DIRECTORS' REPORT

Dear Members

Your Directors have the pleasure in presenting the 5th Annual Report of the Company, along with Audited Financial Statements for the financial year ended 31st March, 2019.

Financial Highlights and Business Operations

Particular	As at March 31, 2019 (Rs'000)	As at March 31, 2018 (Rs'000)
Revenue from Operations	941,365	231,149
Other Income	1,550	3,635
Finance Income	76,388	40,570
Profit/Loss After Tax	(7,341)	(814,524)

State of Company's Affairs and Future Outlook

Freecharge acts as a business correspondent and technology service provider to Axis Bank Limited, whereby it markets and distributes the semi-closed prepaid payment instruments under the brand name 'Freecharge Balance'.

Freecharge is also in merchant acquiring and payment aggregation business and in the year gone by focused on acquiring merchants across unorganized offline merchants where it saw good traction.

Continuing with its long term objective of becoming a digital financial service provider of choice for the digitally native, young and urban customer Freecharge is working on deep integration with Axis Bank to become a product platform and digital channel by launching wide array of products across lending, investing and insurance. As part of the same, Freecharge launched various credit products (such as Personal Loan/Debit EMI) in collaboration with Axis Bank.

Freecharge is also in the process of launching its Mutual Fund platform wherein a customer can choose from a wide range of fund houses and conveniently invest in mutual funds.

In order to comply with a change in Reserve Bank of India regulations regarding "Storage of Payment systems Data" dated April 6, 2018, your company took swift and timely action to ensure it is compliant to the same.

During the year under review, your Company filed an application before National Company Law Tribunal, New Delhi for approval of Scheme of Amalgamation Accelyst Solutions Pvt. Ltd., a fellow subsidiary with and into the Company. The said Scheme of Amalgamation was approved by the Board of Directors of both Companies on March 27, 2018 and amendment to scheme was also approved on May 8, 2018. Since both the companies are engaged in similar line of business, the board of directors are of the opinion that merger of both companies will result in organizational efficiencies, economies of scale and optimum utilization of resources besides strengthening the brand "Freecharge".

Except as mentioned above, there has been no change in the nature of business being carried on by the Company.

Dividend

In view of losses incurred during the year under review, your Directors do not recommend any dividend.

Share Capital

During the financial year under review, there was no change in the authorised, issued, subscribed and paid-up equity share capital of the Company.

Extract of Annual Return

The extract of Annual Return, pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, for the financial year ended 31st March, 2019, is furnished in Form MGT-9 and is annexed as "Annexure 1" to this Report.

Particulars of Loans, Guarantees or Investments under section 186

In compliance of Section 186 of the Companies Act, 2013, Company granted an aggregate amount of Rs 29.40 Crores as loan to Accelyst Solutions Private Limited during the year under review. The particular of loan are given in the notes to the Financial Statements of the Company for the financial year ending 2018-19.

Particulars of Employees

The Company being an unlisted company, the provisions of Section 197 (12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time are not applicable on the Company.

Particulars of Contracts or Arrangements with Related Parties

During the year under review, all contracts or arrangements with related parties entered into at arm's lengths basis and in ordinary course of business. As required pursuant to provisions of Section 134(3) of the Companies Act, 2013 read with Companies (Accounts) Rules 2014, particulars of all such contracts or arrangements are enclosed in prescribed Form AOC-2 as Annexure-2 to this report.

Public Deposits

The Company has not accepted any deposits from the public as defined under Chapter V of the Companies Act, 2013 and the Rules made thereunder.

Auditors

M/s S.R. Batliboi & Co. LLP (ICAI Firm Registration Number 301003E) Statutory Auditors of the Company hold office till the conclusion of 7th Annual General Meeting of the Company.

Auditors Report

The Auditor's report to the shareholders on standalone and consolidated financial statement for the year ended March 31, 2019 does not contain any qualification, observation or adverse comment. The comments made by Statutory Auditors in their report for financial year ended 31st March 2019 are self-explanatory and therefore, do not call for any further explanation or comments from the Board.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed Mr. Sanjay Chugh, Practicing Company Secretary to act as the Secretarial Auditor of the Company for the financial year 2018-19. The Secretarial Auditor has conducted the audit of the secretarial records of the Company for the financial year under review and has also furnished the Secretarial Audit Report which is annexed as Annexure - 3 to this report.

There are no qualification, reservation or adverse remark made by Secretarial Auditor in his Report.

Board of Directors, Key Managerial Personnel and Board and Committee Meetings

During the year under review, Mr. Sangram Singh was appointed as additional director in the board meeting held on 8th May,2018. In the same meeting, he was also appointed as Managing Director designated as CEO for a period of 3(Three) years effective from 8th May,2018 to 7th May,2021(both days inclusive) subject to the approval of members in General meeting of the Company.

Mr. Rohit Bhagat was appointed as Independent Director subject to the approval of shareholders for a period of 5 years effective from July 13, 2018

At 4th Annual General Meeting held on 21st September, 2018, the members of the Company approved the appointment of Mr. Sangram Singh, Mr. Mohit Jain and Mr. Jairam Sridharan as directors liable to retire by rotation. The appointment and remuneration of Mr. Sangram Singh as Managing Director designated as CEO of the Company for a period of 3(Three) years was also ratified by the members of the Company. In the same meeting, Ms. Nithya Easwaran and Mr. Rohit Bhagat were also appointed as Independent Directors, not liable to retire by rotation.

Pursuant to provisions of Section 152 of the Companies Act, 2013 Mr. Jairam Sridharan retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment. A resolution seeking approval of the members for the re-appointment of Mr. Jairam Sridharan as director of the Company shall be placed before the members of the Company at the ensuing annual general meeting of the Company.

Except as mentioned above, there are no changes in the directors and key managerial personnel of the Company.

During the financial year under review, the Board of Directors met 6 times on April 19, 2018; May 8, 2018 at 04.00 P.M.; May 8, 2018 at 5.30 P.M.; July 24, 2018; October 16, 2018 and January23, 2019. The time gap between two meetings did not exceed 120 days. The summary of number of meetings attended by each Board Member is a under:

S.No.	Name of Director	No. of Meetings Attended
1	Mr. Sangram Singh	04
2	Mr. Rohit Bhagat	03
6	Nithya Easwaran	05
7	Jairam Sridharan	05
8	Mohit Jain	06

During the year under review, the Company constituted a Nomination and Remuneration Committee in the Board Meeting held on July 24,2018 comprising of Ms. Nithya Easwaran, Mr. Rohit Bhagat, Mr. Jairam Sridharan and Mr. Sangram Singh. Ms. Nithya Easwaran is Chairperson of the Committee. The members of Nomination and Remuneration Committee met twice during financial year 2018-19 on August 30, 2018 and 23rd January,2019 respectively.

Declaration by Independent Director

The company has received required declarations from Ms. Nithya Easwaran and Mr. Rohit Bhagat, Independent Directors stating that he/she meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

Policy on Remuneration of Directors, Key Managerial Personnel, Senior Management and Other Employees

Pursuant to the provisions of Section 178(3) of Companies Act,2013, the Company has devised a policy on remuneration of directors, Key Managerial Personnel, Senior Management and other employees. The objective of the Remuneration Policy is to attract, motivate and retain qualified and expert individuals that the Company needs in order to achieve its strategic and operational objectives. The Policy is accessible on website of the Company at www.freecharge.in.

Directors' Responsibility Statement

Pursuant to the provisions of Section 134(5) of the Companies Act 2013, and save as otherwise mentioned elsewhere in this Report, the Directors, to the best of their knowledge and belief, confirm that:

a) in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards, have been followed along with proper explanations relating to material departures; whenever applicable
b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year i.e. March 31, 2019 and of the losses of the Company for that period;
c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts of the Company on a going concern basis; and
e) The Company not being a listed Company is not required to lay down the internal financial controls to be followed by the Company; and
f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Annual Evaluation of performance by Board of Directors:

Pursuant to the requirements as prescribed in Section 134(3)(p) the Companies Act, 2013, the Board of Directors has carried out an annual evaluation of its own performance as collective body on parameters such as Board Composition, Structure, Functioning of Board and its Committees, relation between Board and Management.

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

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under:

Conservation of Energy:

Steps taken for conservation	Since the Company is not engaged in any manufacturing activity, issues relating to conservation of energy are not relevant to its functioning. However, energy conservation receives attention at all levels. All efforts are made to conserve and optimize use of energy.
Steps taken for utilizing alternate sources of energy	
Capital investment on energy conservation equipment's	

Technology Absorption:

Efforts made for technology absorption	The Company has not imported technical know-how. Your Company has not established any separate R&D facilities.
Benefits derived	
Expenditure on Research &Development, if any	
Details of technology imported, if any	
Year of import	
Whether imported technology fully absorbed	
Areas where absorption of imported technology has not taken place, if any	

Foreign Exchange Earnings/ Outgo:

Amount in Rs.000'

Earnings	Nil
Outgo	30,602

Compliance of Secretarial Standards

Your Company complied with the applicable Secretarial Standards SS-1 and SS-2 with respect to Board Meetings and General Meetings respectively specified by the Institute of Company Secretaries of India.

