

B S R & Co. LLP

Chartered Accountants

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Revised Independent Auditor's Report

To the Members of Pine Labs Private Limited

Report on the Audit of the Revised Standalone Financial Statements

This Report supersedes our Report dated 12 September 2022.

Opinion

We have audited the revised standalone financial statements of Pine Labs Private Limited (the "Company") which comprise the revised standalone balance sheet as at 31 March 2022, and the revised standalone statement of profit and loss (including other comprehensive income), revised standalone statement of changes in equity and revised standalone statement of cash flows for the year then ended, and notes to the revised standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2 A(i) and Note 49 of the revised standalone financial statements which describes the basis of preparation and Scheme of Arrangement ('the Scheme') respectively. As explained in detail therein, these revised standalone financial statements for the year ended 31 March 2022 have been prepared pursuant to the Scheme of Arrangement ('the Scheme') for amalgamation of its subsidiary, Qwiksilver Solutions Private Limited ("the transferor company"), with the Company, from the specified retrospective appointed date (1 April 2021), as approved by the National Company Law Tribunal (NCLT), New Delhi Bench, vide order dated 14 September 2022 ("Order").

As per the requirements of Appendix C to Ind AS 103 "Business Combination", the amalgamation has been given effect to as if it has occurred from the beginning of the preceding period i.e 1 April 2020 in the revised standalone financial statements. Pursuant to the Scheme, all the assets, liabilities, reserves, and surplus of the transferor company have been transferred to and vested in the Company with effect from the appointed date at their carrying values and the financial information in the revised standalone financial statements has been restated from 1 April 2020 as per requirements of Appendix C to Ind AS 103. The consequential impact of the amalgamation on the current and deferred tax has been recognised in the profit or loss for the year ended 31 March 2022.



Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center,
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Revised Independent Auditor's Report (Continued)

Pine Labs Private Limited

We issued a separate auditor's report dated 12 September 2022 on earlier standalone financial statements to the members of the Company. The aforesaid scheme has been approved subsequently. The Company has now prepared revised standalone financial statements incorporating the impact of the Scheme. In accordance with the provisions of Standard on Auditing 560 (Revised) 'Subsequent Events' issued by The Institute of Chartered Accountants of India, our audit procedures, in so far as they relate to the revision to the earlier standalone Financial Statements, have been carried out solely on this matter and no additional procedures have been carried out for any other events occurring after 12 September 2022 (being the date of our earlier audit report on the earlier standalone financial statements). Our earlier audit report dated 12 September 2022 on the earlier standalone financial statements is superseded by this revised report on the revised standalone financial statements.

Our opinion is not modified in respect of this matter.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report but does not include the revised standalone financial statements and our auditor's report thereon.

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

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

Management's and Board of Directors Responsibilities for the revised Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these revised standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the revised standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

Revised Independent Auditor's Report (Continued)**Pine Labs Private Limited**

statements.

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

- Identify and assess the risks of material misstatement of the revised standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of revised standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the revised standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the revised standalone financial statements, including the disclosures, and whether the revised standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The revised standalone balance sheet, the revised standalone statement of profit and loss (including other comprehensive income), the revised standalone statement of changes in equity and the revised standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid revised standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

Revised Independent Auditor's Report (Continued)

Pine Labs Private Limited

- e. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act. and
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Revised Report in "Annexure B".
- B. With respect to the other matters to be included in the Revised Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its revised standalone financial statements - Refer Note 38 to the revised standalone financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 51(b)(v) to the revised standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 51(b)(vi) to revised standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.



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Pine Labs Private Limited

- C. With respect to the matter to be included in the Revised Auditor's Report under Section 197(16) of the Act:
In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company.

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Manish Gupta

Partner

Place: New Delhi

Membership No.: 095037

Date: 29 October 2022

ICAI UDIN: 22095037BBFTSX3311

Annexure A to the Revised Independent Auditor's Report on the revised Standalone Financial Statements of Pine Labs Private Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our revised report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment except for location of Point of Sale ('POS') devices for which separate records are maintained.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which substantially all property, plant, and equipment (except Point of Sale ('POS') devices provided to various merchants), are verified once in every three years and certain property, plant, and equipment are verified every year. In accordance with this programme, certain property, plant, and equipment were verified during the year and certain property, plant and equipment have been verified subsequent to year ended 31 March 2022. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification. In respect of POS devices with merchants, as explained to us, the Company does not have a specific frequency to carry out physical verification as these are monitored separately through their systems which track the operational status of the POS devices.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except for goods-in-transit has been physically verified by the management during the year. For goods-in-transit, subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company in respect of certain banks are not in agreement with the books of account of the Company, as follows:



Annexure A to the Revised Independent Auditor's Report on the revised Standalone Financial Statements of Pine Labs Private Limited for the year ended 31 March 2022 (Continued)

| Quarter | Name of bank | Particulars | Amount as per books of account (Rs. in Lakhs) | Amount as reported in the quarterly return/statement (Rs. in Lakhs) | Amount of difference (Rs. in Lakhs) | Whether return/statement subsequently rectified |
|-----------|--------------|---|---|---|-------------------------------------|---|
| 31-Mar-22 | HDFC Bank | Stock (Inventories) | 1,161 | 1,159 | 2 | Yes |
| 31-Mar-22 | HDFC Bank | Debtors (Trade receivables including contract assets) | 21,676 | 22,867 | (1,191) | Yes |
| 31-Mar-22 | HDFC Bank | Creditors (excluding capital creditors) | 6,449 | 3,671 | 2,778 | Yes |
| 31-Mar-22 | HDFC Bank | Capital creditors | 4,657 | - | 4,657 | Yes |
| 31-Dec-21 | HDFC Bank | Stock (Inventories) | 1,063 | 14,597 | (13,534) | Yes |
| 31-Dec-21 | HDFC Bank | Debtors (Trade receivables including contract assets) | 19,580 | 19,756 | (176) | Yes |
| 31-Dec-21 | HDFC Bank | Creditors (excluding capital creditors) | 10,299 | 9,343 | 956 | Yes |
| 31-Dec-21 | HDFC Bank | Capital creditors | 4,530 | - | 4,530 | Yes |
| 30-Sep-21 | HDFC Bank | Stock (Inventories) | 754 | 4,302 | (3,548) | Yes |
| 30-Sep-21 | HDFC Bank | Debtors (Trade receivables including contract assets) | 15,884 | 15,363 | 521 | Yes |

Annexure A to the Revised Independent Auditor's Report on the revised Standalone Financial Statements of Pine Labs Private Limited for the year ended 31 March 2022 (Continued)

| | | | | | | |
|-----------|-----------|---|--------|--------|----------|-----|
| | | assets) | | | | |
| 30-Sep-21 | HDFC Bank | Creditors (excluding capital creditors) | 5,183 | 6,700 | (1,517) | Yes |
| 30-Sep-21 | HDFC Bank | Capital creditors | 2,911 | - | 2911 | Yes |
| 30-Jun-21 | HDFC Bank | Stock (Inventories) | 402 | 15,597 | (15,195) | Yes |
| 30-Jun-21 | HDFC Bank | Debtors (Trade receivables including contract assets) | 14,397 | 14,774 | (377) | Yes |
| 30-Jun-21 | HDFC Bank | Creditors (excluding capital creditors) | 4,976 | 2,152 | 2,824 | Yes |
| 30-Jun-21 | HDFC Bank | Capital creditors | 6,679 | - | 6,679 | Yes |

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year, except that the Company has granted loans to its employees during the year, in respect of which the requisite information is as below.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to its employees as below:

| Particulars | Amounts (Rs. in Lakhs) |
|--|------------------------|
| Aggregate amount of loans granted during the year to the employees | 67.42 |
| Balance outstanding as at balance sheet date with employees | 28.10 |

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the grant of loans are, prima facie, not prejudicial to the interest of the Company.



Annexure A to the Revised Independent Auditor's Report on the revised Standalone Financial Statements of Pine Labs Private Limited for the year ended 31 March 2022 (Continued)

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal has been stipulated and the repayments have been regular. There is no interest charged by the Company on loans given to its employees. In case of loan given to a related party in an earlier period, the schedule of repayment of principal and payment of interest has not been stipulated and accordingly we are unable to comment on whether the repayments or receipts are regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not given any advances in the nature of loan to any party during the year.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted during the year, any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by the Company, Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, to the extent applicable have been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in a few cases of Provident fund and Employees' State Insurance.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable, except as mentioned below:



Annexure A to the Revised Independent Auditor's Report on the revised Standalone Financial Statements of Pine Labs Private Limited for the year ended 31 March 2022
(Continued)

| Name of the statute | Nature of the dues | Amount (Rs. in Lakhs) | Period to which the amount relates | Due date | Date of payment | Remarks, if any |
|---------------------|---|-----------------------|------------------------------------|----------|-----------------|-----------------|
| Provident Fund | Provident Fund liability (including interest and penalty) | 110.10 | FY 2014-15 to FY 2018-19 | Multiple | 5-Jul-22 | |

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

| Name of the statute | Nature of the dues | Amount (Rs. in Lakhs) | Period to which the amount relates | Forum where dispute is pending | Remarks, if any |
|------------------------------|------------------------|-----------------------|------------------------------------|--|---|
| Income-tax Act, 1961 | Income Tax | 27.82 | 2016-17 | Commissioner of Income Tax (Appeals) | - |
| Income-tax Act, 1961 | Income Tax | 7.60 | 2019-20 | Income Tax Department Centralized Processing Centre | - |
| Goods and Services Act, 2017 | Goods and Services Tax | 1.84 | 2020-21 | Department of Trade and Taxes Govt. of NCT of Delhi | - |
| Finance Act, 1994 | Service tax | 2,757.78 | October 2012 to March 2016 | Directorate General of Goods and Service Tax intelligence, Bengaluru | Out of total amount Rs. 102.83 lakhs has been paid under protest. |

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

Annexure A to the Revised Independent Auditor's Report on the revised Standalone Financial Statements of Pine Labs Private Limited for the year ended 31 March 2022 (Continued)

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to any lender, except those mentioned below:

| Nature of borrowing including debt securities | Name of lender | Amount not paid on due date (Rs. in Lakhs) | Whether principal or interest | No. of days delay or unpaid | Remarks, if any |
|---|--|--|-------------------------------|-----------------------------|---|
| Bank Loans (Term Loans) | HDFC Bank | 579.87 | Both (Principal and Interest) | 01 to 16 days | Amounts were paid with delay ranging from 1 to 16 days. |
| Loans from a Financial Institution | Hewlett Packard Financial Services India Private Limited | 2,964.53 | Both (Principal and Interest) | 01 to 35 days | Amounts were paid with delay ranging from 1 to 35 days. |

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the revised standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, as defined under the act. The Company did not hold any investment in any associate or joint venture (as defined under the Act) during the year.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary (as defined under the Act). The Company did not hold any investment in any associate or joint venture (as defined under the Act) during the year.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

Annexure A to the Revised Independent Auditor's Report on the revised Standalone Financial Statements of Pine Labs Private Limited for the year ended 31 March 2022 (Continued)

- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the revised standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company. For reporting on this clause / sub clause, we have relied on and not been able to independently validate the information provided to us by the management of the Company.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the revised standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one

Annexure A to the Revised Independent Auditor's Report on the revised Standalone Financial Statements of Pine Labs Private Limited for the year ended 31 March 2022 (Continued)

year from the balance sheet date, will get discharged by the Company as and when they fall due

- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. With respect to erstwhile transferor company Qwikilver Solutions Private Limited, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Manish Gupta

Partner

Place: New Delhi

Membership No.: 095037

Date: 29 October 2022

ICAI UDIN: 22095037BBFTSX3311

Annexure B to the Revised Independent Auditor's Report on the revised standalone financial statements of Pine Labs Private Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid revised standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Adverse Opinion

We have audited the internal financial controls with reference to financial statements of Pine Labs Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the revised standalone financial statements of the Company for the year ended on that date.

