

<b>Spaisa P2P Limited</b>			
<b>Standalone Balance Sheet as at March 31, 2021</b>			
(₹ in Millions)			
Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>I ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	3	3.86	0.51
(b) Bank balance other than (a) above	4	0.01	0.01
(c) Receivables			
(I) Trade receivables		-	-
(II) Other receivables		-	-
(d) Loans		-	-
(e) Investments	5	33.76	52.48
(f) Other financial assets	6	15.33	0.13
<b>Sub total</b>		<b>52.96</b>	<b>53.13</b>
<b>(2) Non-Financial Assets</b>			
(a) Current tax assets (net)		-	0.29
(b) Deferred tax assets (net)	7	8.76	0.10
(c) Intangible assets under development		-	17.06
(d) Other intangible assets	8	15.70	-
(e) Other non-financial assets	9	5.30	3.50
<b>Sub total</b>		<b>29.76</b>	<b>20.95</b>
<b>Total</b>		<b>82.72</b>	<b>74.08</b>
<b>II LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(a) Payables	10		
(I) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		13.55	0.82
(II) Other payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		10.37	0.23
(b) Borrowings (Other than debt securities)		-	-
(c) Other financial liabilities	11	12.22	0.32
<b>Sub total</b>		<b>36.14</b>	<b>1.37</b>
<b>(2) Non-Financial Liabilities</b>			
(a) Current tax liabilities (net)		-	-
(b) Provisions	12	0.50	0.24
(c) Other non-financial liabilities	13	0.17	0.27
<b>Sub total</b>		<b>0.67</b>	<b>0.51</b>
<b>(3) Equity</b>			
(a) Equity share capital	14	72.50	72.50
(b) Other equity	15	(26.59)	(0.30)
<b>Sub total</b>		<b>45.91</b>	<b>72.20</b>
<b>Total</b>		<b>82.72</b>	<b>74.08</b>
See accompanying notes forming part of Standalone Financial Statements	1 to 34		

As per our attached report of even date

**For V Sankar Aiyar & Co.**  
Chartered Accountants  
Firm's Registration No.109208W  
By the hand of

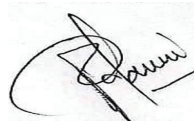


**G.Sankar**  
Partner  
Membership No.: 046050



Place : Mumbai  
Dated : April 20, 2021

**For and on behalf of Board of Directors**



**Prakarsh Gagdani**  
Director  
(DIN: 07376258)



**Mayur Dedhia**  
Director  
(DIN: 08393396)





**Gourav Munjal**  
Additional Director  
(DIN: 06360031)

## Spaisa P2P Limited

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

(₹ in Millions)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Revenue from operations</b>			
(a) Interest income	16	-	1.29
(b) Fees and commission income	17	5.55	-
<b>(I) Total revenue from operations</b>		<b>5.55</b>	<b>1.29</b>
(a) Other income	18	1.59	1.56
<b>(II) Total income</b>		<b>7.14</b>	<b>2.85</b>
<b>(III) Expenses</b>			
(a) Finance cost	19	-	0.02
(b) Employee benefits expense	20	12.01	0.13
(c) Depreciation, amortization and impairment	21	6.92	-
(d) Other expenses	22	23.06	2.80
<b>(III) Total expenses</b>		<b>41.99</b>	<b>2.95</b>
<b>(IV) Profit/(Loss) before tax (II-III)</b>		<b>(34.85)</b>	<b>(0.10)</b>
(V) Tax expense:			
(1) Current tax		-	-
(2) Deferred tax	23	(8.64)	(0.09)
<b>(VI) Profit/(Loss) after tax for the year (IV-V)</b>		<b>(26.21)</b>	<b>(0.01)</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss		(0.10)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.02	-
<b>Other Comprehensive Income (VII)</b>		<b>(0.07)</b>	<b>-</b>
<b>Total Comprehensive Income for the year (VI) + (VII)</b>		<b>(26.28)</b>	<b>(0.01)</b>
<b>Earnings per equity share of face value of ₹ 10 each</b>			
Basic in (₹)*	24	(3.62)	(0.00)
Diluted in (₹)*		(3.62)	(0.00)
See accompanying notes forming part of Standalone Financial Statements	1 to 34		

@Amount is less than ₹ 0.01 million ,hence shown ₹ 0.00 million.

As per our attached report of even date

**For V Sankar Aiyar & Co.**

Chartered Accountants

Firm's Registration No.109208W

By the hand of



**G.Sankar**

Partner

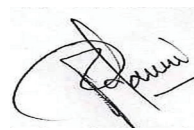
Membership No.: 046050



Place : Mumbai

Dated : April 20, 2021


**For and on behalf of Board of Directors**



**Prakarsh Gagdani**

Director

(DIN: 07376258)



**Mayur Dedhia**

Director

(DIN: 08393396)




**Gourav Munjal**

Additional Director

(DIN: 06360031)

**Spaisa P2P Limited**

**Statement of Changes in Equity for the year ended March 31, 2021**

**A. Equity Share Capital**

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions
Equity Shares				
At the beginning of the year	72,50,000	72.50	20,50,000	20.50
Add: Shares issued during the year	-	-	52,00,000	52.00
<b>Closing at the end of year</b>	<b>72,50,000</b>	<b>72.50</b>	<b>72,50,000</b>	<b>72.50</b>

**B. Other Equity**

(₹ in Millions)

Particulars	Reserves and Surplus				Other items of Other Comprehensive Income	Total
	Securities Premium Reserve	Capital Reserve	Retained Earnings	Share options outstanding account		
Balance as at March 31, 2019	-	-	(0.29)	-	-	(0.29)
Total Comprehensive Income for the year	-	-	(0.01)	-	-	(0.01)
<b>Balance as at March 31, 2020</b>	<b>-</b>	<b>-</b>	<b>(0.30)</b>	<b>-</b>	<b>-</b>	<b>(0.30)</b>
Total Comprehensive Income for the year	-	-	(26.21)	-	(0.07)	(26.28)
<b>Balance as at March 31, 2021</b>	<b>-</b>	<b>-</b>	<b>(26.52)</b>	<b>-</b>	<b>(0.07)</b>	<b>(26.59)</b>

See accompanying notes forming part of Standalone Financial Statements (1 to 34)