Disclosure in terms of The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013

Your Company has formulated and adopted a policy on prevention of sexual harassment at workplace and has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under report, no complaint relating to sexual harassment was received by the Company.

General Disclosures

- In view of losses incurred during the year, Board does not propose to transfer any amount to any reserves.
- The Company doesn't have any Subsidiary, Joint Venture or Associates.
- No material changes and commitments occurred between the end of financial year 2018-19 and the date of this report which may affect the financial position of the Company.
- During the year under review, Your Company was not required to maintain any cost records under provisions of Section 148 of Companies Act,2013 and rules made thereunder.
- The provisions related to Corporate Social Responsibility as enumerated in section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable on the Company.
- No significant and material order has been passed by the regulator/court/tribunal which may impact the going concern and company's operations in future.
- The Company has established process to identify, assess, monitor and mitigate key financial, operational, business & compliance risks.
- The Company, being a wholly owned subsidiary company is not required to constitute Audit Committee for the year under review.
- No fraud has been reported by auditors under Section 143(12) of the Companies Act, 2013
- The Company has laid down adequate internal financial controls over financial reporting to be followed by the Company and such internal financial controls were operating effectively.

Acknowledgement

The Directors wish to convey their appreciation to all the members, customers, bankers, government departments and other stakeholders for their invaluable support to Company. The Directors also wish to extend the heartiest gratitude to the employees of the Company at all levels for their hard work, dedication and commitment.

By the Order of Board
For Freecharge Payment Technologies Private Limited

Sangram Singh	**Jairam Sridharan**
Managing Director	**Director**
DIN:07965826	**DIN:05165390**

Date : April 17, 2019
Place: Mumbai

Annexure - 1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2019
[Pursuant to section 92(3) *of the Companies Act, 2013* and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	U74140DL2015PTC275419
(ii)	Registration Date	January 14, 2015
(iii)	Name of the Company	Freecharge Payment Technologies Private Limited
(iv)	Category / Sub-Category of the Company	Company having share capital
(v)	Address of the Registered office and contact details	2nd Floor,Red Fort Capital Parsvnath Tower, Bhai Veer Singh Marg, Near Gole Market, New Delhi-110001.
(vi)	Whether listed company Yes / No	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, LBS Marg, Mumbai-400083 Contact No:-022-49186000

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Merchant Acquiring Services, Payment Aggregation Services, Payment Support Services, Business Correspondent to a Bank/Financial Institution	64990	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Axis Bank Ltd. Trishul, 3rdFloor, Opp Samartheshwar Temple Law Garden, Ellisbridge, Ahmedabad 380006	L65110GJ1993PLC020769	Holding	100%	2(46) of Companies Act,2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									—
a) Individual/ HUF	0	0	0	0	0	0	0	0.00	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0				0	0	0	0	
e) Banks / FI	581049999	*1	581050000	100	***581050000	-	581050000	100	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub - Total (A)	581049999	1	581050000	100	581050000		**581050000**	100	0
(2) FOREIGN									
(a)NRIs-Individuals	0	0	0	0	0	0	0	0	0
(b)Other-Individuals	0	0	0	0	0	0	0	0	0
(c)Bodies Corporate	0	0	0	0	0	0	0	0	0
(d)Banks/FI	0	0	0	0	0	0	0	0	0
(e)Any Others	0	0	0	0	0	0	0	0	0
Sub-Total A(2)	0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total A=A(1)+A(2)	581049999	1	581050000	100	581050000	**0**	**581050000**	100	0
B.Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e)Venture Capital Funds	0	0	0	0	0	0s	0	0	0
f)Insurance Cos.	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h)Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i)Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii)Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify): Trust	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**0**	**0**	0	0	**0**	**0**	**0**	0	**0**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	0	**0.00**	**0**	**0**	**0**	0.00	**0.00**
Grand Total (A+B+C)	581049999	1	581050000	100	581050000	**0**	**581050000**	100	0

* Include 1 share held by individual as nominee, the beneficial ownership for which was held by erstwhile parent company, Axis Bank Ltd.

** Including 60 shares held by individuals as nominees of Axis Bank Ltd., the holding company. The beneficial ownership of 60 shares is with Axis Bank Ltd.

(ii)*Shareholding of Promoters*

Sl No.	Share holder's Name	Shareholding at the beginning of the financial year			Shareholding at the end of the Financial Year			% change In share holding during the year
		No. of Shares	% of total Shares of company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of total Shares of company	% of Shares Pledged / Encumbered to total Shares	
1.	Axis Bank Ltd.	*58,10,50,000	100	-	**58,10,50,000	100	-	-
	Total	58,10,50,000	100	-	58,10,50,000	100	-	-

* Include 1 share held by individual as nominee, the beneficial ownership for which was held by erstwhile parent company, Axis Bank Ltd.
** Including 60 shares held by individuals as nominees of Axis Bank Ltd., the holding company. The beneficial ownership of 60 shares is with Axis Bank Ltd.

(iii) *Change in Promoters' Shareholding (please specify, if there is no change)-No change*

SN	Name of shareholder	Shareholding at the beginning and at the end of the year		Change in shareholding during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of company	Date	Reason	Increase (+)/ Decrease (-) in shareholding	No. of shares	% of total shares of company
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NOT APPLICBLE

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of company	No. of shares	Date of allotment. Transfer etc.	No. of shares	% of total shares of company
-	--	-	-	-	-	-	-
-	--	-	-	-	-	-	-
-	--	-	-	-	-	-	-
-	--	-	-	-	-	-	-
-	--	-	-	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning and at the end of the year		Change in shareholding during the year			Cumulative Shareholding during the year 2018	
		No. of shares	% of total shares of company	Date	Reason	Increase/ Decrease	No. of shares	% of shares of company
1	*Jairam Sridharan							
	As at 31.03.2018	*1	Negligible	17.05.2018	Transfer	Increase (+9)	**10	Negligible
	As at 31.03.2019	**10	Negligible				**10	Negligible
2.	* Mohit Jain							
	As at 31.03.2018	-	-	17.05.2018	Transfer	Increase (+10)	**10	Negligible
	As at 31.03.2019	**10	Negligible	-	-	-	**10	Negligible

* 1 share is held by Mr. Jairam Sridharan as a nominee of Axis Bank Ltd.. The beneficial ownership of said share is with Axis Bank Ltd.

**10 shares each are held by Mr. Jairam Sridharan and Mr. Mohit Jain as a nominees of Axis Bank Ltd. The beneficial ownership of said share is with Axis Bank Ltd

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment :

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	--	-	-	-
Change in Indebtedness during the financial year				
• **Addition**	-	-	-	-
Principal	-	-	-	-
Interest				
• **Reduction**				
Principal	-	-	-	-
Interest	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Mr. Sangram Singh, Managing Director	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1,32,07,934	1,32,07,934
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	. Commission - as % of profit - others, specify...	-	-
5.	Others, please specify	-	-
	Total	1,32,07,934	1,32,07,934
	Ceiling as per the Act	-	-

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Director		Total Amount
		Mr. Rohit Bhagat	**Ms. Nithya Easwaran**	
	1. Independent Directors • Fee for attending board committee meetings • Commission • Others, Sitting Fees for attending Board Meetings	4,00,000.00	4,50,000.00	8,50,000.00
	Total (1)	4,00,000.00	4,50,000.00	8,50,000.00
	2. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	Not Applicable - - -	Not Applicable - - -	N.A. - - -
	Total (2)	-	-	-
	Total (B)=(1+2)	4,00,000.00	4,50,000.00	8,50,000.00
	Total Managerial Remuneration			
	Overall Ceiling as per the Act			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD

S.No	Particulars of Remuneration	Key Managerial Personnel			
		Chief Executive Officer	**Chief Finance Officer**	**Company Secretary**	**Total**
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	 - - -	 1,29,11,330 - -	 31,46,390 - -	 1,60,57,720 - -
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission - as % of profit - others, specify...	-	-	-	
5	Others, please specify	-			
	Total	-	1,29,11,330	31,46,390	1,60,57,720

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of Companies Act	Brief Description	Details of Penalty/Punishment /Compounding Fee Imposed	Authority (RD/NCLT/ Court)	Appeal made, if any
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

By order of the Board of Directors
Freecharge Payment Technologies Private Limited

Sangram Singh
Managing Director
DIN:07965826

Jairam Sridharan
Director
DIN:05165390

Date : April 17, 2019
Place: Mumbai

Annexure - 2

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions **not at Arm's length basis**.