In our opinion, because of the effects/ possible effects of the material weakness described below on the achievement of the objectives of the control criteria, the Company has not maintained, adequate internal financial controls with reference to revised standalone financial statements and such internal financial controls with reference to the revised standalone financial statements were not operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). We have considered the material weakness identified and reported below in determining the nature, timing and extent of audit tests applied in our audit of the 31 March 2022 revised standalone financial statements of the Company, and the material weakness does not affect our opinion on the revised standalone financial statements of the Company.

Basis for Adverse Opinion

According to the information and explanations given to us and based on our audit, a material weakness has been identified in the company's internal financial controls with reference to financial statements as of 31 March 2022 related to:

Inappropriate General IT Control Environment:

As part of our audit of the policies and controls over the implementation and maintenance of the General IT Control Environment (GITC) related to certain applications being used by the Company scoped in for the audit, we were informed and we noted that the Company has not maintained adequate design / documentation of the control environment and the audit trails on the changes and approval chain that should form part of GITC. We believe that the GITC environment would be ineffective due to the lack of audit trail / other form of evidences not being available / missing controls.

The material weakness relates to lack of sufficient general controls over information technology systems relating to user access, program development and change management procedures.

A 'material weakness' is a deficiency, or a combination of deficiencies, in the internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Emphasis of matter

We draw attention to Note 2 A(i) and Note 50 of the revised standalone financial statements which describes the basis of preparation and Scheme of Arrangement ('the Scheme') respectively. As explained in detail therein, these revised standalone financial statements for the year ended 31 March 2022 have been prepared pursuant to the Scheme of Arrangement ('the Scheme') for amalgamation of its subsidiary, Qwiksilver Solutions Private Limited ("the transferor company"), with the Company, from the specified retrospective appointed date (1 April 2021), as approved by the National Company Law Tribunal (NCLT), New Delhi Bench, vide order dated 14 September 2022



Annexure B to the Independent Auditor's Report on the revised standalone financial statements of Pine Labs Private Limited for the year ended 31 March 2022 (Continued)

("Order").

As per the requirements of Appendix C to Ind AS 103 " Business Combination" , the amalgamation has been given effect to as if it has occurred from the beginning of the preceding period i.e 1 April 2020 in the revised standalone financial statements. Pursuant to the Scheme, all the assets, liabilities, reserves and surplus of the transferor company have been transferred to and vested in the Company with effect from the appointed date at their carrying values and the financial information in the revised standalone financial statements has been restated from 1 April 2020 as per requirements of Appendix C to Ind AS 103 . The consequential impact of the amalgamation on the current and deferred tax has been recognised in the profit or loss for the year ended 31 March 2022.

We issued a separate auditor's report dated 12 September 2022 on earlier standalone financial statements to the members of the Company. The aforesaid scheme has been approved subsequently. The Company has now prepared revised standalone financial statements incorporating the impact of the Scheme. In accordance with the provisions of Standard on Auditing 560 (Revised) 'Subsequent Events' issued by The Institute of Chartered Accountants of India, our audit procedures, in so far as they relate to the revision to the earlier standalone Financial Statements, have been carried out solely on this matter and no additional procedures have been carried out for any other events occurring after 12 September 2022 (being the date of our earlier audit report on the earlier standalone financial statements). Our earlier audit report dated 12 September 2022 on the earlier standalone financial statements is superseded by this revised report on the revised standalone financial statements.

Our opinion is not modified in respect of this matter.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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



Annexure B to the Independent Auditor's Report on the revised standalone financial statements of Pine Labs Private Limited for the year ended 31 March 2022 (Continued)

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Manish Gupta

Partner

Place: New Delhi

Membership No.: 095037

Date: 29 October 2022

ICAI UDIN: 22095037BBFTSX3311

Pine Labs Private Limited

Revised Standalone Balance Sheet as at 31 March 2022

(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

| | Notes | As at 31 March 2022 | As at 31 March 2021 |
|---|-------|------------------------|------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 40,397 | 31,665 |
| Capital work-in-progress | 3 | 9,510 | 4,672 |
| Right-of-use assets | 4(a) | 3,831 | 4,142 |
| Goodwill | 5 | 45,910 | 45,910 |
| Intangible assets | 5 | 11,727 | 16,265 |
| Intangible assets under development | 5 | 2,688 | 105 |
| Financial assets | | | |
| i. Investment | 6 | 905 | 771 |
| ii. Other financial assets | 8 | 7,570 | 374 |
| Deferred tax assets (net) | 12 | 8,981 | 3,700 |
| Non-current tax assets (net) | 9 | 13,333 | 8,504 |
| Other non-current assets | 11 | 3,955 | 97 |
| Total non-current assets | | 1,48,807 | 1,16,205 |
| Current assets | | | |
| Inventories | 10 | 1,176 | 355 |
| Financial assets | | | |
| i. Investments | 6 | 4,052 | 2,670 |
| ii. Trade receivables | 13 | 29,617 | 36,010 |
| iii. Cash and cash equivalents | 14 | 32,038 | 7,090 |
| iv. Bank balances other than (iii) above | 15 | 3,45,284 | 2,49,251 |
| v. Loans | 7 | 29 | 14 |
| vi. Other financial assets | 8 | 44,624 | 27,961 |
| Contract assets | 23 | 6,578 | 7,189 |
| Other current assets | 11 | 15,695 | 9,943 |
| Total current assets | | 4,79,093 | 3,40,483 |
| Total assets | | 6,27,900 | 4,56,688 |
| Equity and liabilities | | | |
| Equity | | | |
| Equity share capital | 16 | 1,353 | 1,287 |
| Other equity | 17 | 1,89,975 | 1,17,834 |
| Total equity | | 1,91,328 | 1,19,121 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 18 | 9,275 | 9,766 |
| ii. Lease liabilities | 4(b) | 4,042 | 4,264 |
| iii. Other financial liabilities | 19 | 1,418 | - |
| Contract liabilities | 23 | 540 | 700 |
| Provisions | 20 | 3,121 | 2,293 |
| Total non-current liabilities | | 18,396 | 17,023 |
| Current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 18 | 14,364 | 9,308 |
| ii. Lease liabilities | 4(b) | 542 | 440 |
| iii. Trade payables | 21 | - | - |
| -total outstanding dues of micro enterprises and small enterprises | | 708 | 316 |
| -total outstanding dues of creditors other than micro enterprises and small enterprises | | 25,833 | 20,434 |
| iv. Other financial liabilities | 19 | 59,992 | 50,009 |
| Contract liabilities | 23 | 3,10,215 | 2,36,526 |
| Provisions | 20 | 620 | 508 |
| Other current liabilities | 22 | 5,902 | 3,003 |
| Total current liabilities | | 4,18,176 | 3,20,544 |
| Total liabilities | | 4,36,572 | 3,37,567 |
| Total equity and liabilities | | 6,27,900 | 4,56,688 |

Significant accounting policies

The accompanying notes referred to form an integral part of these revised standalone financial statements
As per our revised report of even date attached

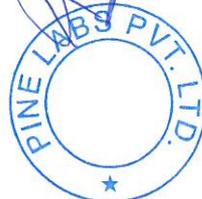
For **BSR & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W-100022

Manish Gupta
Partner
Membership No.: 095037
Place: New Delhi
Date: 29 October 2022

For and on behalf of the Board of Directors of
Pine Labs Private Limited
CIN: U67100DL1998PTC093878

Kush Mishra
Director
DIN No.: 08154941
Place: Noida
Date: 29 October 2022

Indresh Kumar Gupta
Director
DIN No.: 07488823
Place: Noida
Date: 29 October 2022



Rachana Prakash
Company Secretary
M No.: 32481
Place: Noida
Date: 29 October 2022

Pine Labs Private Limited

Revised Standalone Statement of Profit and Loss for the year ended 31 March 2022
(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

| | Notes | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-------|-----------------------------|-----------------------------|
| Income | | | |
| Revenue from operations | 23 | 93,232 | 64,995 |
| Other income | 24 | 2,563 | 3,317 |
| Total income | | 95,795 | 68,312 |
| Expenses | | | |
| Purchases of stock-in-trade | | 4,818 | 5,815 |
| Changes in inventories of stock-in-trade | | (807) | (191) |
| Employee benefits expense | 25 | 45,107 | 30,590 |
| Finance costs | 26 | 2,367 | 2,216 |
| Depreciation, amortisation and impairment expenses | 27 | 18,869 | 17,507 |
| Impairment losses on trade receivables and contract assets | 28 | 1,166 | 772 |
| Other expenses | 29 | 31,721 | 19,011 |
| Total expenses | | 1,03,241 | 75,720 |
| Loss before tax | | (7,446) | (7,408) |
| Income tax expense | | | |
| Current tax | 31 | 69 | 1,730 |
| Deferred tax | | (5,258) | (3,555) |
| Total tax expense | | (5,189) | (1,825) |
| Loss for the year | | (2,257) | (5,583) |
| Other comprehensive income | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | |
| Remeasurement of post employment benefit obligations | | (228) | (28) |
| Equity instrument through other comprehensive income, net | | 134 | - |
| Income tax relating to these items | | 23 | 7 |
| Other comprehensive loss for the year, net of tax | | (71) | (21) |
| Total comprehensive loss for the year | | (2,328) | (5,604) |
| Loss per equity share - Basic and Diluted (in Rs.) (Face value of share - Re. 1 each) | 37 | (1.71) | (4.38) |

Significant accounting policies

The accompanying notes referred to form an integral part of these revised standalone financial statements
As per our revised report of even date attached

2
1 to 52

For B S B & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022



Manish Gupta
Partner
Membership No.: 095037
Place: New Delhi
Date: 29 October 2022

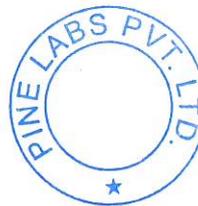
For and on behalf of the Board of Directors of
Pine Labs Private Limited
CIN: U67100DL1998PTC093878



Kush Mehra
Director
DIN No.: 08154941
Place: Noida
Date: 29 October 2022



Indresh Kumar Gupta
Director
DIN No.: 07488823
Place: Noida
Date: 29 October 2022




Rachana Prakash
Company Secretary
M No.: 32481
Place: Noida
Date: 29 October 2022

Pine Labs Private Limited

Revised Standalone Statement of Changes in Equity for the year ended 31 March 2022

