

PayPoint

ANNUAL REPORT

2021-2022

PAYPOINT INDIA NETWORK PRIVATE LIMITED

Balance Sheet as at 31st Mar, 2022

Particulars	Note No	31st Mar 2022	31st Mar 2021
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	20,86,10,500	20,86,10,500
(b) Reserves and Surplus	2	12,28,47,425	5,94,94,542
(c) Money received against share warrants		-	-
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-term borrowings	3	19,28,04,584	16,01,92,491
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities	4	20,38,71,272	17,21,32,861
(d) Long term provisions		-	-
(4) Current Liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables	5	4,10,77,750	3,31,21,312
(c) Other current liabilities		-	-
(d) Short-term provisions	6	2,28,03,977	91,19,717
Total		79,20,15,508	64,26,71,421
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	31,64,09,607	28,06,73,679
(ii) Intangible assets	8	2,57,93,939	2,06,90,863
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	9	18,16,348	19,39,593
(e) Other non-current assets		-	-
(2) Current assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables	10	27,58,10,597	21,36,14,479
(d) Cash and cash equivalents	11	3,98,65,894	2,99,95,059
(e) Short-term loans and advances		-	-
(f) Other current assets	12	13,23,19,123	9,57,57,747
Total		79,20,15,508	64,26,71,421
Contingent Liabilities & Commitments	19	2,26,03,778	-

This is the Balance Sheet referred to in our report of even date.

For Vakilna & Co.

(Chartered Accountants)

For and on behalf of Board of Directors

A A Vakilna

Aashish Vakilna

(Proprietor)

Membership No. 102040

Firm Reg. No.: 116767W

UDIN : 22102040ALYGPH8932

Place : Mumbai

Date : 30/06/2022

Ankita
Mrs. Ankita Bhanushali

(Company Secretary)

Membership No. A61371

Ketan
Mr. Ketan Doshi

(Managing Director)


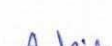
DIN No-01355942

Pradip
Mr. Pradip Mehta

(Director)

DIN No-00027702

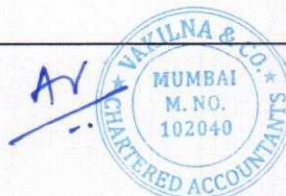


PAYPOINT INDIA NETWORK PRIVATE LIMITED			
Profit and Loss for the year ended 31st Mar, 2022			
Particulars	Note No	31st Mar 2022	31st Mar 2021
I. Revenue from operations	13	1,13,01,91,312	86,88,55,921
II. Other Income	14	48,88,587	18,52,403
III. Total Revenue (I +II)		1,13,50,79,899	87,07,08,324
IV. Expenses:			
- Purchase of Stock-in-Trade	15	88,79,24,434	66,16,85,628
- Employee benefit expense	16	5,31,56,824	5,21,62,120
- Financial costs	17	2,13,25,051	1,79,59,571
- Administrative Expenses	18	5,27,63,916	4,45,60,087
- Depreciation		3,59,04,582	1,13,37,570
Total Expenses		1,05,10,74,806	78,77,04,976
V. Profit before exceptional and extraordinary items and tax		8,40,05,093	8,30,03,348
VI. Prior Period Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		8,40,05,093	8,30,03,348
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		8,40,05,093	8,30,03,348
X. Tax expenses:			
(1) Current tax		1,40,22,130	1,38,54,919
(2) Deferred tax		-	-
XI. Profit(Loss) from the perid from continuing operations		6,99,82,963	6,91,48,429
XII. Profit(Loss) from the perid from discontinuing operations		-	-
XIII. Profit/(Loss) for the period (XI + XIV)		6,99,82,963	6,91,48,429
XIV. Earning per equity share:			
(1) Basic		3.42	3.38
(2) Diluted		3.35	3.31
Other Disclosures to in our report of even date.			
For Vakilna & Co. (Chartered Accountants)		For and on behalf of Board of Directors.	
			
