the Company and recorded as revenue on completion of transactions with the end customer in India.

**Interest income**

Interest income is recognised using the Effective Interest Rate ('EIR') method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the gross carrying amount of the financial assets or to the amortized cost of a financial liability but does not consider the expected credit loss. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.

**k) Foreign currency transactions**

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies outstanding at the year-end are translated at exchange rates





**Ebix Money Express Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended**  
**March 31, 2021**

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applicable on year end date. Non-monetary items denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction and carried at cost. Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Statement of Profit and Loss.

**l) Employee benefits**

**a. Short term employee benefits**

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

**b. Defined contribution plans**

Obligations for contributions to defined contribution plans (Contribution to Provident Fund) are recognized in Statement of profit and loss, when the employee rendered related service. The Company has no further obligations under these plans beyond its periodic contributions.

**c. Defined benefit plans**

The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Re-measurement are not reclassified to profit or loss in the subsequent periods. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**d. Other long-term employee benefits**

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in statement of profit or loss in the period in which they arise. Expenses related to other long-term employee benefits are recognised in statement of profit or loss under 'Employee benefits expense'.

Long-term compensated absences: Long-term compensated absences are provided for on the basis of its actuarial valuation as per the projected unit credit method as on the Balance Sheet date.

**m) Income tax**

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.



**Ebix Money Express Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended**  
**March 31, 2021**

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**a. Current tax**

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in India, where the Company operate and generate taxable income. The Company creates provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**b. Deferred tax**

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. In case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

**n) Provisions, contingent liabilities and contingent assets**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as finance cost.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgement of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.



## **Ebix Money Express Private Limited**

### **Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021**

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Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgement of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

#### **o) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **p) Leases**

The Company assesses whether a contract contain a lease, at inception of 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 of time in exchange for consideration.

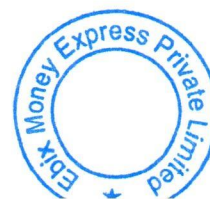
To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether : (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of lease and (iii) the Company has the right to direct the use of the asset.

##### **Company as a lessee**

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases the recoverable amount is determined for the cash generating units to which the asset belong.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate in the country of domicile of these lease. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.



**Ebix Money Express Private Limited**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021**

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The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognizes the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

**q) Operating segments**

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's management to allocate resources to the segments and assess their performance. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

**r) Earnings per share**

Basic earnings per equity share are computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**t) Recent pronouncements**

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

**Balance sheet**

a) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

c) Specified format for disclosure of shareholding of promoters.

d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.



**Ebix Money Express Private Limited**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021**

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**Statement of Profit and Loss**

a) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