NOT APPLICABLE

2. Details of contracts or arrangements or transactions **at Arm's length basis.**

S. NO.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements /transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1.	Accelyst Solutions Pvt. Ltd. – Fellow Subsidiary	Cross-charge for services e.g.: - Payroll Services - Employee Support Services, - Customer Support Services, - Professional services, - IT services, - Administrative services	Valid till 31st March, 2020	- Transaction are entered in ordinary course of business and at Arm's Length. - Consideration to be mutually decided by the Parties.	Not Applicable	NIL
2	Accelyst Solutions Pvt. Ltd. - Fellow Subsidiary	(a) Right to use Agreement- office space in Salarpuria Adonis, Bengaluru (b) Right to use Agreement- office space in Cyber Green, Gurgaon (16th Floor) (c) Right to use Agreement- office space in Vaibhav Chambers, Bandra Kurla Complex, Mumbai (d) Right to use Agreement (including addendum)-	(a) Valid till 31st January, 2020(terminated on 30th November, 2018) (b) Valid till 31st December, 2020 (c) Valid till 30th April, 2021 (d) Valid till 31st August, 2023	- Transaction are entered in ordinary course of business and at Arm's Length. - Consideration to be charged proportionately on actual.	Not Applicable	NIL

		office space in Salarpuria Emporium Bengaluru				
3	Accelyst Solutions Pvt Ltd. - Fellow Subsidiary	Payment Gateway Service Agreement	Continuous	- Transaction are entered in ordinary course of business and at Arm's Length. - Consideration to be as per Agreement.	Not Applicable	NIL
4	Accelyst Solutions Pvt Ltd. - Fellow Subsidiary	Asset Purchase Agreement	Valid till 18th May, 2019	- Transaction are entered in ordinary course of business and at Arm's Length. - Consideration to be as per Agreement.	Not Applicable	NIL
5	Accelyst Solutions Pvt Ltd. - Fellow Subsidiary	Loan Agreement	Valid till 18th November, 2019 or upon prepayment of Loan whichever is earlier	- Transaction are entered in ordinary course of business and at Arm's Length. - Consideration to be as per Agreement.	Not Applicable	NIL
6	Axis Bank Ltd. –Holding Company	Internet Payment Gateway Services	Valid till 15th February, 2019	- Transaction are entered in ordinary course of business and at Arm's Length. - Consideration to be mutually decided by the Parties	Not Applicable	NIL
7	Axis Bank Ltd. –Holding Company	UPI Based Money Transfer	Continuous	- Transaction are entered in ordinary course of business and at Arm's Length. - Consideration to be mutually decided by the Parties.	Not Applicable	NIL
8	Axis Bank Ltd. –Holding Company	Aggregator services for PPI	Valid till 16th January, 2023	- Transaction are entered in ordinary course of business and at Arm's Length. - Consideration to be mutually decided by the Parties	Not Applicable	NIL
9	Axis Bank Ltd. –Holding Company	(a) Business Correspondent (b) First Addendum to Business Correspondent (Consideration for PPI Business) (c) Second Addendum to Business Correspondent for Axis Digital Savings Account (ASAP	Continuous	- Transaction are entered in ordinary course of business and at Arm's Length. - Consideration to be as per the Agreement/Addendum.	Not Applicable	NIL

		Account) (d) Third Addendum to Business Correspondent (Technology service provider for Wallet and Gift Instrument) (e) Fourth Addendum to the BC Agreement (IMPS Services) (f) Fifth Addendum to the BC Agreement (Instant Personal Loan) (g) Sixth Addendum to the BC Agreement (Debit EMI Services)				
10	Axis Bank Ltd. (Holding Company)	Agreement for subletting premises (Red Fort Capital Parsvnath Tower, New Delhi)	Valid till 4th December, 2021 (terminated on 31st January, 2019)	- Transaction are entered in ordinary course of business and at Arm's Length. - Consideration to be as per Agreement.	Not Applicable	NIL
11	Axis Bank Ltd (Holding Company)	Commercial Card Agreement	Continuous	- Transaction are entered in ordinary course of business and at Arm's Length. - Consideration to be as per Agreement.	Not Applicable	NIL
12	Axis Bank Ltd. (Holding Company)	Reimbursement for marketing & advertisement expenses	Not Applicable	- Transaction are entered in ordinary course of business and at Arm's Length. - Consideration to be as per actuals.	Not Applicable	NIL

By order of the Board of Directors
Freecharge Payment Technologies Private Limited

Sangram Singh
Managing Director
DIN:07965826

Jairam Sridharan
Director
DIN:05165390

Date: April 17, 2019
Place: Mumbai

Sanjay Chugh
B Com (H), F.C.S.
Company Secretary

317, Vardhman Plaza –I,
J Block Commercial Complex,
Rajouri Garden,
New Delhi-110 027
9810770237 (M), 011-41443668

FORM No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year ended on 31st March, 2019

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To
The Members,
Freecharge Payment Technologies Private Limited,
2nd Floor, Red Fort Capital Parsvnath Tower,
Bhai Veer Singh Marg,
Near Gole Market
New Delhi Central 110001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Freecharge Payment Technologies Private Limited** (hereinafter called the Company). The Company is an unlisted Deemed Public Company, limited by shares and is an Indian Non- Government Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering financial year ended on **March 31, 2019** ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2019** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

SANJAY CHUGH ★ C.P. No. 3073 ★ COMPANY SECRETARY

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; ***(Not applicable to the Company during the audit period)***

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**)** ***(Not applicable to the Company during the audit period)***

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; ***(Not applicable to the Company during the audit period)***

(d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014; ***(Not applicable to the Company during the audit period)***

(e) The Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008 and Listing Agreement for Debt Securities; ***(Not applicable to the Company during the audit period)***

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; ***(Not applicable to the Company during the audit period)***

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and ***(Not applicable to the Company during the audit period)***

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; ***(Not applicable to the Company during the audit period)***

vi) The Management has identified and confirmed the following law as applicable to the Company.

a) Employee Provident Fund Act 1952
b)) Payment of Gratuity Act, 1972

I have also examined compliance with the applicable clauses/regulations of the following:

(1) Secretarial Standards issued by The Institute of Company Secretaries of India.

(2) The Listing Agreement entered into by the Company with the Stock Exchange/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (***Not applicable to the Company during the audit period)***

SANJAY CHUGH ★ C.P. No. 3073 ★ COMPANY SECRETARY

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above without any material non-compliance:

I further report that,

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

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in few cases the same has been sent at shorter notice after complying the provisions and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The Minutes were generally circulated within the prescribed time except in few cases. Further note that Board minutes of the last quarter ending March 2019 shall be signed in the next Board Meeting scheduled to be held in April 2019 after my report.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

SANJAY CHUGH ★ C.P. No. 3073 ★ COMPANY SECRETARY

SANJAY CHUGH
COMPANY SECRETARY
FCS No: 3754
C.P.NO. 3073

Place: New Delhi
Date: April 10, 2019

Note: This report is to be read with our letter of even date which is annexed as Annexure- A and forms an integral part of this report.

Sanjay Chugh
B Com (H), F.C.S.
Company Secretary

317, Vardhman Plaza –I,
J Block Commercial Complex,
Rajouri Garden,
New Delhi-110 027
9810770237 (M), 011-41443668

ANNEXURE A'

To,
The Members,
Freecharge Payment Technologies Private Limited
2nd Floor, Red Fort Capital Parsvnath Tower,
Bhai Veer Singh Marg,
Near Gole Market
New Delhi Central 110001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

SANJAY CHUGH ★ C.P. No. 3073 ★ COMPANY SECRETARY

SANJAY CHUGH
COMPANY SECRETARY
FCS No: 3754
C.P.NO. 3073

Place: New Delhi
Date: April 10, 2019

S.R. BATLIBOI & CO. LLP
Chartered Accountants

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel : +91 124 681 6000

INDEPENDENT AUDITOR'S REPORT

To the Members of Freecharge Payment Technologies Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Freecharge Payment Technologies Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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, 2019, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS 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 misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

S.R. BATLIBOI & CO. LLP GURUGRAM

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended from time to time) issued by Ministry of Corporate Affairs. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

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

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

S.R. BATLIBOI & CO. LLP
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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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account ;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, (as amended from time time) issued by ministry of corporate affairs;

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position;

(j) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(k) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Nilangshu Katriar

per Nilangshu Katriar
Partner
Membership Number: 058814
Place of Signature: Gurugram
Date: April 17, 2019

S.R. BATLIBOI & CO. LLP
GURUGRAM

Annexure 1

Annexure referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Accelyst Solutions Private Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets were physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under clause 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given by the management, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership firm or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given by the management, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the companies Act, 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.

