

INDEPENDENT AUDITOR'S REPORT

To the Members of Ebix Paytech Private Limited
Report on the Audit of Standalone Financial Statements

Opinion

We have audited the Standalone financial statements of Ebix Paytech Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statement").

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter- COVID-19

We draw attention to note 36 of the accompanying financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's operations and financial performance. Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the preparation of Director's Report and other related information ("other information"). The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it became available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



When we read the 'Other information', if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with the governance and take appropriate actions, if required.

Responsibility of Management and Those charged with Governance for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

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 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 Standalone Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the 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.

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 Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) we are responsible for expressing our opinion on whether the company has adequate internal



financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

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

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

Report on Other Legal and Regulatory Requirements

The Companies (Auditor's Report) order, 2016 ("the order"), issued by the Central Government of India in terms of the sub section 11 of the section 143 of the Act, we give in the "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of changes in equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended.



- (e) On the basis of the written representations received from the directors as on 31st March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".
- (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, 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 litigations which would impact its financial position;
 - II. The Company did not have any long-term contracts including derivative contracts for which they were any material foreseeable losses;
 - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

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



Karan Chadha

Partner

Membership No.: 522201

UDIN:21522201AAAAEL8599



Place: Noida

Date: 18 November 2021

Annexure A to the independent Auditor's Report of even date to the members of Ebix Paytech Private Limited, on the financial statement for the year ended 31 March, 2021:

1. The Company does not have any fixed assets (i.e. property, plant and equipment) therefore, clause 3 (i) (a), (b) and (c) of the order are not applicable to the company.
2. According to the information and explanation given to us the Company does not have inventories and therefore, no comment is required to be made in respect of the matters specified in clause 3 (ii) of the Order.
3. According to the information and explanation given to us, the Company has not granted unsecured inter corporate deposits to companies, firms and limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provision of clause 3(iii)(a), (b) and (c) of the order are not applicable.
4. In our opinion and according to the information and explanation given to us, the company has complied with the provisions of Section 185 and Section 186 of the Companies Act, 2013 in respect of loans/ inter corporate deposits given by the Company, investment made, guarantees and securities given.
5. The Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the Rules framed thereunder. Accordingly, the provisions of clause 3(v) of the Order are not applicable to company.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to company.
7.
 - a. According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including employees state insurance, Goods and Services Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it. Further, there were no arrears of undisputed statutory dues as at 31st March 2021, which were outstanding for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us and the records of the company examined by us, there are no statutory dues which have not been deposited on account of any dispute.
8. According to the information and explanations given to us and the records of the Company examined by us, the Company has not taken any loan or borrowing from financial institutions, banks, Government or debenture holders. Accordingly, clause 3 (viii) of the Order is not applicable to the Company.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3 (ix) of the Order is not applicable to the Company.
10. In our opinion and according to information and explanations given to us during the course of audit no fraud on or by the Company has been noticed or reported during the course of our audit.



11. The provisions of Section 197 read with Schedule V of the Companies Act 2013 are not applicable for Private Limited Company. Accordingly, clause 3 (xi) of the Order is not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company in the normal course of audit, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
15. According to the information and explanations given to us and based on our examination of the records of the Company by us in the normal course of audit, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
16. In our opinion and according to the information and explanation given to us during the course of audit, the company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

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



Karan Chadha
Partner
Membership No.: 522201
UDIN: 21522201AAAAEL8599
Place: Noida
Date: 18 November 2021



Annexure B to the independent Auditor's Report of even date to the members of Ebix Paytech Private Limited, on the financial statement for the year ended 31 March, 2021:

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

We have audited the internal financial controls over financial reporting of Ebix Paytech Private Limited ("the Company") as of 31st March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by 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 the financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to the financial statements includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) 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 authorizations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **KG Somani & Co LLP**

Chartered Accountants

Firm Registration No.: 006591N/N500377



Karan Chadha

Partner

Membership No.: 522201

UDIN: 21522201AAAAEL8599

Place: Noida

Date: 18 November 2021



Ebix Paytech Private Limited
CIN: U74992MH2006PTC162868
Standalone Balance Sheet as at March 31, 2021