(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

I) Equity Share Capital

| | Notes | Amounts |
|------------------------------------|-------|--------------|
| Balance as at 1 April 2020 | | 1,198 |
| Issuance of shares | 16 | 89 |
| Balance as at 31 March 2021 | | 1,287 |
| Issuance of shares | 16 | 66 |
| Balance as at 31 March 2022 | | 1,353 |

II) Other equity

| | Notes | Share application money pending allotment | Reserves & Surplus | | Total |
|--|-------|---|--------------------|-------------------|-----------------|
| | | | Securities premium | Retained earnings | |
| Balance as at 1 April 2020 | 17 | - | 1,10,426 | (5,624) | 1,04,802 |
| On account of amalgamation (refer note 50) | | - | - | (1,411) | (1,411) |
| Revised balance as at 1 April 2020 | | - | 1,10,426 | (7,035) | 1,03,391 |
| Loss for the year | | - | - | (5,583) | (5,583) |
| Other comprehensive loss | | - | - | (21) | (21) |
| Transfer on account of lapse of unexercised options | | - | - | 2 | 2 |
| | | - | 1,10,426 | (12,637) | 97,789 |
| Transactions with owners in their capacity as owners: | | | | | |
| Issue of equity shares | | - | 20,045 | - | 20,045 |
| Balance as at 31 March 2021 | | - | 1,30,471 | (12,637) | 1,17,834 |
| Loss for the year | | - | - | (2,257) | (2,257) |
| Other comprehensive loss | | - | - | (71) | (71) |
| | | - | 1,30,471 | (14,965) | 1,15,506 |
| Transactions with owners in their capacity as owners: | | | | | |
| Issue of equity shares | | - | 59,147 | - | 59,147 |
| Receipt of share application money | | 15,322 | - | - | 15,322 |
| Balance as at 31 March 2022 | | 15,322 | 1,89,618 | (14,965) | 1,89,975 |

Significant accounting policies 2
 The accompanying notes referred to form an integral part of these revised standalone financial statements 1 to 52
 As per our revised report of even date attached

For M S R & Co. LLP
 Chartered Accountants
 ICAI Firm Registration No.: 101248W/W-100022



Manish Gupta
 Partner
 Membership No.: 095037
 Place: New Delhi
 Date: 29 October 2022

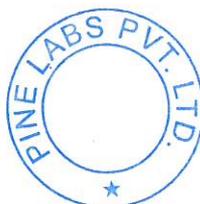
For and on behalf of the Board of Directors of
 Pine Labs Private Limited
 CIN: UC100011999PTC093878



Kush Mehra
 Director
 DIN No.: 08154941
 Place: Noida
 Date: 29 October 2022



Ansh Kumar Gupta
 Director
 DIN No.: 07488823
 Place: Noida
 Date: 29 October 2022




Rathana Prakash
 Company Secretary
 M No.: 32481
 Place: Noida
 Date: 29 October 2022

Pine Labs Private Limited

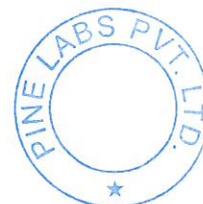
Revised Standalone Cash flow statement for the year ended 31 March 2022

(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

| | Notes | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|----------|-----------------------------|-----------------------------|
| Cash flow from operating activities | | | |
| Loss before income tax | | (7,446) | (7,408) |
| Adjustments for : | | | |
| Depreciation, amortisation and impairment expenses | | 18,869 | 17,507 |
| Gain on disposal of property, plant and equipment | | (175) | (15) |
| (Write back)/provision for obsolete and slow moving inventory | | (14) | 163 |
| Impairment losses on trade receivables and contract assets | | 1,166 | 772 |
| Interest on fixed deposits | | (1,110) | (1,375) |
| Interest on income tax refund | | (212) | (292) |
| Finance costs | | 2,367 | 2,216 |
| Liabilities and provisions no longer required written back | | (546) | (536) |
| Write back of impairment of property, plant and equipment | | (11) | - |
| Advances write off | | - | 45 |
| Foreign exchange loss/(gain) (net) | | 348 | (149) |
| Write-off of property, plant and equipment | | 79 | 535 |
| Assets written off | | 131 | - |
| Unwinding of discount on security deposits | | (21) | (87) |
| Gain on disposal of subsidiary | | - | (20) |
| Gain on sale of mutual funds | | (73) | (292) |
| Fair valuation gain on mutual funds | | (27) | (8) |
| Net gain on lease termination | | (4) | (247) |
| Operating profit before working capital changes | | 13,321 | 10,809 |
| Change in operating assets and liabilities | | | |
| Decrease/(increase) in trade receivables | | 5,129 | (15,512) |
| (Increase) in inventories | | (807) | (191) |
| (Increase) in other financial assets | | (17,447) | (12,860) |
| (Increase)/decrease in other non-current assets | | (66) | 67 |
| (Increase) in other current assets | | (5,784) | (4,061) |
| Decrease/(increase) in contract assets | | 708 | (2,144) |
| (Increase) in loans | | (15) | 127 |
| Increase in trade payables | | 5,973 | 10,634 |
| Increase in provisions | | 712 | 794 |
| Increase in other financial liabilities | | 10,350 | 21,500 |
| (Decrease)/increase in contract liabilities | | (17,914) | 2,410 |
| Increase in other current liabilities | | 2,899 | 733 |
| Cash (used in) /generated from operations | | (2,941) | 12,306 |
| Income taxes paid | | (5,029) | (1,406) |
| Net cash (used in)/ generated from operating activities | A | (7,970) | 10,900 |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | | (29,439) | (16,165) |
| Payments for intangible assets | | (3,647) | (478) |
| Payments for long term investments | | - | (771) |
| Proceeds from disposal of property, plant and equipment | | 321 | 149 |
| Purchase of fixed deposits | | (38,469) | (18,382) |
| Proceeds from maturity of fixed deposits | | 26,528 | 7,600 |
| Purchase of current investments | | (9,028) | (65,042) |
| Proceeds from sale of current investments | | 7,746 | 66,690 |
| Interest received | | 1,726 | 839 |
| Net cash outflow from investing activities | B | (44,262) | (25,560) |

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Pine Labs Private Limited

Revised Standalone Cash flow statement for the year ended 31 March 2022

(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

| | Notes | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|----------------|-----------------------------|-----------------------------|
| Cash flows from financing activities | | | |
| Proceeds from issues of shares (including share application money pending allotment) | | 74,535 | 20,134 |
| Increase in customer fund deposit liability | | 91,807 | 64,392 |
| Proceeds from borrowings | | 8,068 | 4,615 |
| Repayments of borrowings | | (7,238) | (4,452) |
| Principal elements of lease payments | | (411) | (520) |
| Interest paid | | (2,363) | (1,867) |
| Net cash inflow from financing activities | C | 1,64,398 | 82,302 |
| Net increase in cash and cash equivalents, earmarked balances with banks | (A+B+C) | 1,12,166 | 67,642 |
| Cash and cash equivalents at the beginning of the financial year | | 7,090 | 7,650 |
| Earmarked balances with banks at the beginning of the financial year | | 2,27,483 | 1,58,369 |
| Bank overdrafts and cash credit facilities at the beginning of the year | | (3,904) | (2,992) |
| Cash and cash equivalents, earmarked balances with banks at end of the year* | | 3,42,835 | 2,30,669 |
| Cash and cash equivalents as per above comprise of the following : | | | |
| Balance with banks | | | |
| - In current account accounts | | 32,038 | 7,090 |
| - Earmarked balances with banks | | 3,18,433 | 2,27,483 |
| Less: bank overdrafts and cash credit facilities (refer note 18) | | (7,636) | (3,904) |
| Balance per statement of cash flows | | 3,42,835 | 2,30,669 |

*Cash and cash equivalents are netted off with bank overdraft that are repayable on demand and cash credit facilities which form an integral part of the Company's cash management.

Significant accounting policies

The accompanying notes referred to form an integral part of these revised standalone financial statements

As per our revised report of even date attached

2

1 to 52

For **BSR & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022



Manish Gupta
Partner
Membership No.: 095037
Place: New Delhi
Date: 29 October 2022

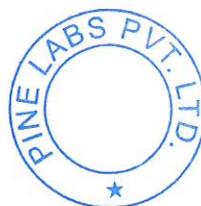
For and on behalf of the Board of Directors of
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CIN: U67100DL1998FTC093878



Kush Mehra
Director
DIN No.: 08154941
Place: Noida
Date: 29 October 2022



Indresh Kumar Gupta
Director
DIN No.: 07488823
Place: Noida
Date: 29 October 2022



Rachana Prakash
Company Secretary
M No.: 32481
Place: Noida
Date: 29 October 2022

Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022
(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

1. Reporting entity

Pine Labs Private Limited (the 'Company') is incorporated under the provisions of the Companies Act applicable in India on 18 May 1998. The registered office of the Company is located at 207, Gupta Arcade, Plot no. 5, L.S.C Mayur Vihar, Phase-I extension, Delhi 110091.

The Company is primarily engaged in providing services related to transaction processing, payment solutions, gifting solutions and petroleum retail automation (including supply of materials) to its customers.

2. Summary of significant accounting policies

A Basis of Preparation

i Statement of compliance

These revised standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These revised standalone financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 29 October 2022. The earlier standalone financial statements of the Company for the year ended 31 March 2022 were first approved by the Board of Directors on 12 September 2022 without giving effect to the Scheme of Arrangement ('the Scheme') for amalgamation of its subsidiary, Qwiksilver Solutions Private Limited ('the transferor company'), with the Company since the application seeking approval of the Scheme was pending before the NCLT. The earlier standalone financial statements of the Company are being revised pursuant to approval of the Scheme, the details of which are stated in note 49.

Details of the Company's accounting policies are set out below.

ii Basis of measurement

The revised standalone financial statements have been prepared on a historical cost basis, except for the following items:

- certain financial assets and liabilities measured at fair value where Ind AS requires a different accounting treatment (refer accounting policy regarding financial instruments).
- defined benefit asset/ (liability) measured at fair value of plan assets (if any) less the present value of defined benefit obligation.

iii Functional and presentation currency

The revised standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

iv Use of estimates and judgements

In preparing these revised standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgments

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the revised standalone financial statements:

a) Revenue from contracts with customers

The determination of gross versus net recognition of revenue requires judgment that depends on whether the Company controls the good or service before it is transferred to the merchant or whether the Company is acting as an agent of a third party in accordance with Ind AS 115. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the client, except in case of revenue from aggregator services and distribution service revenue from SCLP, CLP, Woohoo gift cards and other brand gift cards, and provision of payment solutions.