(vi) To the best of our knowledge and as explained by the management, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.

(vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax cess and other material statutory dues applicable to it. The provisions of investor education and protection fund, employees' state insurance, wealth-tax, customs duty, excise duty are not applicable to the company.

(b) According to the information and explanations given by the management, no undisputed amounts payable in respect of provident fund, income-tax, service tax, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given by the management, there are no dues of income tax, service tax, value added tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

S.R. BATLIBOI & CO. LLP
GURUGRAM

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based on our the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) Based on our the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Section 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of Section 177 the Companies Act, 2013 are not applicable to the Company and accordingly reporting under clause 3(xiii) of the Order insofar as it relates to Section 177 of the Companies Act, 2013 is not applicable to the Company and hence not commented upon.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Companies Act, 2013.

(xvi) According to the information and explanations given by the management, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Nilangshu Katriar

per Nilangshu Katriar
Partner
Membership Number: 058814

S.R. BATLIBOI & CO. LLP GURUGRAM

Place of Signature: Gurgaon
Date: April 17, 2019

Annexure 2

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF FREECHARGE PAYMENT TECHNOLOGIES PRIVATE LIMITED LIMTED

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 Freecharge Payment Technologies Private Limited ("the Company") as of March 31, 2019 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 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. 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these 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 internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these 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 these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide

S.R. BATLIBOI & CO. LLP GURUGRAM

reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, 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 **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Nilangshu Katriar
Partner
Membership Number: 058814
Place of Signature: Gurugram
Date: April 17, 2019

S.R. BATLIBOI & CO. LLP
GURUGRAM

Freecharge Payment Technologies Private Limited
Balance Sheet as at March 31, 2019
(All amounts in Rs. '000, except per share data and as stated other wise)

	Notes	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	3	99,963	63,500
Intangible assets	4	5,113	2,402
Financial assets			
Other financial assets	5	32,830	26,188
Prepayments		10,401	8,116
Other non-current assets	6	1,48,583	2,19,421
Total non-current assets		**2,96,890**	**3,19,627**
Current assets			
Financial Assets			
Investments	7	2,65,011	6,52,502
Loan	8	2,94,000	-
Trade receivables	9	72,222	55,617
	10	4,990	1,78,064
Cash and cash equivalents	11	4,78,834	-
Other financial assets	5	87,600	2,85,293
Prepayments		16,182	20,894
Total current assets		**12,18,839**	**11,92,370**
Total assets		**15,15,729**	**15,11,997**
Equity and liabilities			
Equity			
Equity share capital	12	58,10,500	58,10,500
Other equity			
Retained earnings		(45,01,666)	(44,94,325)
Total equity		**13,08,834**	**13,16,175**
Non-current liabilities			
Financial liabilities			
Other financial liabilities	13	11,403	5,900
Net employee defined benefit liabilities	14	19,282	12,059
Total non-current liabilities		**30,685**	**17,958**
Current liabilities			
Financial liabilities			
Trade and other payables	15	1,55,481	1,49,653
Other financial liabilities	13	192	-
Net employee defined benefits liabilities	14	20,537	28,211
Total current liabilities		**1,76,210**	**1,77,864**
Total liabilities		**2,06,895**	**1,95,822**
Total equity and liabilities		**15,15,729**	**15,11,997**

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

per Nilangshu Katriar
Partner
Membership Number: 058814

S.R. BATLIBOI & CO. LLP GURUGRAM

Place of Signature:
Date: April 17, 2019

For and on behalf of Board of Directors of
Freecharge Payment Technologies Private Limited

Sangram Singh
Managing Director and Chief Executive Officer

Jairam Sridharan
Director

Anshul Kheterpal
Chief Financial Officer

Samarth Govila
Company Secretary

Freecharge Payment Technologies Private Limited
Statement of Profit or Loss for the year ended March 31, 2019
(All amounts in Rs. '000, except per share data and as stated other wise)

	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations	16	9,41,365	2,31,149
Other income	17	1,550	3,635
Finance income	18	76,388	40,570
Total income		**10,19,303**	**2,75,354**
Expenses			
Service charges	19	1,21,239	1,47,271
Advertisement and publicity expenses	20	60,522	5,898
Employee benefits expense	21	5,63,474	4,56,587
Depreciation and amortisation expense	22	25,562	17,606
Finance costs	23	12	327
Other expenses	24	2,49,397	1,32,377
Total expenses		**10,20,206**	**7,60,066**
Loss for the year before exceptional items		**(903)**	**(4,84,712)**
Exceptional items	25	-	3,30,581
		(903)	**(8,15,293)**
Loss for the year			
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans		(6,438)	769
Income tax effect		-	-
Other comprehensive income for the year, net of tax		**(6,438)**	**769**
Total comprehensive loss for the year, net of tax		**(7,341)**	**(8,14,524)**
Loss per equity share [nominal value per equity share Rs.10] (March 31, 2018; Rs 10)			
Basic and diluted computed on the basis of loss for the year attributable to equity holders of the Company (Rs.)		-0.00	(1.58)

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

per Nilangshu Katriar
Partner
Membership Number: 058814

S.R. BATLIBOI & CO. LLP GURUGRAM

Place of Signature:
Date: April 17, 2019

For and on behalf of Board of Directors of
Freecharge Payment Technologies Private Limited

Sangram Singh
Managing Director and Chief Executive Officer

Jairam Sridharan
Director

Anshul Kheterpal
Chief Financial Officer

Samarth Govila
Company Secretary

Freecharge Payment Technologies Private Limited
Statement of Cash Flows for the year ended March 31, 2019
(All amounts in Rs. '000, except per share data and as stated other wise)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from operating activities		
Loss for the year	**-903**	**-8,15,293**
Adjustment to reconcile loss before tax to net cash flows		
Depreciation of property, plant and equipment	24,483	17,382
Amortization of intangible assets	1,079	224
Liabilities no longer required written back	-1,300	-3,616
Loss on write off of fixed assets	9,894	2,148
Bad debts	43	887
Bad debt expenses on account of settlement with group companies	-	3,30,581
Share-based payment expense	-	-67,298
Gain on sale of investments (net)	-27,359	-7,284
Unwinding of discount on financial assets at amortised cost	-3,492	-1,430
	-9,949	-14,082
Mark to market gain on current investments	-27,334	-
Interest income on loans given to related parties	-8,254	-17,774
Operating flow before working capital changes	**-43,092**	**-5,75,555**
Adjustment for change in working capital:		
(Increase)/Decrease in Trade receivables	-16,605	19,265
(Increase)/Decrease in Financial assets	3,16,542	3,60,908
(Increase)/Decrease in Prepayments	2,427	-8,384
Increase/(Decrease) in Trade and other payables	5,418	-16,584
Increase/(Decrease) in Net employee defined benefits liabilities	-6,889	18,598
Increase/(Decrease) in Financial liabilities	5,695	-5,43,231
Cash used in operations	**2,63,496**	**-7,44,983**
Income taxes paid (net of refunds)	-41,449	-8,538
Net cash flow from operating activities (A)	**2,22,047**	**-7,53,521**
Cash flows from investing activities		
Loan (given to) / repaid by Accelyst Solutions Private Limited	-2,94,000	2,00,000
Purchase of property, plant and equipment and intangible assets	-79,946	-46,912
Proceeds from sale of property, plant and equipment	7,026	-
Purchase of current investments (net)	4,24,800	-5,10,997
Investment in fixed deposits	-4,53,001	-
Interest income on loans given to related parties	-	17,774
Net cash used in investing activities (B)	**-3,95,121**	**-3,40,135**
Cash flow from financing activities		
Proceeds from issue of equity share capital	-	12,20,000
Net cash flow from financing activities (C)	**-**	**12,20,000**
Net decrease in cash and cash equivalents (A + B + C)	**-1,73,074**	**1,26,344**
Cash and cash equivalents at the beginning of the year	1,78,064	51,720
Cash and cash equivalents at the end of the year	**4,990**	**1,78,064**
Components of cash and cash equivalents		
Balances with banks:		
– On current accounts	2,470	2,628
– On current accounts with related parties (refer note 33)	2,520	1,75,436
Total cash and cash equivalents (Refer note 10)	**4,990**	**1,78,064**

The accompanying notes are an integral part of the financial statements.

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on Cash Flow Statements notified under the Companies (Indian Accounting Standards) Rules, 2015 (as ammended from time to time) issued by Ministry of Company Affairs.
2. The above cash flow statement as ammended has been compiled from and is based on the Balance Sheet as at March 31, 2019 and the related Statement of Profit and Loss for the year ended on that date.
3. Figures in brackets indicates cash outflow.
4. Previous year figures have been regrouped and reclassified wherever necessary to confirm to the current year classifications.