Particulars	Note No.	Amount (Rs. in Lakhs)	
		As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-Current Assets			
Financial Assets			
(i) Investments	3	120,950.00	120,950.00
Total Non-Current Assets		<u>120,950.00</u>	<u>120,950.00</u>
Current Assets			
Financial Assets			
(i) Cash and Cash Equivalents	4	147.61	9.13
(ii) Other Bank Balances	5	39.61	40.37
(iii) Other Current Financial Assets	6	0.44	4.54
Other Current Assets	7	49.61	40.29
Current Tax Assets (Net)	8	1.64	2.05
Total Current Assets		<u>238.91</u>	<u>96.39</u>
Total Assets		<u>121,188.91</u>	<u>121,046.39</u>
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	511.00	511.00
Other Equity	10	43,865.52	44,558.49
Total Equity		<u>44,376.52</u>	<u>45,069.49</u>
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	11	53,389.19	54,480.04
(ii) Other Financial Liabilities	12	36.61	37.37
Long Term Provisions	13	2.16	3.88
Total Non-Current Liabilities		<u>53,427.96</u>	<u>54,521.30</u>
Current Liabilities			
Financial Liabilities			
(i) Borrowings	14	7,664.60	7,426.60
(ii) Trade Payables			
Others than Micro and Small Enterprises	15	22.96	5.52
(iii) Other financial liabilities	16	15,611.45	13,877.24
Other Current Liabilities	17	85.42	146.23
Total Current Liabilities		<u>23,384.43</u>	<u>21,455.60</u>
Total Liabilities		<u>76,812.39</u>	<u>75,976.90</u>
Total Equity and Liabilities		<u>121,188.91</u>	<u>121,046.39</u>

See accompanying significant accounting policies and notes to the Standalone financial statements - 1 to 37.
This is the Standalone Balance Sheet referred to in our report of even date.

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


Karan Chadha

Partner

M. No.: 522201

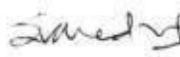
Place: **NOIDA**

Date: **18-11-2021**

UDIN: **21522201AAAAE68599**



On behalf of the Board of Directors


Sumit Khadria


Director

DIN: 07945188

Place: **NOIDA**

Date: **18-11-2021**




Vikas Verma

Director

DIN: 03511116

Place: **NOIDA**

Date: **18-11-2021**

Ebix Paytech Private Limited
CIN: U74992MH2006PTC162868

Standalone Statement of Profit and Loss for the year ended March 31, 2021


Particulars	Note No.	Amount (Rs. in Lakhs)	
		Year ended March 31, 2021	Year ended March 31, 2020
Revenue			
Revenue from Operations	18	43.44	102.38
Other Income	19	8.63	5.81
Total Income		52.07	108.19
Expenses			
Purchase of Stock in Trade	20	0.17	-
Employee Benefits Expense	21	3.16	8.46
Finance Costs	22	699.42	715.81
Other Expenses	23	42.28	67.91
Total Expenses		745.03	792.17
Loss Before Tax		(692.96)	(683.98)
Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
Loss after Tax		(692.96)	(683.98)
Other Comprehensive Income			
Items that will not be reclassified subsequently to Profit or Loss			
Remeasurement of defined benefit plans		-	-
Total Other Comprehensive Income for the Period (B)		-	-
Total Comprehensive Income for the Period (A + B)		(692.96)	(683.98)
Earnings per Equity Share			
Basic	24	(0.55)	(0.54)
Diluted	24	(0.55)	(0.54)

See accompanying significant accounting policies and notes to the Standalone financial statements - 1 to 37.

This is the Standalone Statement of Profit and Loss referred to in our report of even date.

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

On behalf of the Board of Directors



Karan Chadha

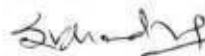
Partner

M. No.: 522201

Place: **NOIDA**

Date: **18-11-2021**





Sumit Khadria

Director

DIN: 07945188

Place: **NOIDA**

Date: **18-11-2021**





Vikas Verma

Director

DIN: 03511116

Place: **NOIDA**

Date: **18-11-2021**

Ebix Paytech Private Limited
Standalone Statement of Cash Flow for the year ended March 31, 2021

Amount (Rs. in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A Cash flows from Operating Activities		
Loss before Tax	(692.96)	(683.98)
Adjustments For:		
a) Interest Income	(0.94)	(5.81)
b) Interest on Income Tax Refund	(0.02)	
c) Provision Written back	(6.73)	
d) Interest Expense	632.28	641.12
e) Finance Cost on Compulsorily Convertible Debentures	58.49	73.59
Operating Cash Profit before Working Capital Changes	(9.89)	24.92
Movement in Working Capital:-		
b) (Increase)/Decrease in Other Current Financial Assets	4.86	(6.86)
c) (Increase)/Decrease in Other Current Assets	(9.32)	(11.64)
d) Increase/(Decrease) in Trade Payables	17.44	(106.36)
e) Increase/(Decrease) in Other Financial Liabilities	584.11	(6,420.99)
f) Increase/(Decrease) in Other Current Liabilities	(54.08)	(555.78)
g) (Increase)/Decrease in Provisions	(1.72)	
Cash Generated from/ (used in) Operations	531.39	(7,076.71)
Less: Income Tax Paid	0.41	(0.48)
Net Cash Generated from/ (used in) Operating Activities (A)	531.80	(7,077.20)
B Cash Flow from Investing Activities:		
Interest Received	0.96	5.81
Net Cash Generated from Investing Activities (B)	0.96	5.81
C. Cash Flow from Financing Activities:		
Net proceeds from Short Term Borrowings	238.00	7,426.60
Interest Paid	(632.28)	(641.12)
Net Cash generated from/ (used in) Financing Activities (C)	(394.28)	6,785.48
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	138.48	(285.91)
Cash and Cash Equivalents at the Beginning of the year	9.13	295.04
Cash and Cash Equivalents at the End of the year	147.61	9.13
Note: The break up of cash and cash equivalents as at the end of the year		
With banks in current accounts	147.61	9.13
	147.61	9.13

See accompanying significant accounting policies and notes to the Standalone financial statements - 1 to 37.
This is the Standalone Statement of Cash Flow referred to in our report of even date.