The Company applied judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers, such as identifying performance obligations, wherein, the Company provides multiple services as part of the arrangement. The Company allocated the portion of the transaction price to services basis its relative standalone prices.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

b) Determining lease term

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has some property lease arrangements with its vendors that include option to renew or terminate the contract by the Company by giving advance notice or either party option to terminate the contract by either party at any time by giving advance. The Company applied judgment in evaluating whether it is reasonably certain for the Company to renew or terminate the property lease contract before the lease term. It considered all the factors that create economic incentive for the Company to continue with lease or renew or terminate including alternatives available for the office lease, use of underlying property, location of the office, leasehold improvements made and accordingly determined lease term.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

c) Determining sale and leaseback transactions

The Company applies the requirements for determining when a performance obligation is satisfied in Ind AS 115 to determine whether the transfer of an asset is accounted for as a sale of that asset. If control of an underlying asset passes to the buyer-lessor, the transaction is accounted for as a sale of the asset and a lease. If not, both the seller-lessee and the buyer-lessor account for the transaction as a financing transaction. Judgement is required to determine whether the transferred asset to buyer-lessor constitutes sale (i.e. transfer of control) or not. Management considers the nature and commercial substance of the arrangement, option to extend a lease for substantially all of the remaining economic life of the underlying asset or option to repurchase the asset after end of the lease term at nominal value, if any and other parameters of determining control in assessing the judgement.



d) Income taxes

The Company's current tax provision relates to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with the relevant Tax Authority. Uncertain tax items for which a provision is made, relate principally to the interpretation of tax legislation regarding arrangements entered into by the Company. Due to the uncertainty associated with such tax items, there is a possibility that, on conclusion of open tax matters at a future date, the final outcome may differ significantly.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability, the Company considers whether the Company entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

e) Determination of Cash Generating Unit (CGU)

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Judgement is involved in determining the CGU/grouping of CGUs for allocation of the goodwill and other assets.

Estimates and assumptions

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. The Company based its assumptions and estimates on parameters available when the revised standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Recognition of revenue from Subscription based services

The recognition of revenue from Subscription based services included preparation of estimates to determine the average customer relationship period, with the objective to recognize revenue on a straight-line basis. The estimates are related to the average time that the merchant will process the transactions with the Company.

b) Estimating breakage revenue

The Company is entitled to breakage revenue majorly arising from unutilised amount of deal vouchers or prepaid cards upon expiry. The Company estimates such amounts using historical data and customer behavior patterns. (Refer accounting policy regarding Revenue from contracts with customers, for further details.)

c) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis on 31 March and whenever there is an indication that the recoverable amount of a cash generating unit (CGUs) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or group of CGUs which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes. The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell. Key assumptions in the cash flow projections are prepared based on current economic conditions and comprises estimated perpetuity growth rates, weighted average cost of capital and average free cash flows to equity. Refer note 47 for further details.

d) Loss allowance of trade receivables and contract assets

In calculating expected credit loss, the Company uses judgment in making these assumptions and selecting the inputs to expected credit loss calculation based on the Company's past history of collections, existing market conditions as well as forward looking estimates at the end of each reporting period. Management also exercises judgment in specific cases and basis past experience estimates additional impairment loss provisions. These include trade receivables associated with litigations, balances for which customers have not transacted/paid for more than a specific period and other reasons. Refer note 33 for further details.

e) Useful life of property, plant and equipment

The Company depreciates property, plant and equipment on a straight-line basis over the estimated useful lives of the assets. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The life is based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed atleast annually.

f) Useful life of intangibles

The Company amortizes intangible assets on a straight-line basis over estimated useful lives of the assets. The useful life is estimated based on a number of factors including the effects of obsolescence, demand, competition and other economic factors such as the stability of the industry and known technological advances and the level of maintenance expenditures required to obtain the expected future cash flows from the assets. The estimated useful life is reviewed atleast annually.

g) Defined benefits plan and other long-term benefits

The obligations arising from defined benefit plan and other long-term benefits are 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 correspond to the probable maturity of the employee benefit obligations. Due to complexities involved in the valuation and its long-term nature, employee benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period. Refer note 36 for further details.

h) Leases – Estimating the incremental borrowing rate

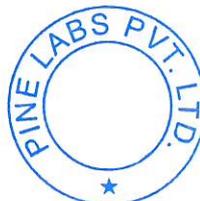
The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

i) Share-based payments

The employees of the Company are entitled to share options of the Parent Company. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share options, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled with employees at the grant date and cash settled and at each reporting date until settlement, the Company uses a Black-Scholes model and Monte Carlo simulation model respectively. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 41.

j) Recognition and measurement of provisions and contingencies

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. The Company is involved in various legal matters, the outcome of which may not be favorable to the Company. Management in consultation with the legal, and other advisers assess the likelihood that a pending claim will succeed. The Company has recognised liabilities based on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered possible but not probable.



Pine Labs Private Limited

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v Measurement of fair values

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

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

All assets and liabilities for which fair value is measured or disclosed in the revised standalone financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

The Company uses the following hierarchy to determine and disclose the fair value of financial instruments through the following measurement techniques:

- Level I - quoted prices in active markets for identical assets or liabilities;
- Level II - other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level III - techniques using inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognized in the revised standalone 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 (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

B Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised profit or loss in the period in which they arise.

C Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115 – Revenue from Contracts with Customers. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in profit or loss.

Financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. For a financial asset to be classified and measured at amortised cost or Fair value through other comprehensive income (FVOCI), it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at Fair value through profit and loss (FVPL), irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both, holding to collect contractual cash flows and selling.

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

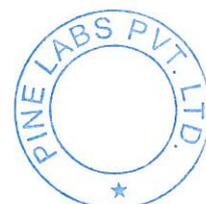
Subsequent measurement

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

a) Classification, recognition and measurement of financial assets

The Company classifies its financial assets in the following measurement categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- Fair value through profit or loss (FVPL).



Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortised cost include trade receivables, contract assets, term deposits, security deposits, restricted cash and cash equivalents, interest accrued on deposits, receivable for cash back, loans to employees and other receivables.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Interest income is recognised in profit and loss and is included under the head "Other income".

Financial assets at FVOCI (debt instruments)

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the standalone statement of profit and loss similar to financial assets measured at amortised cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

Financial assets at FVOCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under Ind AS 32 – Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the standalone statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVPL

The Company's financial assets measured at FVPL include investment in mutual funds shown under the head "financial asset at fair value through profit and loss". Financial assets at fair value through profit or loss are carried in the standalone balance sheet at fair value with net changes in fair value recognised in the standalone statement of profit and loss in other income.

Derecognition

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

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

When the Company has transferred its contractual rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement.

In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

b) Impairment of financial assets

The Company recognises a loss allowance for expected credit losses ("ECL") on trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECL, whereby a loss allowance is computed based on lifetime ECL at each reporting date. The Company has established a flow rate approach that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment.

Management also exercises judgment in specific cases and basis past experience makes additional impairment loss provisions. These include trade receivables associated with litigations, balances for which customers have not transacted/ paid for more than a specific period and other reasons.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as 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 Company expects to receive, computed by using a loss rate.

The Company recognises an impairment gain or loss in standalone statement of profit and loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.



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c) Write off policy

The Company writes off a financial asset when there is information indicating that the receivables are in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in standalone statement of profit and loss.

Financial liabilities and equity

a Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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 recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is derecognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, amortised cost or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

The Company's financial liabilities include, trade and other liabilities, loans and financing including bank overdrafts, cash credit facilities from bank and financial institution.

Subsequent measurement

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

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. This category includes only derivative financial instruments.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. This category is the most relevant to the Company.

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

Derecognition

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting of financial instruments

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

D Property, plant and equipment

All items of property, plant and equipment, are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost includes directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management and initial estimate of decommissioning, restoring and similar liabilities.

Subsequent costs related to an item of property, plant and equipment are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are recognized in the standalone statement of profit and loss during the reporting period when they are incurred.

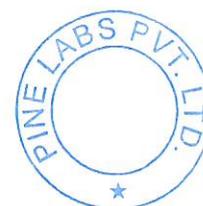
Assets individually costing upto Rs 5,000/- are fully depreciated in the year of acquisition.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is calculated on a straight line basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation on its property, plant and equipment:

| Particulars | Useful lives estimated by the management (in years) |
|------------------------|--|
| Furniture and fixtures | 5 to 10 |
| Plant and machinery | 3 to 6 |
| Office equipment | 2 to 5 |
| Computers | 3 |
| Servers and networks | 3 to 6 |
| Vehicles | 3 |

Leasehold improvements are depreciated over lower of lease term or useful life.



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Pine Labs Private Limited

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(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date and are not depreciated as these assets are not yet available for use.

The useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. The effect of changes in estimates, if any, is taken on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the standalone statement of profit and loss.

E Intangible Assets

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

Software and Development cost

Certain direct development costs associated with internally developed software and software enhancements of the Company technology platform are capitalized. Capitalized costs, which occur post determination by management of technical feasibility, include external services and internal payroll costs. These costs are recorded as intangible assets when development is complete and the asset is ready for use, and are amortised on a straight-line basis, generally over a period of 3 to 5 years. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured. Research and pre-feasibility development costs, as well as maintenance and training costs, are expensed as incurred. In certain circumstances, management may determine that previously developed software and its related expense no longer meets management's definition of feasible, which could then result in the impairment of such asset. Incidental operations are not necessary to bring an asset to the condition necessary for it to be capable of operating in the manner intended by management, the income and related expenses of incidental operations are recognized immediately in profit or loss, and included in their respective classifications of income and expense.

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

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in standalone statement of profit and loss, when the asset is derecognized.

The estimated useful life and amortization method are reviewed at the end of each reporting period.

Amortization is recognized on a straight-line basis over their estimated useful lives which are as follows:

| Particulars | Useful lives estimated by the management (in years) |
|-----------------------|--|
| Computer software | 3 |
| Customer relationship | 5 |
| Technology | 3-5 |
| Non-compete | 4.25 |

F Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as office equipment). For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company, where possible, uses recent bank borrowings obtained by the individual lessees as a starting point, adjusted to reflect changes in financing conditions since the borrowing was received.

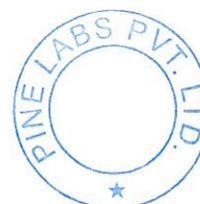
Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the standalone balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.



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The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the period of the lease term. If a lessor transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

The Company applies Ind AS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of non-financial assets' policy.

The Company has elected to account for all COVID-19-related rent concession that meet all of the following conditions in the same way as they would if they were not lease modifications:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (c) there is no substantive change to other terms and conditions of the lease.

G Impairment of non-financial assets

Goodwill

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or group of cash-generating units) expected to benefit from the synergies of the combination.

The Company tests whether goodwill has suffered any impairment on an annual basis at March 31 and when circumstances indicate that the value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. Refer note 47 for a discussion of the model and key assumptions.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets, property, plant and equipment and right-of-use assets

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment, intangible assets and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

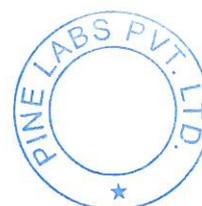
If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years.

H Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct material, pre-purchased voucher and prepaid cards, direct labour cost and direct overheads incurred (as applicable), in bringing the inventories to their present location and condition. Inventory is valued on weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.



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I Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity, compensated absences and other incentives to employees.

a. Post-employment and termination benefit costs

Payments to defined contribution retirement benefit plans, such as provident fund, employee state insurance scheme and pension schemes, are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans such as gratuity and other post-employment defined benefit retirement plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements comprising actuarial gains and losses are recognised immediately in the balance sheet with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income are not reclassified. Past service cost is recognised in profit and loss when the plan amendment or curtailment occurs. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit costs are split into three categories:

- service costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements
- interest expense or income; and
- remeasurements.