Aashish Vakilna (Proprietor) Membership No. 102040 Firm Reg. No.: 116767W UDIN : 22102040ALYGPH8932 Place : Mumbai Date : 30/06/2022		Mrs. Ankita Bhanushali (Company Secretary) Membership No. A61371	
		Mr. Ketan Doshi (Managing Director) DIN No-01355942	
		Mr. Pradip Mehta (Director) DIN No-00027702	



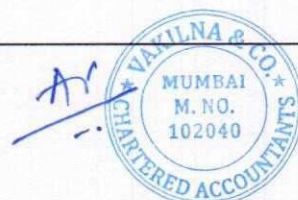
PAYPOINT INDIA NETWORK PRIVATE LIMITED

NOTE No	PARTICULARS	31st Mar 2022	31st Mar 2021
A	Basis of Preparation		
B	Significant Accounting Policies		
1	Share Capital :-		
	Authorised Share Capital :-		
	2,35,00,000 Equity Shares of Rs. 10 each	23,50,00,000	23,50,00,000
	15,00,000 Compulsory Convertible Preference Shares of Rs. 10 each	1,50,00,000	1,50,00,000
	Shares issued and fully paid up:-		
	2,04,41,050 Equity Shares of Rs.10 each fully paid up	20,44,10,500	20,44,10,500
	4,20,000 Compulsory Convertible Preference Shares of Rs.10 each at a premium of Rs. 90/- per preference share	42,00,000	42,00,000
		20,86,10,500	20,86,10,500
	Reconciliation of Shares in Comparison to previous year:-		
	Number of the Equity Shares at the Beginning of the year	2,04,41,050	2,04,41,050
	Add: Number of the Shares Issued	-	-
	Less: Number of the Shares Cancelled / Bought Back	-	-
	Number of the Equity Shares at the End of the year	2,04,41,050	2,04,41,050
	Compulsory Convertible Preference Shares		
	Number of the CCPS Shares at the Beginning of the year	4,20,000	4,20,000
	Add: Number of the Shares Issued	-	-
	Less: Number of the Shares Cancelled / Bought Back	-	-
	Number of the Compulsory Convertible Preference Shares at the End of the year	4,20,000	4,20,000
2	Reserves and Surplus		
	Securities Premium Account		
	Balance at the beginning of the year	12,24,69,500	12,24,69,500
	Add : Premium received on Issue of CCPS ..	-	-
	Less : Appropriations	-	-
	Closing Balance as at the end of the year	12,24,69,500	12,24,69,500
	Profit and Loss Account		
	Balance at the beginning of the year	(6,29,74,958)	(13,06,89,832)
	Add : Profit for the Current Year	6,99,82,963	6,91,48,429
	Add / (Less) : Appropriations	(66,30,079)	(14,33,556)
	Closing Balance as at the end of the year	3,77,925	(6,29,74,958)
	Total Reserves and Surplus at the end of the year	12,28,47,425	5,94,94,542
3	Non-Current Liabilities-Long Term Borrowings		
	Secured Loans		
	Bank O/D & other Loan	13,31,02,836	7,64,90,017
	Loan against Property	4,65,46,398	5,19,69,280
	Unsecured Loans	1,05,89,607	3,17,33,194
	Loan From Promoters	25,65,742	-
		19,28,04,584	16,01,92,491
4	Non-Current Other Long Term Liabilities		
	Cash Card Unused Balance	81,15,949	51,98,221
	Other Payables	19,57,55,324	16,69,34,639
		20,38,71,272	17,21,32,861
5	Trade Payables		
	Trade payables	4,10,77,750	3,31,21,312
		4,10,77,750	3,31,21,312
6	Current Liabilities-Short Term Provisions		
	Statutory dues Payable	2,28,03,977	91,19,717