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


Karan Chadha
Partner

M. No.: 522201
Place: **NOIDA**
Date: **18-11-2021**



On behalf of the Board of Directors


Sumit Khadria
Director

DIN: 07945188
Place: **NOIDA**
Date: **18-11-2021**



Vikas Verma
Director
DIN: 03511116
Place: **NOIDA**
Date: **18-11-2021**



Ebix Paytech Private Limited
Statement of Changes in Equity for the year ended March 31, 2021

(a) Equity Share Capital	Amount (Rs. in Lakhs)	
	No. of Shares	Amount
As at April 1, 2019	5,110,000	511.00
As at March 31, 2020	5,110,000	511.00
As at March 31, 2021	<u>5,110,000</u>	<u>511.00</u>

(b) Other Equity

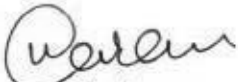
	Retained Earnings	Equity Portion of Borrowings	Other Comprehensive Income	Total
As at April 1, 2019	(5,651.52)	-	-	(5,651.52)
Profit/(Loss) for the year	(683.98)	-	-	(683.98)
Total Income/(Loss)	(6,335.50)	-	-	(6,335.50)
Addition during the year	-	50,893.98	-	50,893.98
As at March 31, 2020	(6,335.50)	50,893.98	-	44,558.49
Profit/(Loss) for the year	(692.96)	-	-	(692.96)
Total Income/(Loss)	(7,028.46)	-	-	(7,028.46)
As at 31 March 2021	(7,028.46)	50,893.98	-	43,865.52

See accompanying significant accounting policies and notes to the Standalone financial statements - 1 to 37.

This is the Statement of Changes in Equity referred to in our report of even date

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

On behalf of the Board of Directors


Karan Chadha
 Partner
 M. No.: 522201
 Place: **NOIDA**
 Date: **18-11-2021**




Sumit Khadria
 Director
 DIN: 07945188
 Place: **NOIDA**
 Date: **18-11-2021**


Vikas Verma
 Director
 DIN: 03511116
 Place: **NOIDA**
 Date: **18-11-2021**



Ebix Paytech Private Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2021

1 Description of Business

Reporting Entity

Ebix Paytech Private Limited was incorporated in the state of Maharashtra, India on 27th June, 2006. The Company is licensed by the Reserve Bank of India to operate as Full Fledged Money Changer ("FFMC") and also act as an agent of Wall Street Exchange Centre LLC, Dubai ("the Overseas Principal") for the Money Transfer Service Scheme ("MTSS") in India.

2 Summary of Significant Accounting Policies

a Statement of Compliance

The Company has prepared financial statements in accordance 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 Presentation

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 Judgment 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. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumption turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements:

Critical estimates and judgments

The areas involving critical estimates or judgements are:

- Useful life of property, plant & equipment.
- Useful life of the tangible and intangible assets
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of financial assets are solely payment of principal and interest on the principal amount outstanding.
- Impairment test: key assumption underlying recoverable amounts.
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources.

f 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.



1. Financial Assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For 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 effective interest rate (EIR) 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 FVTOCI (Fair value through OCI)

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 FVTPL (Fair value through profit or loss)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to 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 (FVTOCI)

The Company subsequently measures all equity investments at fair value.



Ebix Paytech Private Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

2. Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of amortized cost, net of directly attributable transaction costs.

Derecognition of financial liabilities

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

g Revenue Recognition

The company earns revenue primarily from Money Transfer Services (MTSS) and Full Fledged Money Changer ("FFMC").

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Income from money transfer services is accounted for on completion of transaction with the end customer in India.
- Income from Money Changer is accounted for on completion of transaction with the end customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers like Goods and Service Tax (GST).

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

Dividend is recognized when the right to receive dividend is established and known. Interest income is recognized on time proportion basis, taking into account the amount outstanding and the rate applicable.

h Foreign currency transactions

- i. Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.
- ii. 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.
- iii. 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.
- iv. Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Statement of Profit and Loss.

i Employee benefits

i. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plans

The employees receive benefits from a provident fund, where the employer and employees each make monthly contributions to the plan at a pre-determined rate to the Regional Provident Fund Commissioner. Employer's contribution to the fund is charged as an expense to the statement of Profit and Loss, as the related service is provided.



iii. 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.

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. Current service costs for defined benefit plans are accrued in the period to which they relate.