The Company recognises service costs within standalone statement of profit and loss as Gratuity and other defined benefit plans expenses under employee benefits expense.

Net interest expense or income is recognised within employee benefits expense.

b. Short term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries, annual leave and sick leave, performance incentives etc. in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit.

The Company treats accumulated leave and long-term service award expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences and long-term service award are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gain/loss are immediately taken to the standalone statement of profit and loss and are not deferred.

c. Share-based payments

The employees of the Company have been granted stock options by Pine Labs Limited, the Parent Company.

The Company recognizes and measures compensation expense for all share-based awards based on the grant date fair value as per Ind AS 102, share based payments. For option awards, grant date fair value is determined under the option-pricing model (Black-Scholes-Method). The Company recognizes compensation expense for share based awards net of estimated forfeitures. Share-based compensation recognized in the standalone Statement of Profit and Loss is based on options ultimately expected to vest. As a result, the expense has been reduced for estimated forfeitures. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The cost is recognised, together with a corresponding increase in liability towards payable to Parent Company, over the period in which the performance and/or service conditions are fulfilled in employee share option expense under employee compensation. The movement in cumulative expense recognised as at the beginning and end of that period is recognised in employee share option expense under employee compensation in the standalone statement of profit and loss.

J Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the standalone statement of profit and loss net of any reimbursement.

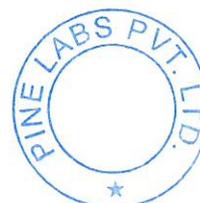
Contingent liability

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- a present obligation that arises from past events but is not recognised because:

- (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (ii) The amount of the obligation cannot be measured with sufficient reliability.

The Company does not recognise a contingent liability but discloses its existence in the revised standalone financial statements.



K Revenue from contract with customer

The Company derives revenue primarily from the following major sources:

- A. Digital payments
- B. Issuing

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

For the purpose of revenue recognition, the Company determines whether revenue should be recognized on a gross or net basis, which depends on which party controls the good or service before it is transferred to the customer, and whether the Company is acting as a principal or an agent to the transaction. The assessment is performed separately for each performance obligation identified.

No significant element of financing is deemed present as the sales are made with credit terms consistent with market practice.

A. Digital payments

The revenue under Digital payments is derived from following:

(a) Merchant Services

Transaction and processing services revenue is comprised of: 1) fees calculated based on percentage of the monetary value of transaction processed; 2) fees calculated based on number of transactions processed; 3) fixed monthly amounts; 4) combinations thereof that are associated with transaction and processing services. The Company typically contracts with financial institutions, merchants, or affiliates of those parties. Contracts stipulate the types of processing services and articulate how fees will be incurred and calculated.

The Company's core performance obligations are to stand ready to provide continuous access to electronic payment and transaction processing services in order to be able to process as many transactions as clients require on a daily basis over the contract term and the consideration received is contingent upon the clients' use (i.e., number of payment transactions processed, number of cards on file, etc.); as such, the total transaction price is variable. These services are stand ready obligations, as the timing and quantity of transactions to be processed is not determinable. Under a stand-ready obligation, the performance obligation is defined by each time increment rather than by the underlying activities satisfied over time based on days elapsed. Because the service of standing ready is substantially the same each day and has the same pattern of transfer to the client, the Company has determined that its stand-ready performance obligation comprises a series of distinct days of service. The performance obligation to stand ready to provide continued access to transaction and processing services is satisfied equally over time and therefore, the progress is measured on a time basis. Transaction based fee represents variable consideration for which the criteria for permitting allocation of the variable consideration to distinct days of service that forms part of the single performance obligation are met, namely:

- the terms of the variable payment relate specifically to its efforts to satisfy the distinct service on a particular day (i.e. it reflects the number of transactions processed on a particular day and
- allocating the variable amount of consideration entirely to the distinct service on a particular day is consistent with the allocation objective when considering all of the performance obligations and payment terms in the contract.

Fees for transaction and processing services are recognized each day based on the volume or transaction count at the time the merchants' transactions are processed. In case of fixed monthly amounts, revenue is recognised as and when it is accrued based on the contractual rates agreed with customers.

(b) Aggregator services

The Company offers merchant aggregator services to various merchants by way of facilitating the processing and settlement of transactions between the merchants and the acquirer banks, regardless of which issuing bank and card network to which the transaction relates. Revenue comprises settlement fees paid by merchants, usually as a percentage of the transaction value. The Company frequently enters into agreements with merchants under which the merchant engages the Company to provide both payment authorization services and transaction settlement services for all of the cardholder transactions of the merchant, regardless of which issuing bank and card network to which the transaction relates. The Company's core performance obligations are to stand ready to provide continuous access to the payment authorization services and transaction processing and settlement services in order to be able to process as many transactions as the merchants require on a daily basis over the contract term. These services are stand ready obligations, as the timing and quantity of transactions to be processed is not determinable. Under a stand-ready obligation, the performance obligation is defined by each time increment rather than by the underlying activities satisfied over time based on days elapsed. Because the service of standing ready is substantially the same each day and has the same pattern of transfer to the merchant, the Company has determined that the stand-ready performance obligation comprises a series of distinct days of service. The performance obligation to stand ready to provide continued access to transaction processing and settlement services is satisfied equally over time and therefore, the progress is measured on a time basis. Transaction based fee represents variable consideration for which the criteria for permitting allocation of the variable consideration to distinct days of service that forms part of the single performance obligation are met, namely:

- the terms of the variable payment relate specifically to its efforts to satisfy the distinct service on a particular day (i.e. it reflects the number of transactions processed on a particular day); and
- allocating the variable amount of consideration entirely to the distinct service on a particular day is consistent with the allocation objective when considering all of the performance obligations and payment terms in the contract.

Fees for transaction processing and settlement services is recognized each day based on the volume or transaction count at the time the merchants' transactions are processed.

The Company follows the requirements of Ind AS 115 Revenue from Contracts with Customers—Principal versus Agent Considerations, which states that the determination of whether a Company should recognize revenue based on the gross amount billed to a client or the net amount retained is a matter of judgment that depends on the facts and circumstances of the arrangement. The determination of gross versus net recognition of revenue requires judgment that depends on whether the Company controls the good or service before it is transferred to the merchant or whether the Company is acting as an agent of a third party. The assessment is performed separately for each performance obligation identified. Under the agreements, the Company incurs assessment fees and interconnect or network pass-through charges from the card issuers and card networks, related to the provision of payment authorization and settlement services.



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Transaction processing and settlement fees are recognized net of assessment fees and card association fees (i.e. interconnect or interchange fees charged by intermediaries like Visa/Master card) paid to the acquiring banks / financial institutions, since the Company is acting only as an agent in respect of these charges, due to the following reasons:

- (i) The Company does not have discretion in choosing the payment network and is unable to direct the activity of the merchant to another payment network;
- (ii) Payment network rates are pre-established by the card payment networks and card issuers and the Company does not have latitude in determining the assessment fees and card association fees;
- (iii) The Company is not primarily responsible for the authorization and settlement services performed by payment networks and card issuers but, only arrange for these services to the merchant.

Both the Company and the acquiring bank have primary obligation to provide their part of the services to merchant i.e. the Company is a principal for some specified services (i.e. provision of POS solutions) and agent for others (i.e. services provided by the acquiring banks).

The Company also earn one-time POS installation and program integration fee for provision of installation service of POS solution to clients (refer below "Subscription based and other services").

(c) Buy Now Pay Later (BNPL) services

For transaction, processing and settlement services, wherein the merchant/issuer bank/brand partners run an equated monthly installment (EMI) scheme for cardholder transactions, the Company has a performance obligation to provide its platform for running the scheme. In exchange, the Company charges a service fee per transaction in the EMI scheme, in addition to the transaction processing fee. Revenue from such services is recognized at a point in time, upon processing of EMI scheme on each eligible transaction and the amount is billed to merchant/issuer bank/brand partners.

(d) Cash back services

For transaction, processing and settlement services, wherein the merchant/issuer bank/brand partners run various cash back schemes for eligible cardholders, the Company has a performance obligation to provide its platform for running the schemes for the participating brands and issuer banks. In exchange, the Company charges a service fee per transaction in the said scheme, in addition to the transaction processing fee. Revenue from such services is recognized at a point in time, upon processing of each eligible transaction and the amount is billed to merchant/issuer bank/brand partners.

(e) Multiple Performance Obligations

Arrangements may contain multiple performance obligations, such as, transaction settlement services, hardware, software products, maintenance, and professional installation and training services. Revenues are allocated to each performance obligation based on the standalone selling price of each good or service.

Revenues from sales of combined hardware and software element are recognized when each performance obligation has been satisfied which has been determined to be upon the delivery of the product. Revenues derived from service fees are recognized at the time the services are performed and there are no further performance obligations. Professional services, including training, installation, and repair services are recognized as revenue as these services are performed.

(f) Subscription based and other services

The Company has contracts with customers to provide subscription-based services, in the form of one-time installation of hardware/software or both, one time solution implementation fee, one-time integration, setup and technology fee, infrastructure fee etc., either independently or bundled with transaction, processing and settlement services. These services are generally billed to the customers upfront. However, the underlying obligation to keep up and run the software and hardware or platform continues for the entire period of the contract with customer in case of subscription based services, and the pattern of benefits to the customer from such services rendered is generally even, throughout the period of contract. Revenue against such upfront subscription fee is recognized on a straight-line basis over a period of time (i.e. either the contractual term or estimated period of customer relationship, as the case may be).

Revenue from other services is recognized in accordance with the terms of the contract, including revenue from software licensing and maintenance. The Company's software licensing and maintenance services are considered distinct and are generally recognized at their standalone selling prices when the software code is delivered to the client and over the maintenance period respectively. The Company recognizes revenue from other services when the service is rendered.

(g) Digitization of fuel stations

The Company sells hardware and other peripherals as part of its contracts with customers in respect of digitization of fuel stations. The Company accounts for sale and installation of hardware as a single performance obligation and recognizes the revenue at its transaction price when the customer obtains control of the hardware/other peripherals and accepts the installation.

B. Issuing

The revenue under Issuing is derived from the following:

(a) Gift solutions

The Company provides gift cards and/or stored value card solutions to various retail and corporate customers.

Revenue from Gift card solutions is comprised of a) Processing services for Semi Closed Loop Programs (SCLP), Closed Loop Programs (CLP), other store value cards and b) Distribution services, with respect to various categories of gift cards i.e. Woohoo gift cards and other brand gift cards.

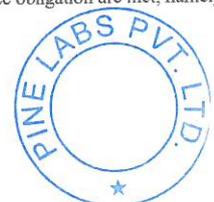
Processing services

Processing services revenue majorly comprise of fees for Gift card program management services offered on Software as a service i.e. "SaaS" solution to Merchants or brand vendors. The Company also earn one-time program initiation and implementation fee for integration and migration of data between Merchants or brand vendors' platform and the Company's platform (refer policy on "Subscription based services"). Contracts with merchants or brand vendors stipulate the types of processing services and articulate how fees will be accrued and calculated.