As per our report of even date.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

Nilangshu Katriar

per Nilangshu Katriar
Partner
Membership Number: 058814

S.R. BATLIBOI & CO. LLP GURUGRAM

Place of Signature:
Date: April 17, 2019

For and on behalf of Board of Directors of
Freecharge Payment Technologies Private Limited

Sangram Singh
Managing Director and
Chief Executive Officer

Jairam Sridharan
Director

Anshul Kheterpal
Chief Financial Officer

Samarth Govila
Company Secretary

Freecharge Payment Technologies Private Limited
Statement of Changes in Equity for the year ended March 31, 2019
(All amounts in Rs. '000, except per share data and as stated other wise)

a. Equity share capital:

	Number of shares	Amount
As at April 01, 2017	45,90,50,000	45,90,500
Equity shares of Rs.10 each issued, subscribed and fully paid		
Issue of share capital during the year (refer note 12)	12,20,00,000	12,20,000
As at March 31, 2018	58,10,50,000	58,10,500
Issue of share capital during the year (refer note 12)	-	-
	58,10,50,000	58,10,500
As at March 31, 2019		

b. Other Equity:

	Reserves and Surplus Retained earnings	Contribution to equity Other Capital Reserves	Total Equity
As at April 01, 2017	(38,60,130)	(86,377)	(39,46,507)
Shared based compensation for previous year	1,80,329	(1,80,329)	-
Loss for the year	(8,15,293)	-	(8,15,293)
Re-measurement gain on defined benefit plans	769	-	769
Total comprehensive loss	**(6,34,195)**	**(1,80,329)**	**(8,14,524)**
Share based compensation (refer note 21)	-	(67,298)	(67,298)
Amount written off on account of settlement with group companies (refer note 36)	-	3,34,004	3,34,004
As at March 31, 2018	(44,94,325)	-	(44,94,325)
Loss for the year	(903)	-	(903)
Re-measurement loss on defined benefit plans	-6,438	-	(6,438)
Total comprehensive gain	**(7,341)**	-	**(7,341)**
As at March 31, 2019	(45,01,666)	-	(45,01,666)

As per our report of even date.

For S. R. Batliboi & Co. LLP
Chartered Accountants

Nilangshu Katriar

per Nilangshu Katriar
Partner
Membership Number: 058814

S.R. BATLIBOI & CO. LLP ★ GURUGRAM ★

Place of Signature:
Date: April 17, 2019

For and on behalf of Board of Directors of
Freecharge Payment Technologies Private Limited

Sangram Singh
Managing Director and
Chief Executive Officer

Jairam Sridharan
Director

Anshul Kheterpal
Chief Financial Officer

Samarth Govila
Company Secretary

1. Corporate information

Freecharge Payments Technologies Private Limited ("the Company") was incorporated in India on January 14, 2015. The Company is engaged in the business to provide, promote, develop, design, set-up, maintain, operate, market and carry on the business of all types of physical, electronic and virtual payment system services, e-wallets, mobile wallets, pre-paid instruments, whether open, closed, semi-closed, cash card, payment gateways service. The registered office of the Company is located at 2nd Floor, Red Fort Capital Parsvnath Tower, Bhai Veer Singh Marg, Near Gole Market New Delhi.

The financial statements were authorised for issue in accordance with resolution of Board of Directors on April 17th, 2019

2.0 Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 (as ammended from time to time) issued by Ministry of Company Affairs.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The financial statement has been presented in Indian Rupees to the nearest thousand ('000), except as stated otherwise.

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

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

The Company classifies all other liabilities as non-current.

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

b. Foreign currencies

The Company's financial statements are presented in Indian Rupees to the nearest thousand ('000), which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

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Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss with the exception of the following:
- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

- Exchange differences arising on monetary items that are designated as part of the hedge of the Company's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income ('OCI') or statement of profit or loss are also recognised in OCI or statement of profit or loss, respectively).

c. Fair value measurement

The Company measures financial instruments, such as, derivatives / investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractual defined terms of payment and excluding taxes or duties collected on behalf of government. The following specific recognition criteria must also be met before revenue is recognized:

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Revenue from commission income
Merchant checkout fees from wallet transaction is recognised on the basis of successful pay-out of wallet usage to the respective merchants. The settlement are done daily for such transactions to the merchant on net of MDR revenue. The Company collects service taxes on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Revenue - payment & storage service
The revenue from payment & storage service is recognised for providing PG aggregation service and as a payments platform for transactions of the merchant executed through payment gateway. The Company collects revenue on the basis of the payment gateway transactions routed through its payment platform on a monthly basis.

Revenue - Wallet maintenance fees
Pursuant to arrangement entered with Axis Bank Limited, the Company has started charging "Relevant cost" for the PPI / wallet business w.e.f. 17th January, 2018. Said charge is referred as wallet maintenance fee which is calculated on the basis of expenses incurred by the Company in relation to facilitating wallet transactions and maintenance of related technical platform. Such fee is recognized on accrual basis.

Other operating revenue
Revenues from ancillary activities like convenience fee, commission income etc. are recognised upon rendering of services.

Variable consideration
If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of electronics equipment provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

i) Rights of return
Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

ii) Volume rebates
The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

(ii) Non-cash consideration
The Company received moulds and other tools from certain customers to be used in manufacturing fire prevention equipment to be sold to them. The fair value of such non-cash consideration received from the customer is included in the transaction price and measured when the Company obtains control of the equipment.
The Company applies the requirements of Ind AS 113 Fair Value Measurement in measuring the fair value of the non- cash consideration. If the fair value cannot be reasonably estimated, the non-cash consideration is measured indirectly by reference to the

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Interest

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit or loss.

Unbilled revenue

Receivables are generally carried at the original invoiced amount, less an allowance for doubtful receivables where there is objective evidence that balances will not be recovered in full. Unbilled receivables is recognised to the extent for the services not billed at the reporting date.

e. Taxes

Current income tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:
- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in statement of profit or loss.

f. Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 17 and 34 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

Contributions by customers of items of property, plant and equipment (such as moulds) which require an obligation to supply goods to the customer in the future, are recognised at the fair value when the Company has control of the item. A corresponding credit to contract liability is made. The Company may agree to deliver one or more services in exchange for the transferred item of property, plant and equipment, such as connecting the customer to a network, providing the customer with ongoing access to a supply of goods or services, or both. The Company identifies the separately identifiable performance obligation included in the agreement.

i) If only one performance obligation is identified, the Company recognises revenue when the service is performed.

ii) If an ongoing service is identified as part of the agreement, the period over which revenue is recognised for that service is generally determined by the terms of the agreement with the customer. If the agreement does not specify a period, the revenue is recognised over a period no longer than the useful life of the transferred asset used to provide the ongoing service.

iii) f more than one separately identifiable performance obligation is identified, the fair value of the total consideration received or receivable for the agreement will be allocated to each service and the recognition criteria of Ind AS 115 are then applied to each service.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset beintg sold is transferred directly to retained earnings.

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GURUGRAM

Depreciation is calculated on straigh line basis over the estimated useful life as follows

Category of assets	Estimated useful life
Computers and data processing units	3 - 6 years
Office machinery and equipments	5 years
Furniture and fittings	10 years
Mobile devices	2 years

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in statement of profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

h. Borrowing costs

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

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i. Leases

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

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note 2.1.h). Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit or loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

j. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ('CGU') fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companys of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

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Impairment losses of continuing operations are recognised in the statement of profit or loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life as estimated by the management.

For assets an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

k. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.
An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

Provision for bonus
Provision for bonys is recognised on time proportion basis over the period of service

l. Retirement and other employee benefits
Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

In accordance with Indian law, the Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees on retirement or on termination of employment for an amount based on the respective employee's salary and the years of employment with the Company.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method based on an actuarial valuation performed by an independent actuary.

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Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and
- Net interest expense or income

m. Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

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

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

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

The Company has not designated any debt instrument as at FVTPL.

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

Equity investments
All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:
- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financial assets
In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:
a) Financial assets that are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
b) Available for sale financial assets
c) Lease receivables under Ind AS 17
d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on:
- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

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The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.
Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:
- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit or loss. This amount is reflected under the head 'other expenses' in the statement of profit or loss. The balance sheet presentation for various financial instruments is described below:
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Available for sale financial assets: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

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

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

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Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in statement of profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

n. Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

o. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.4 Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 115 for the first time. There is immaterial impact in the nature and effect of the changes as a result of adoption of these new accounting standards.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on March 28, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the full retrospective method of adoption. The effect of the transition on the current period has not been disclosed as the standard provides an optional practical expedient. The Company did not apply any of the other available optional practical expedients.