The liability in respect of defined benefit plans is calculated annually by the Company. The Company records annual amounts relating to its defined benefit plans based on calculations that incorporate various actuarial and other assumptions, including discount rates, mortality, assumed rates of return, compensation increases and turnover rates. The Company reviews its assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends when it is appropriate to do so. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation.

iv. Other long-term employee benefits

Benefits under the Company's leave encashment constitute other long term employee benefits.

The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Any gains or losses are recognized in the statement of profit and loss in the period in which they arise.

j Borrowing Cost

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.

Other borrowing costs are expensed in the period in which they are incurred.

k Tax Expense

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

i. 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.

ii. 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.



Ebix Paytech Private Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2021

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 current tax liabilities; and

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 items are recognized in correlation to underline transactions either in Other Comprehensive Income or directly in Equity.

l 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

m 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 are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

n Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment loss, if any.

o Earnings per equity share

Basic earnings per equity share is computed using the weighted average number of common shares outstanding during the period. Diluted earnings per equity share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the period.



NON-CURRENT ASSETS

3 Investments – Non-current	Amount (Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<i>Investment in a subsidiary (unquoted) measured at cost</i>		
Ebix Cash World Money Limited		
67,89,434 (As at March 31, 2020: 67,89,434) Equity shares of Rs.10 each fully paid	120,950.00	120,950.00
	<u>120,950.00</u>	<u>120,950.00</u>

CURRENT ASSETS

4 Cash and Cash Equivalents	As at March 31, 2021	As at March 31, 2020
Balance with banks:		
- In current account	147.61	9.13
	<u>147.61</u>	<u>9.13</u>

5 Other Bank Balances	As at March 31, 2021	As at March 31, 2020
Balance with Banks:		
In Deposits accounts -	39.61	40.37
	<u>39.61</u>	<u>40.37</u>

Note 5.1 Restricted Cash

Bank Deposit includes amount of USD 50,000 (PY: USD 50,000) equivalent INR 36.61 lakhs (PY: INR 37.37 lakhs) which has been received as collateral security deposits from the Oversees Principals.

6 Other Current Financial Assets	As at March 31, 2021	As at March 31, 2020
Interest Accrued on fixed deposits	0.44	0.18
Interest Accrued on ICD	-	4.36
	<u>0.44</u>	<u>4.54</u>

7 Other Current Assets	As at March 31, 2021	As at March 31, 2020
GST Credit Receivable	43.20	37.93
Prepaid Expenses	-	0.01
Other receivables	6.41	2.35
	<u>49.61</u>	<u>40.29</u>

8 Current Tax Assets (Net)	As at March 31, 2021	As at March 31, 2020
Advance tax (Net of provision for income tax)	1.64	2.05
	<u>1.64</u>	<u>2.05</u>

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9	Share Capital	Amount (Rs. in Lakhs)	
		As at March 31, 2021	As at March 31, 2020
	Authorised:		
	5,110,000 (As at March 31 2020: 5,110,000) Equity Shares of Rs.10 each	511.00	511.00
	Issued, subscribed & paid up:		
	5,110,000 (As at March 31 2020: 5,110,000) Equity Shares of Rs.10 each fully paid	511.00	511.00
		<u>511.00</u>	<u>511.00</u>

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

The Company has only one class of Equity shares each having a par value of Rs. 10 per share. The Equity Shares have rights, preferences and restrictions which are in accordance with the provisions of the Companies Act, 2013.

b. The dividend proposed by the board of directors is subject to the approval of the shareholders in the annual general meeting except interim dividend which is paid with the approval of board of directors.

c. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

d. **Reconciliation of Number of Equity Shares outstanding at the beginning and end of the year :**

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	5,110,000	511	5,110,000	511
Issued during the year	-	-	-	-
As at the end of the year	<u>5,110,000</u>	<u>511</u>	<u>5,110,000</u>	<u>511</u>

e. **Shareholders holding more than 5% of the Equity shares in the company**

Name of the Shareholders	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Percentage	No. of Shares	Percentage
Ebix Fincorp Exchange Pte. Ltd. (including held by nominees)	-	-	5,110,000	100
Ebix Cash Private Limited with its nominees	5,110,000	100	-	-

The company is a subsidiary of Ebix Cash Private Limited, with Ebix Inc., USA being its ultimate holding company.

10 **Other Equity**

Reserves and Suplus

a. **Retained earnings**

	As at March 31, 2021	As at March 31, 2020
As at the beginning of the year	(6,335.50)	(5,651.52)
Add: Loss for the year	(692.96)	(683.98)
	<u>(7,028.46)</u>	<u>(6,335.50)</u>

b. **Equity component of compound financial instruments**

	As at March 31, 2021	As at March 31, 2020
As at the beginning of the year	50,893.98	-
Add: Changes in compulsorily convertible debentures during the period	-	50,893.98
As at the end of the year	<u>50,893.98</u>	<u>50,893.98</u>

Total Equity (a+b)

	As at March 31, 2021	As at March 31, 2020
	<u>43,865.52</u>	<u>44,558.49</u>

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NON-CURRENT LIABILITIES

11 Non Current Borrowings	Amount (Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Liability component of compound financial instruments	53,389.19	54,480.04
	<u>53,389.19</u>	<u>54,480.04</u>

Note 11.1:

1,20,98,300 Compulsory Convertible Debenture(CCD) of INR 1,000 each had been issued in FY 2018-19 to Ebix Asia Holding Inc, Mauritius. These unsecured debentures carried an interest rate of 9% p.a. Further, these CCD would be compulsorily converted to equity shares at the end of 10 years from the date of issue i.e. in the financial year 2028-29.