The Company's core performance obligations include (may be all or combination of any):

- Issue of co-brand cards, other brand cards, prepaid or postpaid cards redeemable on Merchants or brand vendor's website or application;
- Establish, maintain and administer the gift card program to facilitate issuance and redemption of gift cards issued;
- Provision of dedicated IT infrastructure and related annual maintenance

Processing fee is charged on the value of gift cards/vouchers activated or reloaded or redeemed (as per the arrangements with merchant or brand vendors) and billed to the merchants or brand vendors based on the monthly reports generated. These services are stand ready obligations, as the timing and volume of gift cards/ vouchers to be processed is not determinable. Because the service of standing ready is substantially the same each point in time the gift cards/ vouchers are activated or reloaded or redeemed and has the same pattern of transfer to the merchants or brand vendors, the Company has determined that its stand-ready performance obligation comprises a series of distinct services. The performance obligation to stand ready to provide continued access to gift card program is satisfied equally over time and therefore, the progress is measured on a time basis. Processing fee represents variable consideration for which the criteria for permitting allocation of the variable consideration to distinct days of service that forms part of the single performance obligation are met, namely:



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- the terms of the variable payment relate specifically to its efforts to satisfy the distinct service on a particular day (i.e. it reflects the value of gift cards/ vouchers activated or reloaded or redeemed on a particular day); and
- allocating the variable amount of consideration entirely to the distinct service on a particular day is consistent with the allocation objective when considering all of the performance obligations and payment terms in the contract.

Processing fees are recognized at a point in time on each activation or reload or redemption of gift cards/ vouchers.

Distribution services

Distribution services revenue majorly comprises discount or commission income from merchant or brand vendors for facilitating distribution of gift cards to retail or corporate customers net of discount passed on to end customers which comprises pass-through cost. This also includes service of authorization, processing and settlement for gift card transactions. Contracts with merchants or brand vendors stipulate the type of distribution services and articulate how fees will be accrued and calculated.

Discount or commission income is charged on the value of gift cards/vouchers activated or reloaded or redeemed (as per the arrangements with merchant or brand vendors) and billed to the merchants or brand vendors based on the monthly reports generated. Discount or commission income are recognized at a point in time on each activation or reload or redemption of gift cards/ vouchers.

Woohoo gift cards

For all Woohoo gift cards programs, revenue is recognised only on redemption of such cards.

Distribution of other brand gift cards

The Company follows the requirements of Ind AS 115 Revenue from Contracts with Customers—Principal versus Agent Considerations, which states that the determination of whether a Company should recognize revenue based on the gross amount billed to a client or the net amount retained is a matter of judgment that depends on the facts and circumstances of the arrangement. The determination of gross versus net recognition of revenue requires judgment that depends on whether the Company controls the good or service before it is transferred to the merchant or whether the Company is acting as an agent of a third party. The assessment is performed separately for each performance obligation identified. Processing and distribution service revenue arising from Semi Closed Loop Programs (SCLP), Closed Loop Programs (CLP) and other brand gift cards are recognized net of discount passed on to end customers (either retail or corporate), since:

- the Company is only providing or granting or reselling the options to customers or end users (on behalf of Brand) to purchase additional goods or services from the brands by using the gift cards. Such sale of gift cards is in the nature of providing a service of arranging for another party (brands) to transfer goods or services to a customer;
- the Company does not control the gift cards and associated services before it is transferred to end customers.
- The Company is not responsible for honoring the promise to provide the specified good or service pertaining to the gift cards. The gift card issuer (i.e. merchant or brand vendor) is primary obligor for the redemption of gift cards;
- the Company does not carry any inventory risk / loss since these cards are issued on real time basis and the Company does not hold inventory at any time;
- the discretion of determining the discount to be allowed to end customer is either jointly controlled by the merchant or brand vendor and Company, or completely by the merchant or brand vendor. The Company does not have a unilateral right to determine the discount to be allowed to the end customer.

For distribution of other brand gift cards through all the channels of the Company, as the Company is acting merely as an agent plus the obligation on Company being only to provide the gift cards to the customer, revenue is recognised at a point in time when such sale is made. For Company's Prepaid Payment Instruments (PPI) cards, revenue is recognized when the customer has fully exercised its right to future goods and services. This is usually when the PPI card has been redeemed with another entity. For other brands cards wherein the Company maintains the inventory of the cards and has significant latitude over the pricing of the cards, the Company is acting as a principal, and revenue is recognized on a gross basis, for value of cards sold, at a point in time when such sale is made.

Semi Closed Loop Programs (SCLP)

For all SCLP gift card programs, the Company's performance obligation being met only on redemption of the co-branded cards issued, revenue is recognised at the point in time when the gift cards are redeemed.

Closed Loop Programs (CLP)

For all CLP gift card programs, the Company's performance obligation is to provide technology throughout the life cycle of the gift cards. As the performance obligation is being met over the period revenue is recognised over the period of such contracts based on the agreed model of activation or redemption.

(b) Breakage revenue

As per Para B46 of Ind AS 115, If an entity expects to be entitled to a breakage amount in a contract liability, the entity shall recognise the expected breakage amount as revenue in proportion to the pattern of rights exercised by the customer. If an entity does not expect to be entitled to a breakage amount, the entity shall recognise the expected breakage amount as revenue when the likelihood of the customer exercising its remaining rights becomes remote.

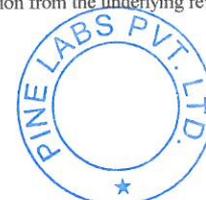
In line with requirement of the standard as given above, the Company estimates the breakage it expects to be entitled to as the amount for which it is highly probable that a significant reversal will not occur in the future. The Company uses a portfolio of similar transactions as a source of data to estimate expected breakage for an individual contract if it has a sufficiently large number of similar transactions or other history. The estimated amount is recognised as revenue in proportion to the pattern of rights exercised by the user (proportional method). The assessment of estimated breakage is updated at each reporting period. Changes in estimated breakage is accounted for by adjusting the contract liability to reflect the remaining rights expected to be redeemed.

Accordingly, the Company recognises revenue only at the time of redemption of such cards.

(c) Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some gift card arrangements comprise the provision of payment of co-branding fee and efficiency payout to the merchants or brand vendor which give rise to variable consideration as explained below:

- Co-branding fee: The end user of co-branded cards and co-branding partner, both are customers for the Company. On sale of co-branded cards on the platform of co-branding partner, Company pays co-branding fee to the co-branding partner. It is construed as consideration payable to customer not in exchange for a distinct good or service. Such co-branding fee is considered as variable consideration and are included in determining the transaction price i.e. recognised as a reduction from the underlying revenue.
- Efficiency payout: Co-branding partner is eligible for efficiency payout on meeting agreed milestones. Efficiency payout is considered as a consideration payable to customer not in exchange for a distinct good or service. Such efficiency payout give rise to variable consideration and are included in determining the transaction price i.e. recognised as a reduction from the underlying revenue.
- In addition to above, the Company also makes certain other payments to co-branding partners, like program promotion support fees which are considered as consideration payable to customer. Since these give rise to variable consideration, these are included in determining the transaction price i.e. recognised as a reduction from the underlying revenue.



(d) Other revenue

Interest on funds held for customers

The Company also earns revenue from interest earned on funds held for customers in case of SCLP gift card program for provision of distribution services. Interest is earned on these funds that are initially deposited into the Company's escrow accounts maintained separately from the Company's operating cash accounts until these balances are cleared and credited to the intended recipient i.e. end user or merchant. Interest income is recognized using the effective interest method.

Deferred revenue

The Company records deferred revenue when it receives services fees in advance of transferring control of promised goods or services to a customer. A significant portion of this balance relates to service contracts where the Company received services fees from customers for upfront subscription based and other services (as mentioned above) which do not transfer value to the customer but rather are used in fulfilling the related performance obligations that transfer over time.

The service fees received is deferred over the contract term or longer period if it provides the customer a material right. The deferred revenue is recognized when underlying performance obligations are delivered.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 2.D of Financial instruments.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs its obligations under the contract. Contract liability comprises "advance from customers" and "Deferred revenue" in the revised standalone financial statements.

Contract assets

A contract asset is the right to consideration in exchange of goods or services transferred to the customer. If the Company performs its obligations by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. Contract assets have been presented as "unbilled revenue" in the financial statements.

L. Recognition of interest income or expense

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.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

M Income taxes

The income tax expense represents the sum of the current tax and deferred tax.

Current income tax

The primary tax jurisdiction of the Company is India. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

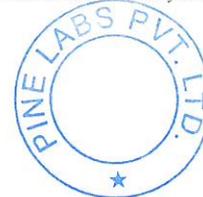
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.



Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022
(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

N Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has identified Digital payments and Issuing as its primary segments.

Under Digital payments segment, the Company provides technology platforms (under the brand name of "Pinelabs") that are made available to merchants to enable acceptance of instore or online digital payments. These technology platforms and infrastructure allow merchants to accept debit cards, credit cards, prepaid instruments wallets, QR codes, Unified Payment Interface (UPI), loyalty points, pay later, etc. to enable purchases made by consumers. The merchants on Pinelabs platforms span across sectors and cities primarily in India. The Company monetizes the platform by charging subscription-based or transaction-based fees from merchants, acquiring and issuing banks and consumer brand partners. In addition the Company also generates revenue from other sources, including digitization of fuel stations, integration fees, merchant lending, sales of paper rolls, loyalty and analytics services and fees from other partnerships.

Under Issuing segment, the Company primarily provides a technology platform as gift card solutions to issue, process and distribute prepaid cards. The platform is used by retail merchants as a payment mechanism for goods and services sold. For issuing and processing solutions, the Company monetizes by charging a variable fee from merchants who are utilizing the technology platform. In the case of distribution, revenue is earned based on the margin that Company retains by distributing the prepaid cards.

In reviewing the operational performance of the Company and allocating resources, the chief operating decision maker of the Company ("CODM"), i.e. the board of directors reviews the financial performance and forecasts, performance of key product lines, new product buildout/performance review, and other reviews such as employee performance, functional reviews and ad-hoc-reviews. The Company's operating segments, as described above, are strategic business units that offer different products and services. For each of the operating segments, the CODM reviews performance based on segment's revenue and adjusted gross profit. The financial review does not include breakups or details of assets and liabilities of these operating segments.

O Cash and cash equivalents

Cash and cash equivalents in the standalone balance sheet comprises cash at bank and on hand, deposits and other short-term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

P Earnings per share

Basic earnings (loss) per share is computed using the weighted average number of equity shares outstanding during the period. Diluted earnings (loss) per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, except where the results would be anti-dilutive.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

Q Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs incurred for the period from commencement of activities relating to construction/ development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

In case of a specific borrowing taken for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised shall be the actual borrowing costs incurred during the period less any interest income earned on temporary investment of specific borrowing pending expenditure on qualifying asset.

In case funds are borrowed generally and such funds are used for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised are calculated by applying the weighted average capitalisation rate on general borrowings outstanding during the period, to the expenditures incurred on the qualifying asset.