As per our attached report of even date

**For V Sankar Aiyar & Co.**

Chartered Accountants  
Firm's Registration No.109208W  
By the hand of

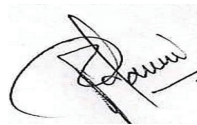


**G.Sankar**  
Partner  
Membership No.: 046050

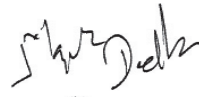


Place : Mumbai  
Dated : April 20, 2021

**For and on behalf of Board of Directors**



**Prakarsh Gagdani**  
Director  
(DIN: 07376258)



**Mayur Dedhia**  
Director  
(DIN: 08393396)



**Gourav Munjal**  
Additional Director  
(DIN: 06360031)



<b>Spaisa P2P Limited</b>		
<b>Standalone Cash Flow Statement for the year ended March 31, 2021</b>		
(₹ in Millions)		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash Flows From Operating Activities</b>		
Net Profit/(Loss) before taxation	(34.85)	(0.10)
<b>Adjustments for:</b>		
Employee benefit expenses - share based	0.50	0.24
Interest Expenses	-	0.02
Capital Gain on Investments	-	(0.14)
Interest Income	-	(1.67)
Net Loss/(Gain) on Fair Value of Investments	(1.58)	(1.04)
<b>Operating Profit/(Loss) Before Working Capital Changes</b>	<b>(35.93)</b>	<b>(2.69)</b>
(Increase)/Decrease in Other Non financial Liabilities	(0.10)	0.25
(Increase)/Decrease in Other Financial Assets	(15.27)	(0.04)
Increase/(Decrease) in Financial Liabilities	11.90	0.32
(Increase)/Decrease in Other Non-Financial Assets	(1.80)	(3.50)
Increase/(Decrease) in Provisions	(0.24)	-
Increase/(Decrease) in Trade Payable	12.72	0.82
Increase/(Decrease) in Other Payable	10.14	0.03
<b>Cash Generated From Operations</b>	<b>(18.57)</b>	<b>(4.80)</b>
Taxes	0.26	(0.18)
<b>Net cash generated/(used in) from operating activities (A)</b>	<b>(18.31)</b>	<b>(4.98)</b>
<b>Cash Flows From Investing Activities</b>		
(Purchase)/Sale of PPE & Intangible Assets (net)	1.36	(17.06)
Purchase of Investments	-	(52.48)
Sale of Investments	18.72	-
Net Loss/(Gain) on Fair Value of Investments	1.58	1.04
Interest received	-	1.67
Capital Gain on Investments	-	0.14
Fixed Deposit with banks	-	20.00
<b>Net cash flow generated/(used in) investing activities (B)</b>	<b>21.66</b>	<b>(46.69)</b>
<b>Cash Flows From Financing Activities</b>		
Increase in Share Capital	-	52.00
Interest Expenses	-	(0.02)
<b>Net cash flow generated/(used in) financing activities (C)</b>	<b>-</b>	<b>51.98</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>3.35</b>	<b>0.29</b>
Cash and Cash Equivalents at Beginning of Year	0.51	0.22
Cash and Cash Equivalents at End of Period	3.86	0.51
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>3.35</b>	<b>0.29</b>
<b>See accompanying notes forming part of the Standalone Financial Statements (1 to 34)</b>		

As per our attached report of even date

For V Sankar Aiyar & Co.

Chartered Accountants

Firm's Registration No.109208W

By the hand of

*G.Sankar*

**G.Sankar**

Partner

Membership No.: 046050

Place : Mumbai

Dated : April 20, 2021



For and on behalf of Board of Directors

*Prakarsh Gagdani*

**Prakarsh Gagdani**

Director

(DIN: 07376258)

*Gourav Munjal*

**Gourav Munjal**

Additional Director

(DIN: 06360031)

*Mayur Dedhia*

**Mayur Dedhia**

Director

(DIN: 08393396)



## 5paisa P2P Limited

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

#### Note 1. Corporate Information:

5paisa P2P Ltd. ("the Company") was incorporated on December 17, 2017 with the objective to provide an online marketplace to the participants involved in peer to peer lending and also to act as a distributor of financial products. The company has received approval from RBI to commence its business as NBFC P2P and the company has started its P2P activities.

#### Note 2. Significant Accounting Policies and Key Accounting Estimates and Judgements

##### 2.1 Significant Accounting Policies:

###### a) Basis of Preparation of Standalone financial statements:

The financial statement for the year ended 31 March 2021 has been prepared in accordance with Indian Accounting Standard ('Ind AS'). The Company is covered under the definition of NBFC and the Ind AS is applicable under Phase II as defined in notification dated 30th March 2016 issued by Ministry of Corporate Affairs (MCA), since the company is a listed company.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Sec 133 of the Companies Act ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter and under the historical cost convention on accrual basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value (refer accounting policy regarding financial instruments)
Net defined benefit assets / liability	Fair value of plan assets less present value of defined benefit obligations
Share based payment	Fair value (refer accounting policy regarding financial instruments)

These Financial Statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). These Financial Statements of the Company are presented in Indian Rupees ("INR"), which is also the Company's functional currency and all values are rounded to nearest Millions upto two decimal places, except otherwise indicated

The Standalone financial statements for the year ended March 31, 2021 are being authorized for issue in accordance with a resolution of the directors on April 20, 2021.

###### b) Intangible assets:

###### Measurement at recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets with finite useful life are carried at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets with indefinite useful lives, that are acquired separately, are carried at cost/fair value at the date of acquisition less accumulated impairment loss, if any.

Expenditure on software development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

###### Amortization:

Intangible Assets with finite lives are amortized on a Straight Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss.

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Estimated useful economic life of the assets is as under:

Class of assets	Useful life in years
Software	3

###### Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

###### c) Impairment of Non-Financial Assets

Assets that have an indefinite useful life are not subject to amortization and are tested for impairment annually or whenever there is an indication that the asset may be impaired. Assets that are subject to depreciation and amortization are reviewed for impairment whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

## 5paisa P2P Limited

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

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expenses. After impairment (if any), depreciation/ amortisation is provided on the revised carrying amount of the assets over its remaining life.

Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

#### d) 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 instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

#### Financial assets

##### Initial recognition and measurement:

Trade Receivables, Loans and Deposits are initially recognized when they are originated. The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

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

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

Trade receivables that do not contain a significant financing component are measured at transaction price.

##### Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i) The Company business model for managing the financial asset and
- ii) The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i) Financial assets measured at amortized cost
- ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii) Financial assets measured at fair value through profit or loss (FVTPL)

##### i. Financial assets measured at amortized cost:

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

- a) The Company business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated. Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

This category generally applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

## 5paisa P2P Limited

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

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

#### ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

a) The business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are measured initially as well as at each reporting date at fair value. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss.

As at the balance sheet date, there are no financial assets which are measured at FVOCI.

#### iii. Investments in equity instruments at FVTOCI:

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. Dividend from these investments are recognised in the Statement of Profit and Loss when the Company right to receive dividends is established. As at the reporting dates, there are no equity instruments measured at FVOCI.

#### iv. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiaries. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTPL. The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in Statement of Profit and Loss. The Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

#### Reclassifications:

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Company's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below.

#### Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a similar financial assets) is derecognized (i.e. removed from the Balance Sheet) when any of the following occurs:

i. The contractual rights to cash flows from the financial asset expires;

ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

iv. The Company neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

## 5paisa P2P Limited

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

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#### Impairment of financial assets:

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables and lease receivables
- ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as i and ii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

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 effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL area portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

#### e) Financial Liabilities and equity:

##### Initial recognition and measurement:

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

##### Subsequent measurement:

All financial liabilities are initially recognised at fair value net of transaction cost that are attributable to the separate liabilities. All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

##### Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

##### Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.