During the FY 2019-20, due to Covid-19, the company got waiver of interest on CCD for the FY 2019-20, however, rate of interest has been increased to 9.75% from next year onwards i.e. FY 2020-21. The modification in interest terms have resulted in the reduction of finance cost by INR 5884.62 lakhs.

During the FY 2020-21, due to Covid-19, the company got waiver of interest on CCD for the FY 2020-21 as well, however, rate of interest has been increased to 10.70% from next year onwards i.e. FY 2021-22. The modification in interest terms have resulted in the reduction of finance cost by INR 5906.34 lakhs.

Particulars

Face value of compulsory convertible debentures	120,983.00	120,983.00
Equity Component of Compulsory Convertible debentures (refer note 10)	(50,893.98)	(50,893.98)
Finance Liability Paid	(3,754.64)	(3,813.13)
Liability Component of Compound financial instrument	<u>66,334.38</u>	<u>66,275.89</u>
Compulsory Convertible Debentures: Non Current Portion (refer note 11)	53,389.19	54,480.04
Compulsory Convertible Debentures: Current Portion (refer note 16)	12,945.19	11,795.84
Total	<u>66,334.38</u>	<u>66,275.89</u>

12 Non-current Other Financial Liability

	As at March 31, 2021	As at March 31, 2020
Collateral Security Deposits from Oversees Principal	36.61	37.37
	<u>36.61</u>	<u>37.37</u>

13 Non Current Provisions

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Compensated Absences	0.50	2.21
Gratuity	1.66	1.67
	<u>2.16</u>	<u>3.88</u>

CURRENT LIABILITIES

14 Borrowings- Current

	As at March 31, 2021	As at March 31, 2020
Inter Corporate Deposit- From related parties (Refer Note 14.1 and 27)	7,664.60	7,426.60
	<u>7,664.60</u>	<u>7,426.60</u>

Note 14.1 Inter Corporate Deposits

Inter corporate deposit from related party is repayable on demand. It carries interest rate of and 8.25% (9% p.a. for FY 2019-20)



15 Trade Payables	As at March 31, 2021	As at March 31, 2020
<i>Carried at amortized cost</i>		
Due to Micro and Small Enterprises	-	-
Others	22.96	5.52
	<u>22.96</u>	<u>5.52</u>
* Includes principal amount of foreign inward remittance of customers payable to sub-agents.		
16 Other Current financial liabilities	As at March 31, 2021	As at March 31, 2020
Interest Payable	1,161.87	577.01
Current maturities of Long term Financial Liability (refer note 11.1)	12,945.19	11,795.84
Finance liability payable on CCD	1,504.39	1,504.39
	<u>15,611.45</u>	<u>13,877.24</u>
17 Other Current Liabilities	As at March 31, 2021	As at March 31, 2020
Statutory Dues	47.63	64.44
Advances received from customers	33.83	75.86
Other Payables	3.96	5.94
	<u>85.42</u>	<u>146.23</u>

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18 Revenue from Operations	Amount (Rs. in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Sale of Services:		
-Commission on money transfer service	43.27	102.38
Sale of Goods:		
-Sales of Foreign Currency	0.17	-
	<u>43.44</u>	<u>102.38</u>

Note 19.1 Disaggregation of revenue**i. Revenue disaggregation by industry vertical is as follows:**

Money Transfer Service	43.27	102.38
Money Changer	0.17	-
	<u>43.44</u>	<u>102.38</u>

Revenue disaggregation by geography is given under segment informations. Geographical revenue is allocated based on the location of the customers.

i. Information about major customers:

During the years ended March 31, 2021 and March 31, 2020, the Company had one major customers comprising of 99.60% and 100% of revenues, respectively. A major customer is defined as a customer that represents 10% or greater of total revenues. There was no accounts receivable as of March 2021 and March 31, 2020, respectively.

The Company does not believe that the risk associated with these customers or vendors will have an adverse effect on the business.