If any specific borrowing remains outstanding after the related asset is ready for its intended use, that borrowing is considered part of the funds that are borrowed generally for calculating the capitalisation rate.

R Current versus non-current classification

The Company presents assets and liabilities in the standalone balance sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

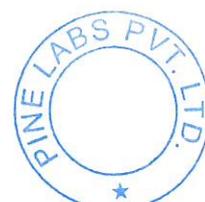
A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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



Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022

(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

S Funds held for customers and customer fund deposits liability

Funds held for customers and the corresponding liability on customer fund deposits represent funds that are collected from customers for payments to their suppliers and funds that are collected on behalf of customers. Generally, these funds held for customers are initially deposited in separate bank accounts until remitted to the customers' suppliers or to the customers. The funds held for customers are restricted for the purpose of satisfying the customers' fund obligations and are not available for general business use by the Company.

T Share capital and share issuance expenses

Proceeds from issuance of equity shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of equity shares are deducted against share capital, if any.

U Recent pronouncements

Ministry of Corporate Affairs (MCA) notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide Notification dated 23 March 2022. Following amendments and annual improvements to Ind AS are applicable from 1 April 2022.

Ind AS - 103 Business Combination

The amendment specifies that for identified assets and liabilities to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

Ind AS - 16 Property Plant and Equipment ('PPE')

The amendments have clarified the accounting treatment for 'excess of net sale proceeds of items produced over the cost of testing'. As per amendments, the excess of net sale proceeds of items produced over the cost of testing, if any, should not be recognised in the statement of profit and loss but deducted from the directly attributable costs considered as part of cost of an item of PPE.

Ind AS - 37 Provisions, Contingent Liabilities and Contingent Assets

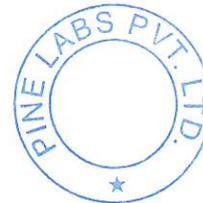
The amendments clarify the types of cost a company can include as the 'costs of fulfilling a contract' while assessing whether a contract is onerous as under:

- The incremental costs of fulfilling that contract—for example, direct labour and materials; and
- An allocation of other costs that relate directly to fulfilling contracts—for example, an allocation of the depreciation charge for an item of PPE used in fulfilling that contract.

Annual improvements to Ind AS 109 - Financial instruments

The amendment clarifies that for the purpose of performing the '10 per cent test' for derecognition of financial liabilities, in determining fees paid, the borrower includes amounts paid by the borrower to or on behalf of the lender, and fees received include amounts paid by the lender to or on behalf of the borrower.

The Company does not expect the above amendments / improvements to have any significant impact on its revised standalone financial statements.



3 Property, plant and equipment

| | Leasehold improvements | Plant and machinery | Office equipment | Furniture and fixtures | Vehicles | Computers | Servers & Networks | Total | Capital work-in-progress |
|--|------------------------|---------------------|------------------|------------------------|----------|--------------|--------------------|---------------|--------------------------|
| Cost | | | | | | | | | |
| Balance as at 1 April 2020 | 1,386 | 37,765 | 174 | 331 | 6 | 820 | 2,341 | 42,823 | 5,227 |
| Additions | 17 | 728 | 8 | 3 | - | 303 | 158 | 1,217 | 13,582 |
| Disposals | (60) | (2,143) | (13) | (25) | - | - | - | (2,241) | - |
| Transfer | - | 14,137 | - | - | - | - | - | 14,137 | (14,137) |
| Balance as at 31 March 2021 | 1,343 | 50,487 | 169 | 309 | 6 | 1,123 | 2,499 | 55,936 | 4,672 |
| Accumulated depreciation and impairment | | | | | | | | | |
| Balance as at 1 April 2020 | 225 | 13,423 | 58 | 56 | 6 | 460 | 520 | 14,748 | - |
| Depreciation charge during the year | 204 | 9,583 | 41 | 64 | - | 202 | 427 | 10,521 | - |
| Impairment | - | 574 | - | - | - | - | - | 574 | - |
| Disposals | (28) | (1,525) | (10) | (9) | - | - | - | (1,572) | - |
| Balance as at 31 March 2021 | 401 | 22,055 | 89 | 111 | 6 | 662 | 947 | 24,271 | - |
| Net carrying amount as at 31 March 2021 | 942 | 28,432 | 80 | 198 | 0 | 461 | 1,552 | 31,665 | 4,672 |
| Cost | | | | | | | | | |
| Balance as at 1 April 2021 | 1,343 | 50,487 | 169 | 309 | 6 | 1,123 | 2,499 | 55,936 | 4,672 |
| Additions | - | 198 | 36 | 2 | - | 1,999 | 408 | 2,643 | 23,768 |
| Disposals | - | (2,334) | (14) | (4) | - | (30) | (1) | (2,383) | - |
| Transfer | - | 18,322 | - | - | - | - | 608 | 18,930 | (18,930) |
| Balance as at 31 March 2022 | 1,343 | 66,673 | 191 | 307 | 6 | 3,092 | 3,514 | 75,126 | 9,510 |
| Accumulated depreciation and impairment | | | | | | | | | |
| Balance as at 1 April 2021 | 401 | 22,055 | 89 | 111 | 6 | 662 | 947 | 24,271 | - |
| Depreciation charge during the year | 200 | 11,337 | 38 | 61 | - | 515 | 476 | 12,627 | - |
| Impairment | - | (11) | - | - | - | (30) | (1) | (11) | - |
| Disposals | - | (2,113) | (11) | (3) | - | - | (1) | (2,158) | - |
| Balance as at 31 March 2022 | 601 | 31,268 | 116 | 169 | 6 | 1,147 | 1,422 | 34,729 | - |
| Net carrying amount as at 31 March 2022 | 742 | 35,405 | 75 | 138 | 0 | 1,945 | 2,092 | 40,397 | 9,510 |

Note:

1. Refer note 40 for disclosure of capital commitments for acquisition of property, plant and equipment.
2. Refer note 4 for details related to Sale and leaseback transaction
3. The impairment losses recognised are in respect of obsolescence of digital check-out points, classified under plant and machinery, included in note 28.



Ageing of capital work-in-progress is as below

| As at 31 March 2022 | | | | | |
|--------------------------------|------------------|-----------|-----------|-------------------|-------|
| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 8,318 | 971 | 167 | - | 9,456 |
| Projects temporarily suspended | - | 54 | - | - | 54 |

| As at 31 March 2021 | | | | | |
|--------------------------------|------------------|-----------|-----------|-------------------|-------|
| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 4,353 | 319 | - | - | 4,672 |
| Projects temporarily suspended | - | - | - | - | - |

| The expected completion of amounts lying in capital work in progress which are delayed as on 31 March 2022 is as below: | | | | | |
|---|------------------|-----------|-----------|-------------------|-------|
| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects temporarily suspended | 54 | - | - | - | 54 |

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4 Leases

This note provides information for leases where the Company is a lessee. The Company has taken certain commercial spaces on lease for office premises. Lease contracts are typically entered for a term of 3 years to 15 years, including extension options. The Company has also entered into certain sale and leaseback transactions with a Financial Institution. As explained in detail in note 18, such transactions have not been recognized as leases as per the guidance provided in Ind AS-116.

Extension and termination options

Extension and termination options are included in a number of leases. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The Company has some property lease arrangements that include option to renew or terminate the contract by either party by giving advance notice.

a) Right of use assets

| Particulars | Building | Furniture and fitting | Total |
|--|--------------|-----------------------|--------------|
| Balance as at 1 April 2020 | 7,549 | 551 | 8,100 |
| Additions | 695 | - | 695 |
| Termination/end of lease contracts | (2,764) | (373) | (3,137) |
| Balance as at 31 March 2021 | 5,480 | 178 | 5,658 |
| Accumulated amortisation | | | |
| Balance as at 1 April 2020 | 1,491 | 300 | 1,791 |
| Amortisation charge during the year | 751 | 99 | 850 |
| Termination/end of lease contracts | (872) | (253) | (1,125) |
| Balance as at 31 March 2021 | 1,370 | 146 | 1,516 |
| Net carrying amount as at 31 March 2021 | 4,110 | 32 | 4,142 |
| Balance as at 1 April 2021 | 5,480 | 178 | 5,658 |
| Additions | 351 | 18 | 369 |
| Termination/end of lease contracts | (66) | (176) | (242) |
| Balance as at 31 March 2022 | 5,765 | 20 | 5,785 |
| Accumulated amortisation | | | |
| Balance as at 1 April 2021 | 1,370 | 146 | 1,516 |
| Amortisation charge during the year | 606 | 34 | 640 |
| Termination/end of lease contracts | (26) | (176) | (202) |
| Balance as at 31 March 2022 | 1,950 | 4 | 1,954 |
| Net carrying amount as at 31 March 2022 | 3,815 | 16 | 3,831 |

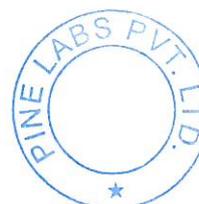
b) Lease liabilities

(i) Amounts recognised in revised standalone balance sheet

| | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Balance as at 1 April | 4,704 | 6,867 |
| Additions | 337 | 666 |
| Accretion of interest | 461 | 579 |
| Payments* | (872) | (1,099) |
| Termination/end of lease contracts (refer note below) | (46) | (2,309) |
| Balance as at 31 March | 4,584 | 4,704 |

* This represents total cash outflow for leases during the year.

| | As at 31 March 2022 | As at 31 March 2021 |
|-------------|------------------------|------------------------|
| Current | 542 | 440 |
| Non-Current | 4,042 | 4,264 |
| | 4,584 | 4,704 |



Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022
(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

Contractual maturities of lease liabilities on as undiscounted basis are as given below:

| | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Not later than one year | 931 | 855 |
| Later than one year and not later than five years | 2,943 | 3,027 |
| Later than five years | 3,285 | 3,787 |
| | 7,159 | 7,669 |

Amounts recognised in the revised standalone statement of profit and loss

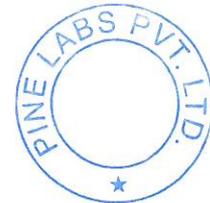
| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Amortisation charge on right-of-use assets (refer note 28) | 640 | 850 |
| Interest expense (included in finance costs (refer note 27) | 462 | 579 |
| Expense related to short-term leases (included in other expenses refer note 29)* | 190 | 177 |

*** Short term leases**

Short term leases include certain leases of IT hardware products and lease of co-working space, including parking space with a lease term of 12 months or less.

Note:

In previous year 2020-21, consequent to the COVID-19 pandemic, the Company had invoked Force Majeure clause in various lease agreements for its leased properties, for a complete or partial waiver of rent expenses and also terminated lease contracts during the lockdown period. The Company had been successful in getting relief from certain landlords. The Company had recognised these concessions/rebates in accordance with applicable guidance. The Company had elected to apply the practical expedient of not assessing the rent concessions as a lease modification, as per relevant amendments to Ind AS 116 Leases, for rent concessions which are granted due to COVID-19 pandemic. As per requirements of amendments to Ind AS 116 Leases, total rent concessions recognized during the previous year ended 31 March 2021 amounted to INR 35.60 lakh, and had been net off from rent expenses for the year ended 31 March 2021. The Company has also terminated / modified certain lease contracts in the current year as well. Gain/ loss on termination/modification of lease contracts in previous year and in current year has been recognized in revised standalone statement of Profit and loss and Other Comprehensive Income under the head "Other income".