## 5paisa P2P Limited

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

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#### i) Fair Value:

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. 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 fair value of an asset or 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. 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 categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs for assets or liabilities that are not based on observable market data.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

#### f) Income Taxes:

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

##### Current tax:

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted 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). 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 balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the reporting date. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The tax effects of income tax losses, available for carry forward, are recognised as deferred tax asset, when it is probable that future taxable profits will be available against which these losses can be set-off.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Additional taxes that arise from the distribution of dividends by the Company are recognised directly in equity at the same time as the liability to pay the related dividend is recognised.

##### Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are

recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

## 5paisa P2P Limited

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

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#### g) Provisions and Contingencies:

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risk & uncertainties surrounding the obligation.

If the effect of 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 recognized as a finance cost.

The Company in the normal course of its business, comes across client claims/ regulatory penalties/ inquiries, etc. and the same are duly clarified/ addressed from time to time. The penalties/ actions if any are being considered for disclosure as contingent liability only after finality of the representation of appeals before the lower authorities.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets are disclosed only where an inflow of economic benefits is probable.

#### h) Statement of Cash Flows :

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- changes during the period in operating receivables and payables transactions of a noncash nature;
- non-cash items such as depreciation, provisions, deferred taxes and unrealised foreign currency gains and losses.
- all other items for which the cash effects are investing or financing cash flows.

#### i) Cash and Cash Equivalents :

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances.

#### j) Revenue Recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognizes revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the contract price to the performance obligations in the contract: For contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

Income from services rendered as a broker is recognised upon rendering of the services on a trade date basis, in accordance with the terms of contract. Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant. Commission and fees recognized as aforesaid are exclusive of goods and service tax, securities transaction tax, stamp duties and other levies by SEBI and stock exchanges.

Advances received from customers in respect of contracts are treated as liabilities and adjusted against progress billing as per terms of the contract. Progress payments received are adjusted against amount receivable from customers in respect of the contract work performed. Amounts retained by the customers until the satisfactory completion of the contracts are recognised as receivables.

#### ja) Other Income

Interest is earned on delayed payments from customers and amounts funded to them as well as term deposits with banks. Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable. Dividend income is recognised when the right to receive the dividend is established.

## 5paisa P2P Limited

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

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Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability

Gains / losses on dealing in securities are recognized on a trade date basis.

#### k) Employee Benefits

##### Share-based payment arrangements:

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Securities premium includes the difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.

##### Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

##### Post-Employment Benefits:

###### I. Defined contribution plans:

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company contributions to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate. The Company and its Indian subsidiaries operate defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees and the Company operates a Superannuation scheme for eligible employees.

Recognition and measurement of defined contribution plans: The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceed the contributions already paid, the deficit payable 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 reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

###### II. Defined benefit plans:

ii) Gratuity scheme: The Company, operates a gratuity scheme for employees.

##### Recognition and measurement of defined benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost if any and net interest on the defined benefit liability (asset) are recognized in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

Other Long Term Employee Benefits: Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

##### Other Employee Benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be availed in twelve months immediately following the year in which the employee has rendered service are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits.

## 5paisa P2P Limited

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

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#### **l) Borrowing Cost:**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, 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 capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

#### **m) Earning Per Share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

#### **n) Segment Reporting :**

The Company's business is to provide broking services, to its clients, in the capital markets in India. All other activities of the Company are ancillary to the main business. As such, there are no reportable segments that need to be reported separately as defined in Ind AS 108, Operating Segments.

### **2.2 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Estimates and underlying assumptions are reviewed on ongoing basis. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The Company makes certain judgments and estimates for valuation and impairment of financial instruments, fair valuation of employee stock options, useful life of property, plant and equipment, deferred tax assets and retirement benefit obligations. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

#### **a. Income taxes**

The Company tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Further Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases.

#### **b. Determination of the estimated useful lives of tangible assets**

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

#### **c. Defined Benefit Obligation**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds corresponding to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. Further details are disclosed in Note 17.

#### **d. Fair value measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

#### **e. Impairment of financial assets**

The provision for expected credit loss involves estimating the probability of default and loss given default based on the Company own experience & forward looking estimation.

#### **f. Provision for litigations**

In estimating the final outcome of litigation, the Company applies judgment in considering factors including experience with similar matters, past history, precedents, relevant and other evidence and facts specified to the matter. Application of such judgment determines whether the Company requires an accrual or disclosure in the financial statements.

## Spaisa P2P Limited

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

### Note 3 : Cash and cash equivalents

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Cash &amp; Cash equivalents</b>		
Cash in hand	-	-
<b>Balances with bank:</b>		
In current accounts	1.20	0.51
In client accounts	2.66	-
<b>Total Cash &amp; Cash equivalents</b>	<b>3.86</b>	<b>0.51</b>

### Note 4 : Bank balance other than above

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposits with banks	0.01	0.01
<b>Total</b>	<b>0.01</b>	<b>0.01</b>

### Note 5 : Investments

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>At fair value through profit or loss</b>		
<b>Investment in Mutual Funds :-</b>		
ICICI Prudential liquid fund (110,777.238 Units NAV @304.73) (PY - 1,78,635.70 Units NAV @293.78)	33.76	52.48
<b>Total</b>	<b>33.76</b>	<b>52.48</b>
- Investment outside India	-	-
- Investment in India	33.76	52.48
<b>Total</b>	<b>33.76</b>	<b>52.48</b>

### Note 6 : Other Financial Assets

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Client Account	14.84	-
Interest Accrued but not due	0.48	-
Receivable from related parties (Refer note 29)	-	0.13
<b>Total</b>	<b>15.33</b>	<b>0.13</b>

**Spaisa P2P Limited**

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

**Note 7 :- Deferred tax assets (net)**

(₹ in Millions)

Particulars	As at March 31, 2021			
	Opening balance As at April 1, 2020	Recognised in profit or loss	Recognised in/reclassified from OCI	Closing balance As at March 31, 2021
<b>Deferred tax assets:</b>				
Compensated absences and retirement benefits	0.06	0.04	0.02	0.13
Tax on business Loss carry-forward	0.19	9.64	-	9.83
Others	0.11	(0.11)	-	0.00
<b>Total deferred tax assets (a)</b>	<b>0.36</b>	<b>9.57</b>	<b>0.02</b>	<b>9.96</b>
<b>Deferred tax liabilities:</b>				
Depreciation on property, plant and equipment	-	(0.54)	-	(0.54)
Unrealised profit on investments	(0.26)	(0.40)	-	(0.66)
<b>Total deferred tax liabilities (b)</b>	<b>(0.26)</b>	<b>(0.93)</b>	<b>-</b>	<b>(1.19)</b>
<b>Deferred tax assets (a) + (b)</b>	<b>0.10</b>	<b>8.64</b>	<b>0.02</b>	<b>8.76</b>