PAYPOINT INDIA NETWORK PRIVATE LIMITED

NOTE No	PARTICULARS	31st Mar 2022	31st Mar 2021
	<u>Non-Current Assets (Fixed Assets)</u>		
7	<u>i) Tangible Assets</u>		
	a) Furniture and Fixtures	15,64,207	18,07,500
	b) Computer	1,85,96,378	2,80,90,410
	c) Office Equipments	18,41,50,228	15,62,57,782
	d) Motor Car	24,85,248	19,76,866
	e) Property Purchase Cost	10,96,13,546	9,25,41,121
		31,64,09,607	28,06,73,679
8	<u>ii) Intangible Assets</u>		
	Software Development	2,57,93,939	2,06,90,863
		2,57,93,939	2,06,90,863
9	<u>Non-Current Assets- (Long Term Loans and Advances)</u>		
	a) Capital Advances	-	-
	a) Security Deposits	6,20,600	6,36,600
	d) Advances to Directors	-	-
	b) Advances to Officers	11,95,748	13,02,993
	f) Capital Advances for Capital Expenditures	-	-
	c) Other Advances	-	-
		18,16,348	19,39,593
10	<u>Current Assets-Trade Receivables</u>		
	Trade Receivables (Considered Good)	27,58,10,597	21,36,14,479
		27,58,10,597	21,36,14,479
11	<u>Current Assets : Cash and Cash Equivalents</u>		
	Balance with Banks	3,87,20,151	2,88,53,672
	Cheques, Drafts on hand	-	-
	Cash on Hand	11,45,743	11,41,387
	Others-Short term Deposit of less than 3 months	-	-
		3,98,65,894	2,99,95,059
12	<u>Current Assets-Others</u>		
	FDR A/C	6,35,73,936	3,64,28,719
	Tax deducted at source	2,61,51,084	1,71,19,824
	Income Tax Refundable	52,64,391	1,60,79,506
	Lending Business - WIP	1,03,90,304	75,76,409
	Prepaid Card - WIP	2,69,39,408	1,85,53,289
		13,23,19,123	9,57,57,747
13	<u>Revenue From Operations</u>		
	Sale of Services	1,13,01,91,312	86,88,55,921
		1,13,01,91,312	86,88,55,921
14	<u>Other Income</u>		
	Interest Income	48,88,587	18,52,403
15	<u>Purchase and opertional cost</u>		
	Purchase and operational cost	88,79,24,434	66,16,85,628
		88,79,24,434	66,16,85,628
16	<u>Employee Benefits Expenses</u>		
	Salaries and Wages	5,10,91,152	5,03,12,147
	Staff Welfare Expenses	20,65,672	18,49,973
		5,31,56,824	5,21,62,120



PAYPOINT INDIA NETWORK PRIVATE LIMITED

NOTE No	PARTICULARS	31st Mar 2022	31st Mar 2021
17	Financial Cost		
	Interest on Working Capital Finance	1,24,15,785	1,06,63,392
	Bank charges	89,09,266	72,96,179
		2,13,25,051	1,79,59,571
18	Administrative Expenses		
	Office and Administration Charges	4,00,92,688	3,58,72,084
	Selling and Marketing Expenses	1,26,71,228	86,88,003
		5,27,63,916	4,45,60,087
19	Contingent Liabilities and Other Commitments		
	On account of fraud committed under CSP business , wherein the fraudster was arrested and the litigation is going on. There is likely liability which may arise and hence, reported as contingent liability.	2,26,03,778	-

As per our report of even date attached

For Vakilna & Co.
(Chartered Accountants)

A A Vakilna

Aashish Vakilna
(Proprietor)
Membership No. 102040
Firm Reg. No.: 116767W
UDIN : 22102040ALYGPH8932
Place : Mumbai
Date : 30/06/2022

For and on behalf of Board of Directors.