19 Other Income	Year ended March 31, 2021	Year ended March 31, 2020
Interest on Income tax refunds	0.02	-
Interest on Bank deposits	0.94	5.81
Excess provision written back	6.73	-
Miscellaneous Income	0.94	-
	<u>8.63</u>	<u>5.81</u>

(Amount in INR Lakhs)

20 Purchase of Stock in Trade	Year ended March 31, 2021	Year ended March 31, 2020
Purchase of Foreign Currency	0.17	-
	<u>0.17</u>	<u>-</u>

21 Employee Benefits Expense	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	2.89	7.85
Contribution to provident and other funds	0.27	0.60
Staff welfare expenses	-	0.00
	<u>3.16</u>	<u>8.46</u>



	Year ended March 31, 2021	Year ended March 31, 2020
22 Finance Cost		
Interest Expenses on Borrowings (refer note 27)	632.28	641.12
Finance Cost on Compulsorily Convertible Debentures (refer note 22.1)	58.49	73.59
Interest on delayed payment of TDS	8.66	-
Bank charges	0.00	1.10
	<u>699.42</u>	<u>715.81</u>
Note 22.1 Finance Cost on Compulsorily Convertible Debentures		
Finance Cost of INR 5,964.83 lakhs on Compulsorily Convertible Debentures has been netted off with modification gain of INR 5,906.34 lakhs following waiver of interest on CCD for the FY 2020-21.		
Finance Cost of INR 5,958.21 lakhs on Compulsorily Convertible Debentures has been netted off with modification gain of INR 5,884.62 lakhs following waiver of interest on CCD for the FY 2019-20.		
23 Other Expenses		
Commission to agents	23.74	56.22
Legal and professional charges	10.53	7.52
Payment to auditors (Refer Note 23.1)	3.40	3.30
Rates and taxes	1.89	-
Balances written off	0.17	-
Miscellaneous expenses	2.55	0.86
Total	<u>42.28</u>	<u>67.91</u>
23.1 Payment to Auditor :		
Audit Fees	2.80	2.70
Tax Audit Fees	0.50	0.30
Out of Pocket Expenses	0.10	-
Certification Fees	-	0.30
	<u>3.40</u>	<u>3.30</u>
24 Earnings per equity Share		
(a) Basic earnings per equity share		
Profit attributable to the equity holders of the company (INR in lakhs)	(692.96)	(683.98)
Weighted Average number of shares used for Basic EPS	126,093,000	126,093,000
Basic EPS in Rs.	(0.55)	(0.54)
(b) Diluted earnings per equity share		
Profit attributable to the equity holders of the company used in calculating Diluted EPS (INR in lakhs)	(692.96)	(683.98)
Weighted Average number of shares used for Diluted EPS	126,093,000	126,093,000
Diluted EPS in Rs.	(0.55)	(0.54)



(c) Reconciliation of profit attributable to the equity shareholders used in calculating Diluted EPS		
Profit attributable to the equity holders of the company used in calculating Basic EPS (INR in lakhs)	(692.96)	(683.98)
Add: Interest savings on compulsory convertible debentures	-	-
Profit attributable to the equity holders of the company used in calculating Diluted EPS (INR in lakhs)	(692.96)	(683.98)
(d) Reconciliation of weighed average number of shared used for Diluted EPS		
Weighted average number of equity shares used for calculating Basic EPS	126,093,000	126,093,000
Adjustment	-	-
Weighted average number of equity shares used for calculating Diluted EPS	126,093,000	126,093,000

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25 No Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) ("MSMED Act, 2006") is required since, as per the information obtained from the vendors no enterprise is falling within the definition of the said Act.

26 Segment Information:

Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's management and internal reporting structure.

Operating Segments

The Management Information System of the Company identifies and monitors 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. 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.

Entity wide 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

The company derives revenue from following major geographical areas:

Area	(Amount in INR Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Outside India	43.27	102.38
Domestic	0.17	-
	43.44	102.38

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

C. Information about major customers (from external customers)

The company has derived revenue of Rs. 102.38 lakh (PY Rs. 141.42 lakhs) from one Customer.

27 Related Party Disclosure:-

I List of Related Parties:-

i.	Holding Company	EBIXCASH PRIVATE LIMITED
ii.	Fellow subsidiaries of Ultimate Holding Company *	Ebix Money Express Private Limited FELLOW SUBSIDIARY: as on 31st March 2021 1. Ebix Travels Private Limited 2. Ebix Payment Services Private Limited 3. Ebix Money Express Private Limited 4. Ebix Bus Technologies Private Limited 5. Ebix Capital Exchange Private Limited 6. Ebix Vayam Technologies Private Limited 7. Zillious Solutions Private Limited 8. Ebix Technologies Private Limited 9. Trimax It Infrastructure & Services Limited 10. Ebixcash Global Services Private Limited
iii.	Key Management Personnel	Mr. Sumit Khadria, Director Mr. Vikas Verma, Director
iv.	Other Related parties*	Zillious Solutions Private Limited

*where transactions have occurred during the reporting period.