(₹ in Millions)

Particulars	As at March 31, 2020			
	Opening balance As at April 1, 2019	Recognised in profit or loss	Recognised in/reclassified from OCI	Closing balance As at March 31, 2020
<b>Deferred tax assets:</b>				
Compensated absences and retirement benefits	-	0.06	-	0.06
Tax on business Loss carry-forward	-	0.19	-	0.19
Others	-	0.11	-	0.11
<b>Total deferred tax assets (a)</b>	<b>-</b>	<b>0.36</b>	<b>-</b>	<b>0.36</b>
<b>Deferred tax liabilities:</b>				
Unrealised profit on investments	-	(0.26)	-	(0.26)
<b>Total deferred tax liabilities (b)</b>	<b>-</b>	<b>(0.26)</b>	<b>-</b>	<b>(0.26)</b>
<b>Deferred tax assets (a) + (b)</b>	<b>-</b>	<b>0.10</b>	<b>-</b>	<b>0.10</b>

**Spaisa P2P Limited**

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

**Note 8 : Intangible Assets**

(₹ in Millions)

Particulars	Software	Total
<b>Cost:</b>		
As at March 31, 2020	-	-
Addition	22.62	22.62
Disposals/Transfers	-	-
<b>As at March 31, 2021</b>	<b>22.62</b>	<b>22.62</b>
<b>Accumulated Depreciation:</b>		
As at March 31, 2020	-	-
Depreciation charge for the year	6.92	6.92
Disposals/Transfers	-	-
<b>As at March 31, 2021</b>	<b>6.92</b>	<b>6.92</b>

**Net Book Value:**

(₹ in Millions)

Particulars	Software	Total
As at March 31, 2020	-	-
<b>As at March 31, 2021</b>	<b>15.70</b>	<b>15.70</b>

**Spaisa P2P Limited****Notes Forming Standalone Financial Statements for the year ended March 31, 2021****Note 9 : Other Non-Financial Assets**

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	0.03	0.03
GST credit receivable	3.94	2.97
Other advances	1.33	0.50
<b>Total</b>	<b>5.30</b>	<b>3.50</b>

**Note 10 : Payables**

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(I) Trade Payable</b>		
(i) total outstanding dues of micro enterprises and small enterprises		-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13.55	0.82
<b>Total (a)</b>	<b>13.55</b>	<b>0.82</b>
<b>(II) Other Payable</b>		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		
(a) Other Trade Payables	0.03	0.02
(b) Accrued Salaries & Benefits	-	0.00
(c) Provision for Expenses	10.34	0.20
<b>Total (b)</b>	<b>10.37</b>	<b>0.23</b>
<b>Total (a+b)</b>	<b>23.92</b>	<b>1.05</b>

@Amount is less than ₹ 0.01 million ,hence shown ₹ 0.00 million.

The following disclosure is made as per the requirement under the Micro, Small and Medium Enterprises Development Act, 2016 (MSMED) on the basis of confirmations sought from suppliers on registration with the specified authority under MSMED:

Particulars	FY 2020-21	FY 2019-20
(a) Principal amount remaining unpaid to any supplier at the year end	-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the act	-	-



**Spaisa P2P Limited****Notes Forming Standalone Financial Statements for the year ended March 31, 2021****Note 11 : Other Financial Liabilities**

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Client account payable	11.95	-
Payable to related parties	0.27	-
Other payable	-	0.32
<b>Total</b>	<b>12.22</b>	<b>0.32</b>

**Note 12 : Provisions**

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for leave encashment	0.23	0.12
Provision for gratuity (non funded)	0.27	0.12
<b>Total</b>	<b>0.50</b>	<b>0.24</b>

**Note 13 : Other Non-Financial Liabilities**

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues	0.17	0.27
<b>Total</b>	<b>0.17</b>	<b>0.27</b>

## 5paisa P2P Limited

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

### Note 14 : Equity Share Capital

#### a. The Authorised, Issued, Subscribed and Paid up Share Capital:

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorized Share Capital</b>		
At the beginning of the year	72.50	20.50
Add: Increase in authorised Share capital	-	52.00
<b>Closing at the end of year</b>	<b>72.50</b>	<b>72.50</b>
72,50,000 (Previous Year 72,50,000) Equity Shares of ₹ 10/- each	72.50	72.50
<b>Issued, Subscribed and Paid-up Share Capital</b>		
72,50,000 (Previous Year 72,50,000) Equity Shares of ₹ 10/- each fully paid-up	72.50	0.00

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions
<b>Equity Shares</b>				
At the beginning of the year	72,50,000	72.50	20,50,000	20.50
Add: Shares issued during the year *	-	-	52,00,000	52.00
<b>Closing at the end of year</b>	<b>72,50,000</b>	<b>72.50</b>	<b>72,50,000</b>	<b>72.50</b>

\* During the previous year, the Board has Authorised the issue of right shares pursuant to Sec 62 of the Companies Act, 2013. Post rights issue the paid up share capital of the Company is 72.50 million i.e 72,50,000 equity shares of ₹ 10 each.

#### c. Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share.

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

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% of holding in the class	No. of Shares	% of holding in the class
<b>Equity share of ₹ 10 each fully paid up</b>				
5Paisa Capital Limited	72,50,000	100%	72,50,000	100%

e. During the period of five years immediately precedings the balance sheet date, the Company has not issued any shares without payment being received in cash or by any way of bonus shares or shares bought back.

### Note 15 : Other Equity

(₹ in Millions)

Particulars	Reserves and Surplus				Other items of Other Comprehensive Income	Total
	Securities Premium Reserve	Capital Reserve	Retained Earnings	Share options outstanding account		
Balance as at March 31, 2019	-	-	(0.29)	-	-	(0.29)
Total comprehensive income for the year	-	-	(0.01)	-	-	(0.01)
<b>Balance as at March 31, 2020</b>	<b>-</b>	<b>-</b>	<b>(0.30)</b>	<b>-</b>	<b>-</b>	<b>(0.30)</b>
Total comprehensive income for the year	-	-	(26.21)	-	(0.07)	(26.28)
<b>Balance as at March 31, 2021</b>	<b>-</b>	<b>-</b>	<b>(26.52)</b>	<b>-</b>	<b>(0.07)</b>	<b>(26.59)</b>

## 5paisa P2P Limited

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

### Note 16 : Interest Income

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on deposits with banks	-	1.29
<b>Total</b>	<b>-</b>	<b>1.29</b>

### Note 17 : Fees and Commission Income

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Processing & Commission fees income	5.55	-
<b>Total</b>	<b>5.55</b>	<b>-</b>

### Note 18 : Other Income

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income on		
- Income tax refund	0.01	-
- Interest Income Others	-	0.38
Capital Gain - Mutual Fund	-	0.13
Gain on Fair Value of Investments	1.58	1.04
<b>Total</b>	<b>1.59</b>	<b>1.56</b>