Ankita
Mrs. Ankita Bhanushali
(Company Secretary)
Membership No. A61371

Ketan
Mr. Ketan Doshi
(Managing Director)
DIN No-01355942

Pradip
Mr. Pradip Mehta
(Director)
DIN No-00027702



Pay Point India Network Private Limited			
Cash Flow Statement for the year ended 31.03.2022			
Particulars		Amount (Rs.)	Amount (Rs.)
<u>A] Cash Flow from operating activities</u>			
Net Profit as per Profit and Loss Account			69,982,963
Add : Non Cash Expenses			
Depreciation		35,904,582	
Provision for Taxes		14,022,130	
Appropriations		(6,630,079)	
		43,296,633	
Less: Non Operational Income			
Other income		(4,888,587)	
		38,408,046	
<u>Increase/Decrease in working capital</u>			
Duties and Taxes		(337,870)	
Sundry Creditors		7,956,438	
Retail Trade Advances and Other Liabilities		31,738,412	
Sundry Debtors		(62,196,118)	
other current assets		(36,561,376)	(20,992,467)
CASH FLOW FROM OPERATING ACTIVITIES	A]		48,990,495
<u>B]Cash Flow from Investing activities</u>			
Fixed Assets (purchased)/Sold			
Tangible Assets		(70,117,595)	
Intangible Assets		(6,625,991)	
Loans and Advances		123,245	
Interest from investment Activity		4,132,445	
Interest on Income Tax		756,142	
CASH FLOW FROM INVESTING ACTIVITIES	B]		(71,731,754)
<u>C] Cash Flow from Financing activities</u>			
Loan Repaid during the year			
Unsecured Loans		(9,622,408)	
Loan against Property		(5,422,881)	
Loan Received during the year			
Loan from Promoters		2,565,742	
CASH FLOW FROM FINANCIAL ACTIVITIES	C]		(12,479,547)
Net Increase/decrease in Cash & Cash Equivalent			(35,220,806)
Add: Opening balance in Cash & Cash Equivalent			(47,636,344)
Bank balance			1,141,387
Cash Balance			(81,715,763)
Closing Balance in Cash & Cash Equivalent			
This is the Cash Flow referred to in our Independent auditors report			
For Vakilna & Co.			
(Chartered Accountants)			
For and on behalf of Board of Directors			
<i>A A Vakilna</i>	<i>Ankita</i>	<i>Kiran</i>	<i>Pradip Mehta</i>
Aashish Vakilna	Mrs.Ankita Bhanushali	Mr.Kiran Doshi	Mr.Pradip Mehta
(Proprietor)	(Company Secretary)	(Managing Director)	(Director)
Membership No. 102040	Membership No.A61371	DIN No-01355942	DIN No-00027702
Firm Reg. No.: 116767W			
UDIN : 22102040ALYGPH8932			
Place : Mumbai			
Date : 30/06/2022			



PAYPOINT INDIA NETWORK PRIVATE LIMITED

CIN: U74999MH2005PTC156130

Date of Incorporation : 16/09/2005

Registered Office : 203 2nd Floor A Wing Supreme City Supreme Business Park Hiranandani
Gardens Behind Lake Castle Powai Mumbai, Mumbai City, Maharashtra-400076

Tel/Mobile No : 02240508878/8452008800

Email : accounts@paypointindia.net

Notes to the Financial Statements

It is corporate policy to prepare financial statements in accordance with applicable Accounting Standards in India. A summary of important accounting policies is set out below. The financial statements have also been prepared in accordance with relevant presentational requirements of the Companies Act, 2013.

Basis of Accounting

To prepare financial statements in accordance with the historical cost convention modified by revaluation of certain Fixed Assets as and when undertaken. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

Property, Plant and Equipment (PPE)

To state Fixed Assets at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets are capitalised.

Expenses capitalized also include applicable borrowing costs, if any.

Intangible Assets

Intangible assets that are acquired and/or developed by the Company and that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

To capitalise software where it is expected to provide future enduring economic benefits. To charge off as a revenue expenditure all upgradation/ enhancements unless they bring similar significant additional benefits.

Depreciation

To calculate depreciation on Fixed Assets, Tangible and Intangible, in a manner that amortises the cost of the assets after commissioning (or other amount substituted for cost), less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 other than Intangible (Know how, Business and Commercial Rights, Trademarks), which are amortised over the estimated period of benefit or contractual terms, as applicable. To amortise capitalised software costs over a period of ten years.