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II Transactions with related parties during the year in the ordinary course of business is given below:

Nature of transaction with Related parties	Amount (Rs. in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
i. Inter Corporate Deposit Taken		
Ebix Money Express Private Limited	238.00	9,234.60
Zillious Solutions Private Limited	-	1,000.00
ii. Inter Corporate Deposit Repaid		
Ebix Money Express Private Limited	-	1,808.00
Zillious Solutions Private Limited	-	1,000.00
iv. Interest expenses on ICD		
Ebix Money Express Private Limited	632.28	641.12
v. Interest Received from ICD		
Zillious Solutions Private Limited	4.36	4.84
vi. Sale of Foreign Currency		
EbixCash World Money Limited	0.17	-

III Closing Balances with related parties as at the year ended:

	Amount (Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Payables ICD		
Ebix Money Express Private Limited	7,664.60	7,426.60
Ebix Asia Holding Inc., Mauritius	120,983.00	120,983.00
Payables ICD Interest		
Ebix Money Express Private Limited	1,161.87	577.01
Ebix Asia Holding Inc., Mauritius	1,504.39	1,504.39
Receivable		
Zillious Solutions Private Limited	-	4.36
Sale of Foreign Currency		
EbixCash World Money Limited	0.00	-

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

28 Lease

The company has cancelled the leases during the period for all the commercial premises it had entered into. Lease payments charged during the year to the Statement of Profit and Loss amounts to Rs. NIL (Previous year Nil).

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29 Disclosure as per IND AS 19 (Revised) "Employee Benefits" are as under:

A) Defined contribution plan

Contribution to defined contribution plan, recognized are charged off for the year are as under:

	Amount (Rs. in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Employer's contribution to Provident Fund	0.27	0.60
	<u>0.27</u>	<u>0.60</u>

The company contributes to the following post-employment defined benefit plans in India

Defined Benefit Plan :

Gratuity is payable to employees equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. Valuations in respect of Gratuity have been done as per Gratuity Act, 1972, as at the Balance Sheet date and has been set out in below table.

	Amount (Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Net defined benefit liability		
Liability for Gratuity	1.66	1.67
Total employee benefit liability	<u>1.66</u>	<u>1.67</u>
Non-Current	1.66	1.67
Current	-	-
	<u>1.66</u>	<u>1.67</u>

Leave Obligations

The leave obligation covers company's liabilities for Privilege Leave. A provision of 0.50 Lakhs (31 March 2020: 2.21 Lakhs) is presented in Note No. 13.

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30 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 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 and March 31, 2020 is as follows:

Particulars	(Amount in INR Lakhs)			
	As at March 31, 2021		As at March 31, 2020	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost
Financial assets				
Non-Current Investments	-	120,950.00	-	120,950.00
Trade Receivables	-	-	-	-
Cash and Cash Equivalents	-	147.61	-	9.13
Bank Balances Other Than Above	-	39.61	-	40.37
Other Current Financial Assets	-	0.44	-	4.54
	-	121,137.67	-	121,004.05
Financial Liabilities				
Borrowings (Non Current)	-	53,389.19	-	54,480.04
Other Financial Liabilities (Non Current)	-	36.61	-	37.37
Borrowings (Current)	-	7,664.60	-	7,426.60
Trade Payables	-	22.96	-	5.52
Other Financial Liabilities (Current)	-	15,611.45	-	13,877.24
	-	76,724.82	-	75,826.78

B. Fair Value Hierarchy

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- there is no financial instrument in the company in Level 1 and Level 2.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

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

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

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 the company if a customer or counterparty to the financial instrument fails to meet its financial obligations, and arises principally from company's receivables from customers.

Financial instruments that are subject to concentrations 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.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs.121137.67 lakhs and Rs.121004.05 Lakhs as March 31, 2021 and March 31, 2020, respectively being the total carrying value of investments, cash & cash equivalents, bank balances and other current financial assets.

The Company's exposure to customers is concentrated to a single customer who contributes to more than 10% of outstanding trade receivable as at March 31, 2021 and March 31, 2020. None of the other financial instruments of the Company result in material concentration of credit risk.

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 manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The company has no outstanding long term borrowing and the company believes that working capital is sufficient to meet its current requirements.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and excluding contractual interest payments and exclude the impact of netting agreements.

	As March 31, 2021				Total
	Up to 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year	
(Amount in INR Lakhs)					
Non-derivative financial liabilities					
Borrowings (Non Current)	12,945.18	5,287.28	18,880.81	16,275.92	53,389.19
Other Financial Liabilities (Non Current)	36.61	-	-	-	36.61
Borrowings (Current)	7,664.60	-	-	-	7,664.60
Trade Payables	22.96	-	-	-	22.96
Other Financial Liabilities (Current)	15,611.45	-	-	-	15,611.45
Total	36,280.81	5,287.28	18,880.81	16,275.92	76,724.82
(Amount in INR Lakhs)					
	As March 31, 2020				Total
	Up to 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year	
Non-derivative financial liabilities					
Borrowings (Non Current)	10,888.47	5,395.31	19,266.59	18,929.68	54,480.04
Other Financial Liabilities (Non Current)	37.37	-	-	-	37.37
Borrowings (Current)	7,426.60	-	-	-	7,426.60
Trade Payables	5.52	-	-	-	5.52
Other Financial Liabilities (Current)	13,877.24	-	-	-	13,877.24
Total	32,235.21	5,395.31	19,266.59	18,929.68	75,826.78

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company does not have any significant Market risk.