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(All amounts in Rs. '000, except per share data and as stated other wise)

3. Property, plant and equipment

	Leasehold improvements	Computers	Office machinery and equipments	Furniture and fittings	Total
Cost					
At April 1, 2017	26,520	19,361	258	91	**46,230**
Additions	26,070	8,747	4,604	4,867	44,288
Disposals / adjustments *	-	(2,233)	(69)	-	(2,302)
At March 31, 2018	**52,590**	**25,875**	**4,793**	**4,958**	**88,216**
Additions	38,485	13,454	10,374	15,551	77,864
Disposals / adjustments *	(26,359)	(658)	(452)	(6,307)	(33,776)
Write off/Impairment of property, plant and equipment	-	(662)	-	-	(662)
At March 31, 2019	**64,716**	**38,009**	**14,715**	**14,202**	**131,642**
Depreciation					
At April 1, 2017	**4,227**	**3,225**	**31**	**4**	**7,487**
Charge for the year	8,575	8,380	274	154	17,383
Disposals / adjustments *	0	(795)	0	(20)	(815)
Write off/Impairment of property, plant and equipment	0	661	0	0	661
At March 31, 2018	**12,802**	**11,471**	**305**	**138**	**24,716**
Charge for the period	13,862	7,846	1,856	919	24,483
Disposals / adjustments *	(16,182)	(624)	(26)	(27)	(16,859)
Write off/Impairment of property, plant and equipment	-	(661)	-	-	(661)
At March 31, 2019	**10,482**	**18,032**	**2,135**	**1,030**	**31,679**
Net book value					
As at March 31, 2018	**39,788**	**14,404**	**4,488**	**4,820**	**63,500**
At March 31, 2019	**54,234**	**19,977**	**12,580**	**13,172**	**99,963**

Net book value	**March 31, 2019**	**March 31, 2018**
Property, plant and equipment	99,963	63,500

* Adjustments on account of assets written off

Additions to property, plant and equipment includes purchases made from related party amounting to Rs. 6,452 (March 31, 2018 : Rs 2,399) (refer note 33)

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Freecharge Payment Technologies Private Limited
Notes to financial statements
(All amounts in Rs. '000, except per share data and as stated other wise)

4. **Intangible Assets**

	Server Licence	Total
Cost		
At April 1, 2017	-	-
Additions	2,626	2,626
Disposals	-	-
As at March 31, 2018	**2,626**	**2,626**
Additions	3,790	3,790
Disposals	-	-
At March 31, 2019	**6,416**	**6,416**

Depreciation		
At April 1, 2017	-	-
Charge for the year	224	224
Disposals	-	-
As at March 31, 2018	**224**	**224**
Charge for the period	1,079	1,079
Disposals	-	-
At March 31, 2019	**1,303**	**1,303**

Net book value		
As at March 31, 2018	**2,402**	**2,402**
At March 31, 2019	**5,113**	**5,113**

Net book value	**March 31, 2019**	**March 31, 2018**
Intangible assets	5,113	2,402

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Freecharge Payment Technologies Private Limited
Notes to financial statements
(All amounts in Rs. '000, except per share data and as stated other wise)

5. Other financial assets

	As at March 31, 2019	As at March 31, 2018
Other financial assets		
Unsecured, considered good unless stated otherwise		
Security deposits	33,328	26,188
Advances recoverable in cash or kind		
- considered good	21,469	27,097
- considered doubtful	148	135
	21,617	**27,232**
Less: Provision for doubtful advances	(148)	(135)
	21,469	**27,097**
Restricted cash held in separate accounts *	28,914	27,636
Recoverable from related parties (refer note 33)	29,290	230,560
Interest receivable on Loan	7,429	-
Total Other financial assets	120,430	311,481
Current	87,600	285,293
Non-current	32,830	26,188
Total other financial assets	120,430	311,481

* Pursuant to Reserve Bank of India notification dated November 24, 2009 the Company acts as an 'Intermediaries' and has accordingly received the said amount in its nodal bank account. From this nodal bank account, the Company has transferred the respective amount to the merchants. Balance lying in this nodal bank account as at March 31, 2019 is disclosed as 'Restricted Cash held in separate accounts' in the financial statements.

6. Other assets

	As at March 31, 2019	As at March 31, 2018
Other assets		
Advance income-tax	57,857	16,408
Balances with statutory/government authorities	90,726	203,013
Total other assets	148,583	219,421
Current	-	-
Non-current	148,583	219,421
Total other assets	148,583	219,421

7. Investments

	As at March 31, 2019	As at March 31, 2018
Investments		
Investments at fair value through profit & loss (fully paid)		
Unquoted mutual funds		
76,438 (March 31, 2018 : 78,251) units of Axis liquid fund	158,497	150,831
36,174 (March 31, 2018 : 183,201) units of Tata liquid fund	106,514	501,671
Total investments at fair value through profit & loss	**265,011**	**652,502**
Current	265,011	652,502
Non-current	-	-
Total investments	265,011	652,502

8. Loans given

	As at March 31, 2019	As at March 31, 2018
Loans given to related parties (Refer note 31 and note 33)	294,000	-
Total loan	294,000	-
Current	294,000	-
Non-current	-	-
Total loan	294,000	-

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Notes to financial statements
(All amounts in Rs. '000, except per share data and as stated other wise)

9. Trade receivables

	As at March 31, 2019	As at March 31, 2018
Trade receivables		
Trade receivables	43	122
Trade receivables - related parties (refer note 33)	72,179	55,617
Total trade receivables	**72,222**	**55,739**
Breakup for security details:		
Trade receivable from related parties, unsecured, considered good	72,222	55,617
Trade receivable, doubtful	-	122
Total	**72,222**	**55,739**
Impairment Allowance (allowance for bad and doubtful debts)		
Doubtful	-	(122)
Total	-	**(122)**
Unsecured, considered good	72,222	55,617
Doubtful	-	-
Total trade receivable	**72,222**	**55,617**
Current	72,222	55,617
Non-current	-	-
Total trade receivable	**72,222**	**55,617**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.
Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. For terms and conditions relating to related party receivables. (refer note 33).

10. Cash and cash equivalents

	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents		
Balances with banks:		
– On current accounts	2,470	2,628
– On current accounts with related parties (refer note 33)	2,520	175,436
Total cash and cash equivalents	**4,990**	**178,064**

11. Bank balances other than above

	As at March 31, 2019	As at March 31, 2018
Deposits with original maturity of more than 3 months but less than 12 months with Related party (refer note 33)	478,834	-
	478,834	**-**

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(All amounts in Rs. '000, except per share data and as stated other wise)

12. Share capital

	March 31, 2019	March 31, 2018
Authorized shares		
1,006,010,000 (March 31, 2018: 1,006,010,000) equity shares of Rs.10 each	10,060,100	10,060,100
Issued, subscribed and fully paid-up shares		
581,050,000 equity shares (March 31, 2018: 581,050,000) of Rs.10 each fully paid-up	5,810,500	5,810,500
Total issued, subscribed and fully paid-up share capital	**5,810,500**	**5,810,500**

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

Equity shares

	March 31, 2019		March 31, 2018	
	No of shares	Amount	No of shares	Amount
At the beginning of the period	581,050,000	5,810,500	459,050,000	4,590,500
Issued during the period	-	-	122,000,000	1,220,000
Outstanding at the end of the period	**581,050,000**	**5,810,500**	**581,050,000**	**5,810,500**

(b) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. 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 the shareholders.