### Note 19 : Finance cost

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on borrowings	-	0.02
<b>Total</b>	<b>-</b>	<b>0.02</b>

### Note 20 : Employee Benefit Expenses

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and Bonus	11.29	0.10
Contribution to provident and other funds	0.43	0.01
Gratuity	0.07	0.01
Leave Encashment	0.21	0.01
<b>Total</b>	<b>12.01</b>	<b>0.13</b>

As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below:

#### A) Defined Benefit Plans:

##### (i) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Defined benefit obligation as at beginning of year</b>	<b>0.12</b>	<b>-</b>
Interest cost	0.01	-
Current service cost	0.07	0.01
Service Cost	-	-
Liability transferred In/ acquisitions	0.02	0.11
(Liability transferred out/ divestments)	(0.03)	-
(Benefit paid directly by the Employer)	-	-
(Benefit paid from the fund)	-	-
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(0.02)	-
Actuarial (gains)/losses on obligations - due to experience	0.12	-
<b>Defined benefit obligation at the end of the year</b>	<b>0.27</b>	<b>0.12</b>

## 5paisa P2P Limited

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

### (ii) Reconciliation of opening and closing balances of fair value of Plan Assets

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Change in the fair value of plan assets</b>	-	-
Fair value of plan assets at the beginning of the year	-	-
Interest income	-	-
Contributions by the employer	-	-
Expected return on plan assets (excluding interest)	-	-
Assets transferred in/acquisitions	-	-
(Benefit paid from the fund)	-	-
Return on Plan Assets, excluding interest income	-	-
<b>Fair value of plan assets at the end of the year</b>	-	-

### (iii) Amount Recognized in the Balance Sheet

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>(Present Value of Benefit Obligation at the end of the year)</b>	<b>(0.27)</b>	-
Fair value of Plan Assets at the end of the year	-	(0.12)
Funded Status (Surplus / (Deficit))	(0.27)	(0.12)
<b>Net (liability)/Asset recognized in the balance sheet (surplus/ (deficit))</b>	<b>(0.27)</b>	<b>(0.12)</b>

### (iv) Expenses recognised during the year

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>In Income statement</b>		
Current service cost	0.06	0.01
Net interest cost	0.01	-
Past service cost	-	-
<b>Expense recognised in the Statement of Profit and Loss under " Employee benefits expenses"</b>	<b>0.07</b>	<b>0.01</b>
<b>In other comprehensive income</b>		
Actuarial (gains)/Losses on obligation for the period	0.10	-
Return on plan assets, excluding interest income	-	-
Change in asset ceiling	-	-
<b>Net (income)/expense for the year recognized in OCI</b>	<b>0.10</b>	-

### (v) Balance sheet reconciliation

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Opening net liability</b>	<b>0.12</b>	-
Expenses Recognized in Statement of Profit or Loss	0.07	0.01
Expenses Recognized in OCI	0.10	-
Net Liability/(Asset) Transfer In	0.02	0.11
Net (Liability)/Asset Transfer Out	(0.03)	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	-	-
<b>Net liability/(asset) recognized in the balance sheet</b>	<b>0.27</b>	<b>0.12</b>

### (vi) Investment Details :

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Category of assets</b>		
Insurance fund	-	-
<b>Total</b>	-	-

## 5paisa P2P Limited

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

### (vii) Actuarial assumptions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Expected return on plan assets	6.57%	6.24%
Rate of discounting	6.57%	6.24%
Rate of salary increase	10.00%	10.00%
Rate of employee turnover	For service 4 years and below 42% p.a. & for service 5 years and above 1% p.a.	For service 4 years and below 42% p.a. & for service 5 years and above 1% p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Mortality rate after employment	N.A.	N.A.

(a) The estimate of future salary increase, considered in the actuarial valuation, takes into account inflation, seniority, promotion, increments and other

(b) The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.

### (viii) Sensitivity analysis :

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

Particulars	₹ in Millions	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Projected Benefit Obligation on Current Assumptions</b>	<b>0.27</b>	<b>0.12</b>
Delta Effect of +1% Change in Rate of Discounting	(0.05)	(0.02)
Delta Effect of -1% Change in Rate of Discounting	0.06	0.03
<b>Change in Salary Escalation Rate:</b>	-	-
Delta Effect of +1% Change in Rate of Salary Increase	0.06	0.03
Delta Effect of -1% Change in Rate of Salary Increase	(0.05)	0.02
<b>Change in Employee Turnover Rate:</b>	-	-
Delta Effect of +1% Change in Rate of Employee Turnover	(0.02)	(0.01)
Delta Effect of -1% Change in Rate of Employee Turnover	0.03	0.01
Weighted Average Duration of the Projected Benefit Obligation		

These plans typically expose the Company to following risks:

**Investment risk** :- The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Interest risk** :- A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Longevity risk** :- The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability

**Salary risk** :- The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

### (ix) Maturity Analysis of the Benefit Payments: From the Fund

Particulars	₹ in Millions	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Projected benefits payable in future years from the date of reporting :</b>		
1st Following Year	0.00	-
2nd Following Year	0.00	-
3rd Following Year	0.00	-
4th Following Year	0.00	-
5th Following Year	0.00	-
Sum of Years 6 To 10	0.02	-
Sum of Years 11 and above	1.15	-

@Amount is less than ₹ 0.01 million ,hence shown ₹ 0.00 million.

**5paia P2P Limited**

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

**B) Defined Contributions Plans**

The Company have recognised the following amounts as an expense in the Statement of Profit and Loss:

Particulars	(₹ in Millions)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Contribution to provident fund	0.31	0.00
Contribution to labour welfare fund	0.00	-
Contribution to EPS	0.13	0.00
<b>Total</b>	<b>0.43</b>	<b>0.01</b>

@Amount is less than ₹ 0.01 million ,hence shown ₹ 0.00 million.

**Note 21 : Depreciation, amortization and impairment**

Particulars	(₹ in Millions)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Amortization of intangible assets	6.92	-
<b>Total</b>	<b>6.92</b>	<b>-</b>

**Note 22 : Other Expenses**

Particulars	(₹ in Millions)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Advertisement	1.94	-
Statutory Charges	-	0.11
Business promotion Expense	1.03	-
Marketing Expenses	4.98	-
Bank Charges	0.04	0.02
Professional charges	4.99	2.11
Office Expenses	2.83	-
Subscription	-	0.07
Rates & Taxes	-	0.44
Remuneration to Auditors :		
- As auditors - Statutory Audit	0.03	0.01
- Out of pocket expenses	-	0.01
Software Charges	6.98	-
Travelling and Conveyance	0.24	0.05
<b>Total</b>	<b>23.06</b>	<b>2.80</b>

**Note 23 : Income Tax****Amount Recognised in profit or loss**

Particulars	(₹ in Millions)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Current tax expenses</b>		
Current Year (i)	-	-
<b>Deferred tax expenses</b>		
Origination/(reversal) of temporary differences (ii)	(8.64)	(0.09)
<b>Total (i) + (ii)</b>	<b>(8.64)</b>	<b>(0.09)</b>