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 market risk for changes in interest rates relates to fixed deposits and borrowings from financial institutions. However, the Company does not have material borrowings with floating interest rates therefore, it does not have any material impact.

Following table gives company's short-term and long term loans and borrowings, including interest rate profiles:



Fixed Rate	(Amount in INR Lakh)	
	As at March 31, 2021	As at March 31, 2020
Financial Liabilities		
Compulsory Convertible Debentures	120,983.00	120,983.00
Inter Corporate Deposit	7,664.60	7,426.60
	128,647.60	128,409.60

Interest rate sensitivity - fixed rate instruments

The company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Interest rate sensitivity - variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and profit or loss by amounts shown below. This analysis assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Financial Liabilities Cash Flow sensitivity (net)	(Amount in INR Lakh)			
	Profit or loss			
	As at March 31, 2021		As at March 31, 2020	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	-	-	-	-
	-	-	-	-

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 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:

Financial Assets	(Amount in INR Lakh)	
	As at March 31, 2021	
	USD	HKD
Other Bank Balances	36.61	-
	36.61	-
Financial Liabilities		
Other Current Financial Liabilities	36.61	-
	36.61	-
Net statement of financial position exposure	-	-

Financial Assets	(Amount in INR Lakh)	
	As at March 31, 2020	
	USD	HKD
Other Bank Balances	37.37	-
	37.37	-
Financial Liabilities		
Other Current Financial Liabilities	37.37	-
	37.37	-
Net statement of financial position exposure	-	-



Sensitivity analysis

A 5% strengthening / weakening of the respective foreign currencies with respect to functional currency of 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.

	(Amount in INR Lakh)			
	Profit or loss			
	As at March 31, 2021		As at March 31, 2020	
	Strengthening	Weakening	Strengthening	Weakening
USD	-	-	-	-
HKD	-	-	-	-
	-	-	-	-

31 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.

	(Amount in INR Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Borrowings		
Non current and current borrowings	61,053.80	61,906.65
Current maturities of Long term borrowings	12,945.19	11,795.84
Total debt	73,998.99	73,702.49
Less: Cash and Cash Equivalents	147.61	9.13
Net debt	74,146.60	73,711.62
Total equity	44,376.52	45,069.49
Net debt to equity ratio	1.67	1.64

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32 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 updating the documentation for the international transactions entered into with the associated enterprises during the finance year and expects such records to be in existence latest by December 31, 2020 as required under law. Management is of the opinion that its international transactions are at arm's length that the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

33 Offsetting financial instruments

There are no financial instruments which are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at each reporting date.

34 Subsequent event

The Company has evaluated events and transactions subsequent to the balance sheet date and noted no material subsequent event to be reported.

35 Preparation of Financial Statements on Going Concern Basis

Though the company has huge accumulated losses and substantial excess of current liabilities over current assets, the financial statements have been prepared on going concern basis as the company has assessed huge business opportunities in future and has continued financial support from its holding company / ultimate holding company.

36 The outbreak of Coronavirus (Covid-19) pandemic globally is causing slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures are taken to contain the spread of virus, including travel restrictions, quarantines, social distancing and closure of non-essential services. The potential impact to our results going forward will depend to a large extent on future developments regarding COVID-19 that can not be accurately predicted at this point in time, including the duration and severity of the pandemic, the extent and effectiveness of containment actions and the impact of these and other factors on our employees, customers and vendors. The company, as on the date of approval of the financial statement believes there is no significant impact of COVID-19 on the underlying assumptions and estimates that have been used to prepare these statements.

37 Other Notes

a. In the opinion of the Board of Directors, other current assets have a value on realization in the ordinary course of the company's business, which is at least equal to the amount at which they are stated in the balance sheet.

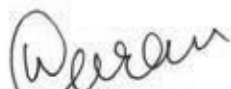
In the opinion of the Board of Directors, Trade Receivables and other current assets have a value on realization in the ordinary course of the company's business, which is at least equal to the amount at which they are stated in the balance sheet.

b. Any differences in casting may be on account of rounded off.

c. The Board of Directors at its meeting held on November 18, 2021 has approved the Standalone Financial Statement for year ended March 31, 2021.

d. Previous year figures have been recasted/restated wherever considered necessary to make them comparable with those of the current year.

for KG Somani & Co LLP
Chartered Accountants
Firm Registration No.: 006591N / N500377


Karan Chadha
Partner
M. No.: 522201
Place: NOIDA
Date: 18-11-2021



On behalf of the Board of Directors


Sumit Khadria
Director
DIN: 07945188
Place: NOIDA
Date: 18-11-2021


Vikas Verma
Director
DIN: 03511116
Place: NOIDA
Date: 18-11-2021