(c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries / associates are as below:

	March 31, 2019	March 31, 2018
Axis Bank Limited, holding company 581,050,000 (March 31, 2018: 581,050,000) equity shares of Rs.10 each fully paid-up (refer note 33)	5,810,500	5,810,500

(d) Details of shareholders holding more than 5% shares in the Company

	March 31, 2019		March 31, 2018	
	No of shares	Holding percentage	No of shares	Holding percentage
Axis Bank Limited, holding company	581,050,000	100.00%	581,050,000	100.00%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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13. Other financial liabilities

	As at March 31, 2019	As at March 31, 2018
Lease equalisation reserve	11,595	5,900
Total other financial liabilities	**11,595**	**5,900**
Current	192	-
Non-current	11,403	5,900
Total other financial liabilities	**11,595**	**5,900**

14. Net employee defined benefits liabilities

	As at March 31, 2019	As at March 31, 2018
Provision for gratuity	21,196	13,445
Provision for compensated absences	18,622	26,825
Total net employee defined benefit liabilities	**39,819**	**40,270**
Current	20,537	28,211
Non-current	19,282	12,059
Total net employee defined benefit liabilities	**39,819**	**40,270**

In accordance with applicable Indian laws, the Group provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment of amounts that are based on salary and tenure of employment Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date.
The following tables summarises the components of net benefit expense recognised in the income statement and the funded status and amounts recognised in the balance sheet for the plan:

	As at March 31, 2019	As at March 31, 2018
Current Service cost	4,284	3,858
Interest cost on benefit obligation	905	679
Net benefit expense	**5,189**	**4,537**

Changes in the present value of the defined benefit obligation are, as follows :

	Amount in '000
Defined benefit obligation at April 1, 2017	**10,784**
Current Service cost	3,858
Past Service cost	1,856
Interest cost on benefit obligation	679
Benefits paid	(2,633)
Acquisition	(329)
Actuarial gains on obligation	(769)
Defined benefit obligation at March 31, 2018	**13,446**
Current Service cost	4,284
Past Service cost	-
Interest cost on benefit obligation	905
Benefits paid	(5,294)
Acquisition	1,417
Actuarial gains on obligation	6,438
Defined benefit obligation at March 31, 2019	**21,196**

The principal actuarial assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:

	As at March 31, 2019	As at March 31, 2018
Discount rate	6.80%	7.10%
Salary escalation rate	12.00%	10.50%
Withdrawal rate	28.40%	25.70%

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15. Trade and other payables

	As at March 31, 2019	As at March 31, 2018
Trade payables		
Trade payables	57,536	37,315
Trade payables - related parties (refer note 33)	305	-
Total trade payable	**57,841**	**37,315**
Other payables		
Accrued salaries and benefits	48,389	54,694
Payable to creditors for capital goods	4,166	2,457
Statutory liabilities payable	20,117	16,740
Advance from customers	102	1,279
Payable to related parties (refer note 33)	4,568	14,805
Payable to merchants	19,876	22,363
Other payables	423	-
Total other payables	**97,641**	**112,338**
Total trade and other payables	**155,482**	**149,653**
Current	155,482	149,653
Non-current	-	-
Total trade and other payables	**155,482**	**149,653**

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(All amounts in Rs. '000, except per share data and as stated other wise)

16. Revenue from operations

	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from commission fees (refer note 33)	86,375	93,341
Revenue from wallet maintenance fees (refer note 33 and 38)	847,859	126,914
Other operating revenue	7,131	10,894
Revenue from operations	**941,365**	**231,149**

17. Other income

	For the year ended March 31, 2019	For the year ended March 31, 2018
Liabilities no longer required written back	1,300	3,616
Other non-operating income	250	19
Total other income	**1,550**	**3,635**

18. Finance income

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income on bank deposits (refer note 33)	27,334	-
Interest income on loan given to related parties (refer note 33)	8,254	17,774
Unwinding of discount on financial assets at amortised cost	3,492	1,430
Gain on sale of current investments (net)	27,359	7,284
Mark to market gain on current investments	9,949	14,082
Total finance income	**76,388**	**40,570**

19. Service charges

	For the year ended March 31, 2019	For the year ended March 31, 2018
Payment gateway charges	38,233	55,153
Hosting charges	83,006	92,118
Total service charges	**121,239**	**147,271**

20. Advertisement and publicity expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Advertisement and other expenses	60,522	18,507
Business promotion expenses	-	(12,609)
Total advertisement and publicity expenses	**60,522**	**5,898**

21. Employee benefits expense

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	532,238	504,819
Employee stock option scheme (refer note 33)	-	(67,298)
Contribution to provident and other fund	14,616	7,185
Gratuity expense	5,190	6,393
Staff welfare expenses	11,430	5,488
Total employee benefit expenses	**563,474**	**456,587**

22. Depreciation expense

	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of property, plant and equipment (refer note 3)	24,483	17,382
Amortisation of intangible assets (refer note 4)	1,079	224
Total depreciation expense	**25,562**	**17,606**

23. Finance costs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Bank charges	12	327
Total finance costs	**12**	**327**

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24. Other expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Power and fuel	4,257	2,872
Rent	61,878	36,970
Bad debt	43	887
Payment to auditor (refer A below)	1,919	1,548
Legal and professional fees	41,116	22,251
Rates and taxes	3,096	4,333
Repairs and maintenance		
-Building	9,496	3,758
-Others	415	370
Travelling and conveyance	20,798	4,944
Software expenses	58,083	35,989
Loss on write off of fixed assets	9,894	2,148
Recruitment expenses	9,450	6,169
Loss due to technical configuration issues	5,937	343
Administrative & miscellaneous expenses	23,015	9,795
Total other expenses	**249,397**	**132,377**

(A) Payment to Auditors		
As auditor:		
Audit fee	1,400	1,401
Tax audit fee	100	100
Certification work	50	-
Out of pocket expenses	369	47
	1,919	1,548

25. Exceptional items

	For the year ended March 31, 2019	For the year ended March 31, 2018
Bad debt expenses on account of settlement with group companies (refer note 33)	-	330,581
	-	330,581

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26. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying Value		Fair Value	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial assets				
Investments at fair value through profit & loss	265,011	652,502	265,011	652,502
Other financial assets	120,430	311,481	120,430	311,481
Total	385,441	963,983	385,441	963,983
Financial liabilities				
Other financial liabilities	11,595	5,900	11,595	5,900
Total	11,595	5,900	11,595	5,900

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

(a) Long-term receivables are evaluated by the Company based on parameters such as interest rates, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

27. The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include, liquidity risk and market risk. The Board provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.
There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and short-term deposits), the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

Excessive risk concentration

Concentration arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Exposure to credit risk
The Company's maximum exposure to credit risk for the components of the statement of financial position as of March 31, 2019 is the carrying amounts as disclosed in note 9 (Trade receivables).

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Company. Cash and short-term deposits and investment securities that are neither past due nor impaired are placed with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired
Information regarding financial assets that are either past due or impaired is disclosed in note 9 (Trade receivables).

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company maintains a balance between continuity of funding and flexibility.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available.

c) Capital Management
The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.
The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

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(All amounts in Rs. '000, except per share data and as stated other wise)

28. Earnings/(Loss) per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Loss for the year attributable to equity share holders of the Company (A)	(903)	(815,293)
Weighted average number of equity shares in calculating basic and diluted EPS (Nos) (B)	581,050,000	515,488,356
Basic and diluted loss per equity share (Rs.) (A/B)	(0.00)	(1.58)

29. Segment information
The Company's primary business to provide, promote, develop, design, set-up, maintain, operate, market and carry on the business of all types of physical, electronic and virtual payment system services, e-wallets, mobile wallets, pre-paid instruments, whether open, closed, semi-closed, cash card, payment gateways service. Accordingly, there are no other reportable business or geographical segments to be disclosed as per notified Ind AS - 108 "Operating Segments".

30. Commitments and contingencies
a. Leases
The Company has operating leases for its office premises. The lease arrangements for premises have been entered up to a maximum of 5 years from date of inception. Total lease payments recognised in the statement of profit and loss for the year is Rs 61,878 (Mrach 31, 2018 Rs. 36,970). Future minimum lease rentals payable under non-cancellable operating leases are as follows:

Future minimum rentals payable under non-cancellable operating leases are as follows:

	As at March 31, 2019	As at March 31, 2018
Within one year	58,439	30,138
After one year but not more than five years	57,468	38,672
More than five years	-	-
Total	**115,907**	**68,810**

b. Contingent liabilities
Contingent liabilities as at March 31, 2019 :Rs. Nil (March 31, 2018: Rs Nil)

c. Capital commitments and other commitments
At March 31, 2019, the Company has commitments of Rs.Nil (March 31, 2018: Rs 538) net of advances relating to capital contracts.

31. Disclosure required under section 186(4) of the Companies Act, 2013

Included in loans given to related parties (refer note 8) are certain inter corporate deposits the particulars of which are disclosed below as required by section 186(4) of Companies Act, 2013:

Name of the loanee	Rate of Interest	Due date	Secured/ unsecured	As at March 31, 2019	As at March 31, 2018
Accelyst Solutions Private Limited	14%	On demand	Unsecured	294,000	-

The above stated loans excludes interest accrued as disclosed in note 5, and have been utilized for meeting their working capital requirements.