Revenue from sale of products and services

To recognize Revenue at the time of execution of transactions, on real time basis in case of recharges, railway and air bookings, transactions related to paypoint walletz. To recognize revenue at the time of raising invoices in case of bill collection and payment services offered by the company. The value of rendering such services is recorded inclusive of Good & Service Tax(GST) recovered from customers.

Taxes on Income

To provide Current tax as the amount of tax payable in respect of taxable income for the period, measured using the applicable tax rates and tax laws. To provide Deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence, measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Not to recognise Deferred tax assets on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realise such assets.

Provisions, contingent liabilities and contingent assets

To disclose claims against the Company not acknowledged as debts after a careful evaluation of the facts and legal aspects of the matter involved.

Financial and Management Information Systems

To practice an Accounting System which unifies Financial and Cost Records and is designed to comply with the relevant provisions of the Companies Act, 2013 provide financial and cost information appropriate to the businesses and facilitate Internal Control.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balance in bank in current accounts and other accounts.

Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, assets and liabilities and disclosures relating to contingent liabilities as of the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in future periods.

Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

Earnings per share

In determining earnings per share, the Company considers the net profit after tax and includes the post-tax effect of any extra-ordinary item, if any. The number of equity shares used in computing basic earnings per share is the weighted average number of equity shares outstanding during the year. The number of equity shares used in computing diluted earnings per share comprises weighted average number of equity shares considered for deriving basic earnings per share and also weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.





Independent Auditor's Report

To the Members of Paypoint India Network Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Paypoint India Network Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("financial statements").

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

Basis for Opinion

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

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

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises of the information included in the Company's 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.

Regd. Off.: B/12, Om Modi Nagar CHS, Mathuradas Rd., Kandivali (W), Mumbai - 400 067.

Adm. Off.: 301, Dalal Nivas, Gr. Flr., Mathuradas Rd., Kandivali (W), Mumbai - 400 067.

Email : vakilna.co@gmail.com





Independent Auditor's Report (Continued)

Paypoint India Network Private Limited

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

Management's and Board of Director's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed 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.

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

The Board of Directors and those charged with governance is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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



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Email : vakilna.co@gmail.com



Independent Auditor's Report (Continued)

Paypoint India Network Private Limited

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

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



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Independent Auditor's Report (Continued)

Paypoint India Network Private Limited

Report on Other Legal and Regulatory Requirements

1. As Required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable:
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) The Balance Sheet, the Statement of profit and loss and the Statement of cash flows dealt with by this Report are in agreement with the books of account.
 - c) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act; read with Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014.
 - d) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - e) The Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls under Section 143(3)(i) of the Act.
 - f) With respect to the Other Matter 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 litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Management has represented that, to the best of its knowledge and belief, other than as disclosed in notes to accounts
 - a) no funds have been advance or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether recorded in writing or otherwise, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;





Independent Auditor's Report (Continued)

Paypoint India Network Private Limited

Report on Other Legal and Regulatory Requirements (continued)

b) no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) based on audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. During the year, the company has neither declared nor paid any dividend, as such compliance of section 123 of the Act is not applicable.

3. With respect to the matter to be included in the Auditor's Report under Section 197(16): According to the records of the Company examined by us and as per the information and explanations given to us, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

For Vakilna and Co
Chartered Accountants
FRN : 116767W

A A Vakilna

CA Aashish A Vakilna
Proprietor
M No. : 102040
UDIN : 22102040ALYGPH8932



Mumbai, 30 th June 2022



Independent Auditor's Report (Continued)

Paypoint India Network Private Limited

**Annexure-1 to the Independent Auditor's Report on the financial statements of
Paypoint India Network Private Limited for the year ended 31 March 2022**

Report on Companies (Auditor's Report) Order 2016 ("the Order"), with reference to aforesaid financial statements, in terms of Section 143(11) of the Companies Act, 2013 ("the Act")

With reference to the Annexure 1 referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2022, we report the following:

- i. In respect of the company's Property, Plant and Equipment and Intangible Assets:
 - a. A) The company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - B) The company has maintained proper records showing full particulars of intangible assets.
 - b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment of the company has been physically verified by the management once in a year and thus the periodicity of the physical verification is reasonable having regard to the size of the company and the nature of its assets. Further no material discrepancies were noticed during the physical verification of the assets.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not hold any immovable property which is not registered in its name.
 - d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued its Property, Plant and Equipment and intangible assets during the year and hence reporting under clause 3(i)(d) of the order is not applicable to the company.
 - e. According to the information and explanations given to us, there were no such proceedings being initiated during the year or were pending against the company as at 31 March 2022, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.
- ii. In respect of the reporting for inventories held by the Company:
 - a. The company is a service company primarily engaged in providing financial inclusion services including online payment and money transfer platforms and thus it does not hold any inventories. Hence, reporting under clause 3(ii)(a) of the Order is not applicable to the company.
 - b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has availed working capital limits from banks on the basis of security of other current assets. The interest thereon is regularly paid and the same is utilized for working capital purposes.

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Independent Auditor's Report (Continued)

Paypoint India Network Private Limited

**Annexure-1 to the Independent Auditor's Report on the financial statements of
Paypoint India Network Private Limited for the year ended 31 March 2022 (Continued)**

**Report on Companies (Auditor's Report) Order 2016 ("the Order"), with reference to aforesaid
financial statements, in terms of Section 143(11) of the Companies Act, 2013 ("the Act") (Continued)**

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any secured loans or secured or unsecured advances in the nature of loans, to companies, firms, limited liability partnerships or any other parties during the year.

- a. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans to related parties, employees and advances in the nature of loans as below:

Particulars	Loans	Advances in the nature of loans
Aggregate amount during the year		
- Related Parties	-	-
- Employees	22,29,490	-
- Others	-	-
-Suppliers	-	-
Balances outstanding as at balance sheet date		
- Related Parties	-	-
- Employees	11,95,748	-
- Others	-	-
-Suppliers	-	-

- b. According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion there are no new investment made during the year, and the terms and conditions of the loans granted to employees during the year are, prima facie, not prejudicial to the interest of the Company. The Company has not provided any guarantee or security or granted any advances in the nature of loans during the year.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of loans given, there are no stipulation of schedule of repayment of principal and payment of interest. Based on the management representation and our examination of books of accounts the unsecured loans given to employees are considered good and repayable on demand.

- iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

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Independent Auditor's Report (Continued)

Paypoint India Network Private Limited

**Annexure-1 to the Independent Auditor's Report on the financial statements of
Paypoint India Network Private Limited for the year ended 31 March 2022 (Continued)**

**Report on Companies (Auditor's Report) Order 2016 ("the Order"), with reference to aforesaid
financial statements, in terms of Section 143(11) of the Companies Act, 2013 ("the Act") (Continued)**

- v. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not accepted any deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 of the Act and other relevant provisions of the Act and the rules framed there under. Accordingly, reporting under clause 3 (v) of the Order are not applicable to the company.
- vi. According to the information and explanation given to us, the company is not in the business of sale of any goods and hence reporting under clause 3(vi) of the Order are not applicable to the company.
- vii. a. According to the information and explanation given to us and on the basis of our examination of records of the Company, in respect of amounts deducted/accrued in the books of account, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods & service tax and other statutory dues applicable to company, during the year with the appropriate authorities. The provisions relating to, duty of customs, duty of excise, sales tax, value added tax and cess are not applicable to the company.
- b. According to the information and explanation given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods & service tax and other statutory dues were outstanding at the year-end for a period of more than six months from the date they became payable. The provisions relating to, duty of customs, duty of excise, sales tax, value added tax and cess are not applicable to the company.
- c. According to the information and explanation given to us there are no dues of income tax, employees' state insurance, sales-tax, goods & service tax and cess which have not been deposited on account of any dispute. The provisions relating to duty of customs and duty of excise are not applicable to the company.
- viii. According to the information and explanation given to us and on the basis of our examination of records of the Company, there are no transactions which are not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, reporting under clause (viii) of the Order is not applicable to the Company.
- ix. a. The company has not defaulted in the repayment of loans or other borrowings to or in the payment of interest thereon to any lender during the year;
- b. The company has not been declared as willful defaulter by any bank or financial institution or other lender;
- c. There were no term loans taken by the company during the year and accordingly reporting under clause 3 (ix)(c) of the Order are not applicable to the company;