**Reconciliation of effective tax rates :**

Particulars	(₹ in Millions)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Profit before tax</b>	<b>(34.85)</b>	<b>(0.10)</b>
Tax using domestic tax rates	25.17%	25.17%
Tax amount	(8.77)	(0.02)
<b>Tax effect of :</b>		
Non-deductible expenses	-	-
Tax-exempt income	-	-
Change in tax rate	-	-
Fair Value on Investment	-	-
Adjustments for current tax for prior periods	-	-
Recognition of previously unrecognised deductible temporary differences	0.13	(0.07)
<b>Total Income Tax Expense</b>	<b>(8.64)</b>	<b>(0.09)</b>

**5paia P2P Limited**

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

**Note 24 : Earning Per Share (EPS)**

(₹ in Millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Face value of equity shares in ₹ fully paid up	10	10
<b>BASIC</b>		
Profit after tax as per statement of profit and loss (A)	(26.21)	(0.01)
Weighted average number of equity shares outstanding (B)	72,50,000	49,83,333
<b>Basic Earning per Share (₹) A/B</b>	<b>(3.62)</b>	<b>(0.00)</b>
<b>DILUTED</b>		
Weighted average number of equity shares for computation of basic EPS	72,50,000	49,83,333
Weighted average number of equity shares for computation of diluted EPS (C)	72,50,000	49,83,333
<b>Diluted Earning per Share (₹) A/C</b>	<b>(3.62)</b>	<b>(0.00)</b>

**Note 25 : Capital, Other Commitments and Contingent Liabilities at Balance Sheet date:**

The Company is subject to legal proceedings and claims which arises in the ordinary course of the business. The Company does not have any commitments and contingent liabilities at balance sheet date.

**Note 26 : Assets pledged as security**

The Company does not have any assets pledged as security.

## Spaisa P2P Limited

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

### Note 27 :- Financial Risk Management

#### 27 A.1. Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investments, derivative financial instruments, other balances with banks, loans and other receivables and other financial asset.

#### Credit quality analysis

The following tables sets out information about the credit quality of financial assets measured at amortised cost, FVOCI debt investments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

Particulars	As at March 31, 2021			
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Other Financial Assets	15.33	-	-	15.33
Less : Impairment loss allowance	-	-	-	-
<b>Carrying amount</b>	<b>15.33</b>	<b>-</b>	<b>-</b>	<b>15.33</b>

Particulars	As at March 31, 2020			
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Other Financial Assets	0.13	-	-	0.13
Less : Impairment loss allowance	-	-	-	-
<b>Carrying amount</b>	<b>0.13</b>	<b>-</b>	<b>-</b>	<b>0.13</b>

#### 27 A.2. Collateral held

The Company does not holds collateral of securities and other credit enhancements against its credit exposures.

#### 27 A.3. Measurement of Expected Credit Loss

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

#### 27 B. Liquidity risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities and maintaining availability of standby funding through an adequate line up of committed credit facilities. It uses a range of products mix to ensure efficient funding from across well-diversified markets and investor pools. Treasury monitors rolling forecasts of the company's cash flow position and ensures that the company is able to meet its financial obligation at all times including contingencies.

The table below analyse the company financial liability into relevant maturity companying based on their contractual maturity. The amount disclosed in the table are the contractual undiscounted cash flows. Balance due within 1 year equals their carrying balances as the impact of discounting is not significant.

Particulars	Carrying amount up to 1 year				Carrying amount from 1 year to 5 year	
	As at	As at	As at	As at	As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2021	April 1, 2020	
Trade payables & other payable	23.92	1.05	-	-	-	
Other financial liabilities	12.22	0.32	-	-	-	
<b>Total</b>	<b>36.14</b>	<b>1.37</b>	<b>-</b>	<b>-</b>	<b>-</b>	

#### 27 C. Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in futures cash flows that may result from a change in the price of a financial instrument. The Company does not have any market risk as at balance sheet date.

#### 27 C.1. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate change does not affects significantly short term borrowing and current investment therefore the Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt and Non current investment. Company business is volatile and hence borrowings are done bases on requirement, generally borrowings are done for short term and are on market based interest rate. The Company does not have any borrowings as at balance sheet date.

#### 27 C.2. Fair value sensitivity analysis for fixed-rate instruments

The Company does not have any borrowings or any fixed-rate instruments as at balance sheet date.

#### 27 C.3. Exposure to currency risks

The Company does not have any exposure to foreign currency as at balance sheet date.

#### 27 C.4. Exposure to Price Risk

The Company exposure to price risk arising form investment held by the company and is classified in the balance sheet through fair value through profit & loss account. Company has only invested in Mutual Funds.

Particulars	Mutual Funds
Market Value as on March 31, 2021	33.76
Market Value as on March 31, 2020	52.48

The effect of upward movement of 5% in the price affects the projected net income by ₹ 1.69 million and for forward downward movement of 5% the projected net loss will be ₹ 1.69 million for FY 2020-21.



**27 D. Capital Management**

The company's objective when managing capital are to

- Safeguard their ability to continue as going concern, so that they can continue to provide returns for the share holders and benefits for other stake holders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors its capital in ordinary course of business and does not have any debt component as at balance sheet date.

**27 E. Fair values of financial instruments**

The company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The company uses widely recognised valuation models to determine the fair value of common and simple financial instruments, such as interest rate and currency swaps, that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as interest rate swaps. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

**27 E.1. : Fair Value of Financial Instruments - Financial Instrument by Category**

Particulars	As at March 31, 2021			As at March 31, 2020		
	Fair Value through Profit or loss	Amortised Cost	Carrying Value	Fair Value through Profit or loss	Amortised Cost	Carrying Value
<b>Financial Asset</b>						
(a) Cash and cash equivalents	-	3.86	3.86	-	0.51	0.51
(b) Bank balance other than (a) above	-	0.01	0.01	-	0.01	0.01
(c) Receivables						
(I) Trade receivables	-	-	-	-	-	-
(II) Other receivables	-	-	-	-	-	-
(d) Loans	-	-	-	-	-	-
(e) Investments	33.76	-	33.76	52.48	-	52.48
(f) Other financial assets	-	15.33	15.33	-	0.13	0.13
<b>Total</b>	<b>33.76</b>	<b>19.20</b>	<b>52.96</b>	<b>52.48</b>	<b>0.65</b>	<b>53.13</b>
<b>Financial Liabilities</b>						
(a) Payables						
(I) Trade payables	-	13.55	13.55	-	0.82	0.82
(II) Other payables	-	10.37	10.37	-	0.23	0.23
(b) Borrowings (Other than debt securities)	-	-	-	-	-	-
(c) Other financial liabilities	-	12.22	12.22	-	0.32	0.32
<b>Total</b>	<b>-</b>	<b>36.14</b>	<b>36.14</b>	<b>-</b>	<b>1.37</b>	<b>1.37</b>