32. Amounts due to micro and small enterprises under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 aggregate to Rs. Nil based on the information available with the Company:

		March 31, 2019	March 31, 2018
a)	The principal amount and the interest due thereon Nil remaining unpaid to any supplier as at the end of each accounting year.	183.3	-
b)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	168.8	-
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year;	177.7	-
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

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33. Related party disclosures

a) Names of related parties where control exists and/or with whom transactions have taken place during the year

Holding Company — Axis Bank Limited (w.e.f Oct 7, 2017); Jasper Infotech Private Limited (upto Oct 6, 2017)

b) Names of other related parties with whom transactions have taken place during the year

Key management personnel (KMP) — Mr. Sangram Singh, Managing Director and CEO (appointed as Managing Director w.e.f. 08.05.18); Mr. Anshul Kheterpal, Chief Financial Officer; Mr. Samarth Govila, Company Secretary

Fellow subsidiary — Accelyst Solutions Private Limited

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year:

	From April 1, 2018 to March 31, 2019			From April 1, 2017 to March 31, 2018		
	Holding Company	Fellow subsidiary	Key management personnel	Holding Company	Fellow subsidiary	Key management personnel
Transactions during the period						
Revenue from operations (refer note 16)						
Axis Bank Limited	847,907	-	-	126,914	-	-
Jasper Infotech Private Limited	-	-	-	1,709	-	-
Accelyst Solutions Private Limited	-	30,890	-	-	48,584	-
Finance Income (refer note 18)						
Axis Bank Limited	27,334	-	-	-	-	-
Accelyst Solutions Private Limited	-	8,254	-	-	17,774	-
Rent						
Axis Bank Limited	259	-	-	-	-	-
Bank Charges						
Axis Bank Limited	4	-	-	-	-	-
Advertisement and publicity expenses (net)						
Jasper Infotech Private Limited	-	-	-	6,767	-	-
Axis Bank Limited	2,796	-	-	-	-	-
Accelyst Solutions Private Limited	-	789	-	-	-	-
Cross charge of salary cost to (net)						
Accelyst Solutions Private Limited	-	43,323	-	-	-	-
Reimbursement of expenses (net)						
Axis Bank Limited	-	-	-	1,002	-	-
Jasper Infotech Private Limited	-	-	-	34,046	-	-
Accelyst Solutions Private Limited	-	4,931	-	-	37,594	-
Employee stock option scheme (refer note 21)						
Jasper Infotech Private Limited	-	-	-	(67,298)	-	-
Bad debt expenses on account of settlement with group companies (refer note 25)						
Jasper Infotech Private Limited	-	-	-	330,581	-	-
Loan given (refer note 8)						
Jasper Infotech Private Limited	-	-	-	-	-	-
Accelyst Solutions Private Limited	-	294,000	-	-	504,500	-
Loan repayment received						
Accelyst Solutions Private Limited	-	-	-	-	704,500	-
Transfer of employee liability						
Axis Bank Limited	1,648	-	-	-	-	-
Purchase of capital goods (refer note 3)						
Jasper Infotech Private Limited	-	-	-	2,399	-	-
Accelyst Solutions Private Limited	-	6,452	-	-	-	-
Issue of equity shares (refer note 12)						
Axis Bank Limited	-	-	-	1,000,000	-	-
Jasper Infotech Private Limited	-	-	-	220,000	-	-
Salary, bonus and contribution to PF*	-	-	33,672	-	-	22,059
Balance as at the period end:						
Equity Share Capital (refer note 12)						
Axis Bank Limited	5,810,500	-	-	5,810,500	-	-
Trade receivables (refer note 9)						
Axis Bank Limited	69,104	-	-	51,834	-	-
Jasper Infotech Private Limited				-	-	-
Accelyst Solutions Private Limited	-	3,075	-	-	3,783	-
Trade Payables (refer note 15)						
Axis Bank Limited	305	-	-	-	-	-
Other Payables (refer note 15)						
Axis Bank Limited	4,568	-	-	14,805	-	-
Loan given (refer note 8)						
Accelyst Solutions Private Limited	-	294,000	-	-	-	-
Other financial asset (refer note 5)						
Axis Bank Limited	6,225			38,644	-	-
Accelyst Solutions Private Limited	-	30,494	-	-	191,916	-
Bank balances othe than above (refer note 11)						
Axis Bank Limited	478,834	-	-	-	-	-
Cash and cash equivalents (refer note 10)						
Axis Bank Limited	2,519	-	-	175,436	-	-
Accrued salaries and benefits *	-	-	8,402	-	-	4,148

* Remuneration and other benefits of key managerial persons does not includes the provisions made for gratuity and leave benefits, as they are determined on an accrued basis for the Company as a whole.

Terms and Conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

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(All amounts in Rs. '000, except per share data and as stated other wise)

34. Expenditure in foreign currency (on accrual basis)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Expenditure:		
Software expenses	28,886	10,738
Recruitment expenses	347	6
Total	**29,233**	**10,744**

There were no earnings in foreign curreny during current and previous year.

35. Unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure as at the reporting date

Particulars	Amount
Unhedged foreign currency payable	Rs 826 (USD 11,944 @Closing rate of 1USD = Rs 69.1713) March 31, 2018: Rs 6 (USD 97 @Closing rate of 1USD = Rs 65.04)

No derivative is taken by the company to hedge these foreign currency payables

36. Employee stock option plan

During previous year, certain employees of the Company were given stock options of Jasper Infotech Private Limited (' former holding company') as per stock option scheme. The scheme is assessed, managed and administered by the holding company. In accordance with the share purchase agreement entered between 'M/s Jasper Infotech Private Limited' and 'M/s Axis Bank Limited', all existing employees (subject to one employee with specific conditions) of the Company have surrendered vested and unvested options of the holding company.

In accordance with para 43A of Ind AS 102 "Share Based Payments", in the previous year ended March 31, 2018, the Company has reversed cost amounting to Rs 67,298 on account of the same. Further, the company had recorded bad debt of Rs 334,004 on account of settlement for the total stock option cost cross charged by the holding company, during such period.

37. Indian Accounting Standard (Ind AS), issued but not effective

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.
Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.
Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.
The Company intends to adopt these standards from 1 April2019. Though the Company has various leases, however the adoption of this standard is likely to have a minimal net impact in its retained earnings.

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38. During the previous year, as per directions and approval from RBI , the Company has transferred its customers holding the PPI to Axis Bank Limited on January 17, 2018. As per the approved Memorandum of Procedures, the Company transferred its entire customer liability and related escrow bank balance to Axis Bank Limited as of the close of business hours on January 16, 2018 . From January 17, 2018 onwards, all transactions relating to customer wallet are accounted by Axis Bank Limited in its books and the Company only acts as an aggregator of merchants. Further, as per the agreement entered, w.e.f. 17th January, 2018 the Company has recorded revenue of Rs 847,859 (March 31, 2018: Rs. 126,914) from Axis Bank Limited by charging relevant cost for the PPI business as "Wallet Management Fee"

39. On March 27, 2018, the Board of Directors approved a scheme for Amalgamation (the Scheme) of Accelyst Solutions Pvt. Ltd (ASPL), a wholly owned subsidiary of Axis Bank Limited, into and with Freecharge Payment Technologies Pvt. Ltd. (FCPTL). Pursuant to the said scheme upon completion of proposed amalgamation, FCPTL would issue shares to the shareholders of ASPL on the basis of share swap ratio as described in the scheme. The appointed date for the amalgamation is October 7, 2017 and the effect of merger will be given in the books from this date. Due to change in registered office address of Freecharge, the said scheme was later modified vide board resolution dated May 8, 2018 to incorporate the new registered office address.

Subsequently, on June 1, 2018 an application {CA(CAA)-103(ND)/2018} to approve the Scheme was filed with the National Company Law Tribunal, New Delhi. By an order dated July 30, 2018, the Hon'ble NCLT passed the orders directing to convene meeting of unsecured creditors and equity shareholders on September 10, 2018 and September 16, 2018 respectively to seek their consent on the Scheme. The order also provided for various matters related thereto e.g. publication to notice, appointment of chairman & Scrutinizer, notice to statutory authorities etc. At the meeting held on aforesaid dates, the Scheme was approved by Unsecured creditors and shareholders with requisite majority. Subsequently, on September 28, 2018 a Petition has been filed in NCLT, Delhi for the approval of scheme.

Thereafter by an order dated November 26, 2018 NCLT fixed date of hearing for December 10, 2018 and directed the company to give notice to all authorities and publish newspaper notice of hearing. All such directions were duly complied with. On December 10, 2018 the hearing was deferred for Jan 28, 2019. Since then, hearing has been adjourned to different dates from Jan 28, 2019 to Feb. 20, 2019 to March 12, 2019 to April 2, 2019. The matter is now listed for hearing on April 23, 2019.

40. Previous year figures have been regrouped / reclassified, where necessary, to conform to current year's classification.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

per Nilangshu Katriar
Partner
Membership Number: 058814

Place of Signature:
Date: April 17, 2019

S.R. BATLIBOI & CO. LLP * GURUGRAM *

For and on behalf of the Board of Directors of
Freecharge Payment Technologies Private Limited

Sangram Singh
Managing Director and
Chief Executive Officer

Jairam Sridharan
Director

Anshul Kheterpal
Chief Financial Officer

Samarth Govila
Company Secretary