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Independent Auditor's Report (Continued)

Paypoint India Network Private Limited

**Annexure-1 to the Independent Auditor's Report on the financial statements of
Paypoint India Network Private Limited for the year ended 31 March 2022 (Continued)**

**Report on Companies (Auditor's Report) Order 2016 ("the Order"), with reference to aforesaid
financial statements, in terms of Section 143(11) of the Companies Act, 2013 ("the Act") (Continued)**

- d. The company have not raised any funds on short term basis during the year and accordingly reporting under clause 3 (ix)(d) of the Order are not applicable to the company;
- e. The company does not have any subsidiaries and joint ventures. Further the Company has not taken any funds from the entity or person on account of or to meet the obligations of its associate company.
- f. The company does not have any subsidiaries and joint ventures. Further the company has not raised any loans during the year on the pledge of securities held in associate company.
- x. a. The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3 (x)(a) of the Order is not applicable to the company.
- b. The company has made private placement of equity shares and conversion of loan into equity shares by way of private placement and the requirements of the section 42 of the Act have been complied with. No other preferential allotment or private placement of preference shares or convertible debentures (fully, partially or optionally convertible) has been carried by the company during the year. Further, the funds raised by the company have been used for the purposes for which the funds were raised.
- xi. a. According to the information and explanations given to us and on the basis of our examination of records of the Company, we report that there is no instance of any fraud by the company or any fraud on the Company by its officers or employees, either noticed or reported during the period under review, on or by the Company.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, no report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report;
- c. As represented by the management, there were no whistle blower complaints received by the company during the year;
- xii. The company is not in the nature of a Nidhi Company as defined under Section 406 the Companies Act, 2013 and hence reporting under clause (xii) of the Order is not applicable.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statement, as required by the applicable accounting standards (Refer Note 24 of financial statements).
- xiv. The company is exempted to appoint Internal Auditors in context to the section 138 of the Companies Act, 2013 read with Rule 13 of Companies (Accounts) Rules, 2014 and hence reporting under clause (xiv) of the Order is not applicable.

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Independent Auditor's Report (Continued)

Paypoint India Network Private Limited

Annexure-1 to the Independent Auditor's Report on the financial statements of

Paypoint India Network Private Limited for the year ended 31 March 2022 (Continued)

Report on Companies (Auditor's Report) Order 2016 ("the Order"), with reference to aforesaid financial statements, in terms of Section 143(11) of the Companies Act, 2013 ("the Act") (Continued)

- xv. According to the information and explanations given by the management, the company has not entered into any non-cash transactions with its directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. According to the information and explanations given by the management, the provisions of section 45-IA of the Reserve Bank of India At, 1934 are not applicable to the company. Accordingly, reporting under clause 3(xvi) of the Oder are not applicable to the company.
- xvii. The company has not incurred cash losses during the financial year covered by our audit as well as in the immediately preceding financial year.
- xviii. There has no resignation of the statutory auditors during the year and hence reporting under clause (xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. The provisions of section 135 of the Act are applicable to the Company and the company has utilized the CSR spends as per the provisions of the companies Act, 2013.
- xxi. Consolidated Financial Statements are not applicable to the Company. Accordingly, reporting under clause (xxi) of the Order is not applicable to the Company

For Vakilna and Co
Chartered Accountants
FRN : 116767W

A A Vakilna

CA Aashish A Vakilna
Proprietor
M No. : 102040
UDIN : 22102040ALYGPH8932
Mumbai, 30 th June 2022



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