**27 E.2. Financial instruments measured at fair value – Fair value hierarchy**

(₹ in Millions)

Financial instruments measured at fair value	Recurring fair value measurements as at March 31, 2021			
	Level 1	Level 2	Level 3	Total
Mutual funds	33.76	-	-	33.76

(₹ in Millions)

Financial instruments measured at fair value	Recurring fair value measurements as at March 31, 2020			
	Level 1	Level 2	Level 3	Total
Mutual funds	52.48	-	-	52.48

**27 E.3. Financial instruments not measured at fair value**

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

(₹ in Millions)

Particulars	As at March 31, 2021		
	Carrying Value	Fair Value	At amortised cost
<b>Assets</b>			
Cash and cash equivalents	3.86	3.86	-
Bank balance	0.01	0.01	-
Trade and other receivable	-	-	-
Other financial asset	15.33	15.33	-
<b>Total Assets</b>	<b>19.20</b>	<b>19.20</b>	<b>-</b>
<b>Liabilities</b>			
Trade and other payables	23.92	23.92	-
Other financial liabilities	12.22	12.22	-
<b>Total Liabilities</b>	<b>36.14</b>	<b>36.14</b>	<b>-</b>

Particulars	(₹ in Millions)		
	As at March 31, 2020		
	Carrying Value	Fair Value	At amortised cost
<b>Assets</b>			
Cash and cash equivalents	0.51	0.51	-
Bank balance	0.01	0.01	-
Other financial asset	0.13	0.13	-
<b>Total Assets</b>	<b>0.65</b>	<b>0.65</b>	<b>-</b>
<b>Liabilities</b>			
Trade and other payables	1.05	1.05	-
Other financial liabilities	0.32	0.32	-
<b>Total Liabilities</b>	<b>1.37</b>	<b>1.37</b>	<b>-</b>

## 27 E.4. Movements In Level 1 Financial Instruments Measured At Fair Value :

Particulars	(₹ in Millions)
	Mutual Fund
<b>Balances as at April 1, 2020</b>	<b>52.48</b>
Purchase	-
Sale/Redemption of financial instrument	(20.30)
Total gain /(losses) recognised in profit and loss	1.58
<b>Balances as at March 31, 2021</b>	<b>33.76</b>

Particulars	(₹ in Millions)
	Mutual Fund
<b>Balances as at April 1, 2019</b>	<b>-</b>
Purchase	68.83
Sale/Redemption of financial instrument	(16.80)
Total gain /(losses) recognised in profit and loss	0.45
<b>Balances as at March 31, 2020</b>	<b>52.48</b>

## 27 E.5. Measurement of fair value

The fair Values of Investments in Mutual Funds is based on the net asset value (NAV) as stated by the issuers of these funds in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of alternate asset fund and the price at which issuers will redeem such units from the investors.

The table which shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used is as follows:

Type	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value Change in discount rate by 500 basis points would increase / (decrease) as below
<b>Financial Assets:</b>				
Investment in Mutual Funds	Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are classified as level 1.	Not Applicable	Not Applicable	Not Applicable

## Note 28 :- Segment Reporting

In the opinion of the management, there is only one reportable business segment as envisaged by Ind AS 108 on 'Operating Segment' issued by Institute of Chartered accountant of India. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company. Secondary segmentation based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.

**Spaisa P2P Limited**

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

**Note 29 :- Related Party Transaction**

(A) As Per IND AS 24, the disclosures of transaction with the related parties are given below :

List of related parties where control exists and also related parties with whom transactions have taken place and relationships :

Nature of relationship	Name of party
Directors & its Relatives	Mr Prakarsh Gagdani Mr Santosh Jayaram (up to Feb 28, 2021) Mr Gourav Munjal (from Mar 01, 2021) Mr Mayur Dedhia
Holding Company	5Paiza Capital Limited
Fellow Subsidiaries	5Paiza Insurance Brokers Limited 5Paiza Trading Limited
Other Related Parties	IIFL Finance Limited (Formerly IIFL Holdings Limited) IIFL Securities Limited IIFL Commodities Limited (Formerly India Infoline Commodities Limited) IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited) IIFL Insurance Brokers Limited (Formerly India Infoline Insurance Brokers Limited) IIFL Wealth Management Limited IIFL Facilities Services Limited IIFL Wealth (UK) Limited IIFL Capital Inc IIFL Corporate Services Limited ( Formerly known as IIFL Assets Reconstruction Limited) IIFL Home Finance Limited (Formerly India Infoline Housing Finance Limited) Samasta Microfinance Limited IIFL Securities Pte Limited IIFL Capital Pte Limited IIFL Asset Management Limited IIFL Wealth Prime Limited ( Formerly known as IIFL Wealth Finance Limited) IIFL Trustee Limited IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distribution Services) IIFL Investment Advisers & Trustee Services Limited IIFL (Asia) Pte Limited IIFL Private Wealth(Hong Kong) Limited)** IIFL Private Wealth Management (Dubai) Limited IIFL Asset Management (Mauritus) Limited IIFL Inc IIFL Capital (Canada) Limited IIFL Wealth Securities IFSC Limited IIFL Securities Services IFSC Limited IIFL Wealth Portfolio Managers Limited (Formerly Known as IIFL Portfolio Managers Limited) (Originally IIFL Alternate Asset Advisors Limited) IIFL Wealth Altiore Limited (Formerly known as IIFL Altoire Advisors Limited) (Originally Altiore Advisors Private Limited) IIFL Wealth Capital Markets Limited (Formerly Known as L&T Capital Markets Limited) (Wholly owned subsidiary of IIFL Wealth Finance Limited) Meenakshi Towers LLP India Infoline Foundation Geocentric Solutions Private Limited (w.e.f December 20, 2019 to March 23, 2020) Shreyans Foundations LLP Giskard Datatech Private Limited MNJ Consultants Private Limited India Infoline Employee Trust Nirmal Madhu Family Private Trust Sunder Bhanwar Ventures Private Limited IIFLW CSR Foundation (Incorporate w.e.f January 20, 2020) Mr. Venkataraman Rajamani Mr. Nirmal Jain Mrs. Madhu Jain (wife of Nirmal Jain) Mrs. Aditi Athavankar (in capacity of Kalki Family Private Trust) Orpheus Trading Pvt. Limited Ardent Impex Pvt Limited Prakarsh Sharad Gagdani - HUF Mrs Kalpana Gagdani (mother of Prakarsh Gagdani) Mrs Punam Gagdani (wife of Prakarsh Gagdani)

\*\*IIFL Private Wealth(Hong Kong) Limited has passed a special resolution on 4th September 2020 to voluntarily liquidate the Company

**(B) Significant Transactions with Related Parties****(₹ in Millions)**

Nature of transaction	2020-21	2019-20
<b><u>Interest Income - Inter Corporate Deposit :-</u></b>		
a) Holding Company		
5Paisa Capital Limited	-	0.38
<b><u>Interest Expenses Inter Corporate Deposit:-</u></b>		
a) Holding Company		
5Paisa Capital Limited	-	0.02
<b><u>Inter Corporate Deposit Taken :-</u></b>		
a) Holding Company		
5Paisa Capital Limited	-	4.55
<b><u>Inter Corporate Deposit Repaid :-</u></b>		
a) Holding Company		
5Paisa Capital Limited	-	4.55
<b><u>Inter Corporate Deposit Given :-</u></b>		
a) Holding Company		
5Paisa Capital Limited	-	43.50
<b><u>Inter Corporate Deposit Given Received Back :-</u></b>		
a) Holding Company		
5Paisa Capital Limited	-	43.50
<b><u>Allocation / Reimbursement of expenses Paid :-</u></b>		
a) Holding Company		
5Paisa Capital Limited	1.31	8.52
<b><u>Allocation / Reimbursement of expenses Received :-</u></b>		
a) Holding Company		
5Paisa Capital Limited	-	-
<b><u>Others Paid :-</u></b>		
a) Holding Company		
5Paisa Capital Limited	1.45	-
b) Other Related Parties		
IIFL Finance Limited	0.08	-
<b><u>Others Received :-</u></b>		
a) Holding Company		
5Paisa Capital Limited	0.25	0.17
b) Other Related Parties		
IIFL Finance Limited	0.03	-
<b><u>Investment by Holding Co.</u></b>		
a) Holding Company		
5Paisa Capital Limited	-	52.00

**(C) Closing Balance****(₹ in Millions)**

Nature of transaction	2020-21	2019-20
<b><u>Sundry Payable :-</u></b>		
a) Holding Company		
5Paisa Capital Limited	0.28	0.69
<b><u>Sundry Receivable :-</u></b>		
a) Other Related Parties		
IIFL Finance Limited	0.01	-

<b>5paisa P2P Limited</b>						
Notes Forming Standalone Financial Statements for the year ended March 31, 2021						
Note 30:- The table below shows as analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.						
						(₹ in Millions)
Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
<b>(1) Financial Assets</b>						
(a) Cash and cash equivalents	3.86	-	3.86	0.51	-	0.51
(b) Bank Balance other than (a) above	0.01	-	0.01	0.01	-	0.01
(c) Receivables						
(I) Trade receivables	-	-	-	-	-	-
(II) Other receivables	-	-	-	-	-	-
(d) Loans	-	-	-	-	-	-
(e) Investments	33.76	-	33.76	52.48	-	52.48
(f) Other financial assets	13.81	1.52	15.33	0.13	-	0.13
<b>Sub-total</b>	<b>51.44</b>	<b>1.52</b>	<b>52.96</b>	<b>53.13</b>	<b>-</b>	<b>53.13</b>
<b>(2) Non-Financial Assets</b>						
(a) Inventories	-	-	-	-	-	-
(b) Current tax assets (net)	-	-	-	-	0.29	0.29
(c) Deferred tax assets (net)	-	8.76	8.76	-	0.10	0.10
(d) Property, Plant and Equipment	-	-	-	-	-	-
(e) Right to use assets	-	-	-	-	-	-
(f) Intangible assets under development	-	-	-	-	17.06	17.06
(g) Goodwill	-	-	-	-	-	-
(h) Other intangible assets	-	15.70	15.70	-	-	-
(i) Other non-financial assets	5.30	-	5.30	3.50	-	3.50
<b>Sub-total</b>	<b>5.30</b>	<b>24.46</b>	<b>29.76</b>	<b>3.50</b>	<b>17.45</b>	<b>20.95</b>
<b>Total Assets</b>	<b>56.74</b>	<b>25.98</b>	<b>82.72</b>	<b>56.63</b>	<b>17.45</b>	<b>74.08</b>
<b>LIABILITIES</b>						
<b>(1) Financial Liabilities</b>						
(a) Payables						
(I) Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small	13.55	-	13.55	0.82	-	0.82
(II) Other payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small	10.37	-	10.37	0.23	-	0.23
(b) Debt securities	-	-	-	-	-	-
(c) Borrowings (Other than debt securities)	-	-	-	-	-	-
(e) Deposits	-	-	-	-	-	-
(f) Subordinated Liabilities	-	-	-	-	-	-
(d) Other financial liabilities	10.71	1.52	12.22	0.32	-	0.32
<b>Sub-total</b>	<b>34.62</b>	<b>1.52</b>	<b>36.14</b>	<b>1.37</b>	<b>-</b>	<b>1.37</b>
<b>(2) Non-Financial Liabilities</b>						
(a) Current tax liabilities (Net)	-	-	-	-	-	-
(b) Provisions	0.50	-	0.50	0.24	-	0.24
(c) Deferred tax liabilities (Net)	-	-	-	-	-	-
(c) Other non-financial liabilities	0.17	-	0.17	0.27	-	0.27
<b>Sub-total</b>	<b>0.67</b>	<b>-</b>	<b>0.67</b>	<b>0.51</b>	<b>-</b>	<b>0.51</b>
<b>Total Liabilities</b>	<b>35.30</b>	<b>1.52</b>	<b>36.81</b>	<b>1.88</b>	<b>-</b>	<b>1.88</b>
<b>Net</b>	<b>21.45</b>	<b>24.46</b>	<b>45.91</b>	<b>54.75</b>	<b>17.45</b>	<b>72.20</b>

## Spaisa P2P Limited

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

### Note 31 :- Code on Social Security

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. The Central Government on 30th March 2021 has deferred the implementation of the said Code and the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will account for the related impact in the period the Code becomes effective.

### Note 32 :- Note on Covid-19 impact

Covid-19 have been declared as a global pandemic, the Indian Govt. has declared the complete lock down since March 24, 2020 and the same is continuing with minor exemptions and essential services were allowed to operate with limited capacity. Based on the facts and circumstances, the Company has been operating in the normal course and there have been no adverse impacts on the assets, liquidity, revenues or operational parameters during the quarter and year ended as on March 31, 2021. The Company is closely monitoring any material changes on a continuous basis.

### Note 33 :- Recent Pronouncements

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

#### Balance Sheet:

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

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

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

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

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

#### Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

### Note 34 :- Comparatives

Previous year figures are re-grouped, re-classified and re-arranged, wherever considered necessary to confirm to current year's presentation.

As per our attached report of even date

#### For V Sankar Aiyar & Co.

Chartered Accountants  
Firm's Registration No.109208W  
By the hand of

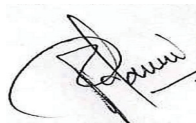


**G.Sankar**  
Partner  
Membership No.: 046050



Place : Mumbai  
Dated : April 20, 2021

#### For and on behalf of Board of Directors



**Prakarsh Gagdani**  
Director  
(DIN: 07376258)



**Mayur Dedhia**  
Director  
(DIN: 08393396)



**Gourav Munjal**  
Additional Director  
(DIN: 06360031)