5 Intangible assets, Intangible assets under development and goodwill

| Particulars | Computer software | Customer relationship | Technology | Non compete | Total intangible assets | Intangible assets under development | Goodwill |
|--|-------------------|-----------------------|---------------|-------------|-------------------------|-------------------------------------|---------------|
| Balance as at 1 April 2020 | | | | | | | |
| Opening gross carrying amount | 1,387 | 10,330 | 14,470 | 870 | 27,057 | 1 | 45,910 |
| Additions | 374 | - | - | - | 374 | 105 | - |
| Disposals | (5) | - | - | - | (5) | - | - |
| Transfers | - | - | - | - | - | (1) | - |
| Balance as at 31 March 2021 | 1,756 | 10,330 | 14,470 | 870 | 27,426 | 105 | 45,910 |
| Accumulated amortisation | | | | | | | |
| Balance as at 1 April 2020 | 693 | 1,964 | 2,752 | 195 | 5,604 | - | - |
| Amortisation charge during the year | 397 | 2,066 | 2,894 | 205 | 5,562 | - | - |
| Disposals | (5) | - | - | - | (5) | - | - |
| Balance as at 31 March 2021 | 1,085 | 4,030 | 5,646 | 400 | 11,161 | - | - |
| Net carrying amount as at 31 March 2021 | 671 | 6,300 | 8,824 | 470 | 16,265 | 105 | 45,910 |
| Balance as at 1 April 2021 | | | | | | | |
| Opening gross carrying amount | 1,756 | 10,330 | 14,470 | 870 | 27,426 | 105 | 45,910 |
| Additions | 151 | - | - | - | 151 | 3,496 | - |
| Disposals | (276) | - | - | - | (276) | - | - |
| Transfers | 370 | - | 543 | - | 913 | (913) | - |
| Balance as at 31 March 2022 | 2,001 | 10,330 | 15,013 | 870 | 28,214 | 2,688 | 45,910 |
| Accumulated amortisation | | | | | | | |
| Balance as at 1 April 2021 | 1,085 | 4,030 | 5,646 | 400 | 11,161 | - | - |
| Amortisation charge during the year | 434 | 2,066 | 2,897 | 205 | 5,602 | - | - |
| Disposals | (276) | - | - | - | (276) | - | - |
| Balance as at 31 March 2022 | 1,243 | 6,096 | 8,543 | 605 | 16,487 | - | - |
| Net carrying amount as at 31 March 2022 | 758 | 4,234 | 6,470 | 265 | 11,727 | 2,688 | 45,910 |

Notes :

1 Refer note 47 for impairment testing of goodwill.

Ageing of intangible assets under development is as below

As at 31 March 2022

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|--------------------------------|------------------|-----------|-----------|-------------------|-------|
| Projects in progress | 2,639 | - | - | - | 2,639 |
| Projects temporarily suspended | - | 49 | - | - | 49 |

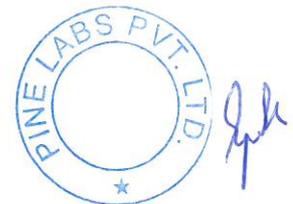
As at 31 March 2021

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|--------------------------------|------------------|-----------|-----------|-------------------|-------|
| Projects in progress | 105 | - | - | - | 105 |
| Projects temporarily suspended | - | - | - | - | - |

The following table presents completion schedule of overdue project:

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|--------------------------------|------------------|-----------|-----------|-------------------|-------|
| Projects in progress | 1,462 | - | - | - | 1,462 |
| Projects temporarily suspended | - | - | - | - | - |

In the above projects that are delayed, there have been changes/enhancement in the project which lead to revision in original timelines of completion, accordingly the project would be completed as per revised timelines.



Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022
(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

| | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| 6 Investment | | |
| Investments in equity instruments | | |
| Equity investment in subsidiary companies carried at cost 10,000 (31 March 2021: 10,000) shares of INR 10 each fully paid up in Mopay Services Private Limited | 1 | 1 |
| Unquoted equity shares at FVOCI* 61,320 (31 March 2021: 61,320) shares of INR 100 each fully paid up in National Payments Corporation of India | 904 | 770 |
| Total non-current investments | 905 | 771 |
| Investment carried at fair value through other comprehensive income Aggregate amount of impairment in value of investments | 904 - | 770 - |

*Investment in above equity instruments are not held for trading. Instead, they are held for long-term strategic purposes. Accordingly, the Company has elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

| | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Current | | |
| Investment in non-trade unquoted mutual funds at FVTPL | | |
| Nil (31 March 2021: 45,086.942) units of Aditya Birla Sun Life Overnight Fund | - | 500 |
| Nil (31 March 2021: 1,51,777.606) units of Aditya Birla Sun Life Mutual Fund- ABSL Savings Fund | - | 642 |
| Nil (31 March 2021: 48,466.013) units of Tata Overnight Fund | - | 535 |
| Nil (31 March 2021: 92,305.223) units of Axis Overnight Fund | - | 1,003 |
| 1,31,781 (31 March 2021: Nil) units of Axis Money Manager | 1,513 | - |
| 28,099 (31 March 2021: Nil) units of Kotak Money Market Fund | 1,012 | - |
| 9,934 (31 March 2021: Nil) units of Nippon India Liquid Fund | 513 | - |
| 1,50,749 (31 March 2021: Nil) units of ABSL Liquid Fund - Growth | 513 | - |
| 20,311 (31 March 2021: Nil) units of UTI Money Market Fund | 501 | - |
| Total investments - current | 4,052 | 2,670 |
| Aggregate value of unquoted investments and market value thereof Aggregate amount of impairment in the value of investments | 4,052 - | 2,670 - |

| | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| 7 Loans (unsecured, considered good) | | |
| Loans to employees | 28 | 13 |
| Loan to related party (refer note 35) | 1 | 1 |
| Total loans - current | 29 | 14 |

| | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| 8 Other financial assets | | |
| Non current | | |
| Fixed deposits with original maturity of more than 12 months | 6,947 | 89 |
| Interest accrued on fixed deposits | 245 | 4 |
| Security deposits* | 378 | 281 |
| Total other financial assets - non current | 7,570 | 374 |
| Current | | |
| Interest accrued on fixed deposits and earmarked balances | 2,209 | 1,260 |
| Security deposits* | 21 | 69 |
| Receivable from related parties (refer note 35) | 2,140 | 414 |
| Receivable for cashback schemes | 36,879 | 25,050 |
| Advance recoverable from employees | - | 272 |
| Other receivables | 3,375 | 896 |
| Total other financial assets - current | 44,624 | 27,961 |

*Security deposits represent amount paid as deposit to landlords for the leased premises and other parties.

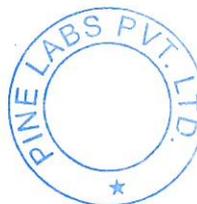
| | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| 9 Non-current tax assets (net) | | |
| Opening Balance | 8,504 | 8,828 |
| Less: Current tax payable for the year | 69 | 1,730 |
| Less: Tax assets written off during the year | 131 | - |
| Add: Taxes paid (net of refund) | 5,029 | 1,406 |
| Total non-current income tax assets (net) | 13,333 | 8,504 |

| | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| 10 Inventories | | |
| Traded goods (at lower of cost or net realisable value) | 1,176 | 355 |
| Total inventories | 1,176 | 355 |

The write-downs of inventories to net realisable value amounted to Nil for year ended 31 March 2022 (31 March 2021: 163 lakhs). The write down is recorded in other expenses (refer note 29).

| | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| 11 Other assets | | |
| Non-current | | |
| (considered good) | | |
| Prepayments | 153 | 86 |
| Capital advances | 3,802 | 11 |
| Balance with government authorities | 0 | 0 |
| Total other assets - non-current | 3,955 | 97 |

dm



greek

Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022
(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

Current

(considered good)

| | | |
|---|-------|-------|
| Advances towards purchase of gift cards | 7,726 | 6,268 |
| Prepayments | 1,428 | 1,044 |
| Balance with government authorities | 5,484 | 1,971 |
| Advance to employees | 7 | 48 |
| Estimated breakages accrued* | 236 | 339 |
| Advance to vendors | 814 | 252 |
| Other advances | - | 21 |

(considered doubtful)

| | | |
|---|-------|---|
| Advances towards purchase of gift cards | 573 | - |
| Less: Impairment loss allowance | (573) | - |

| | | |
|-----------------------------------|---------------|--------------|
| Total other current assets | 15,695 | 9,943 |
|-----------------------------------|---------------|--------------|

*Estimated breakages accrued refers to the amount recognised by the Company, where it is entitled to a breakage amount in a contract liability.

12 Deferred tax assets

| | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| The balance comprises temporary differences attributable to: | | |
| Property, plant and equipment including leases and other intangibles | 4,524 | (143) |
| Employee benefit expense disallowed, excluding employee share option expense | 998 | 861 |
| Provision for doubtful debts and advances | 771 | 972 |
| Provision for obsolete and slow moving inventory | 53 | 57 |
| Employee share based payment expense (ESOP) | 302 | 307 |
| Unabsorbed depreciation and carry forward losses | 1,710 | 1,019 |
| Others | 623 | 627 |
| Total deferred tax assets | 8,981 | 3,700 |

Movement in deferred tax assets

| | Property, plant and equipment including leases and other intangibles | Employee benefit expense disallowed, excluding employee share option expense | Provision for doubtful debts and advances | Provision for obsolete and slow moving inventory | Employee share based payment expense (ESOP) | Unabsorbed depreciation and carry forward losses | Others | Total |
|---------------------------------|--|--|---|--|---|--|------------|--------------|
| At 1 April 2020 | (2,475) | 573 | 810 | 16 | 357 | 444 | 413 | 138 |
| (Charged)/credited: | | | | | | | | |
| - to profit or loss | 2,332 | 281 | 162 | 41 | (50) | 575 | 214 | 3,555 |
| - to other comprehensive income | - | 7 | - | - | - | - | - | 7 |
| At 31 March 2021 | (143) | 861 | 972 | 57 | 307 | 1,019 | 627 | 3,700 |
| (Charged)/credited: | | | | | | | | |
| - to profit or loss | 4,667 | 80 | (201) | (4) | (5) | 691 | 30 | 5,258 |
| - to other comprehensive income | - | 57 | - | - | - | - | (34) | 23 |
| At 31 March 2022 | 4,524 | 998 | 771 | 53 | 302 | 1,710 | 623 | 8,981 |

13 Trade receivables

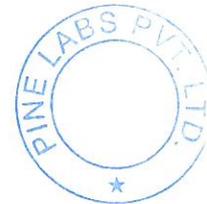
(Unsecured, considered good)

| | As at 31 March 2022 | As at 31 March 2021 |
|--------------------------------|------------------------|------------------------|
| Trade receivables | 29,617 | 36,010 |
| Credit impaired | 2,439 | 3,651 |
| Less: Loss allowance | (2,439) | (3,651) |
| Total trade receivables | 29,617 | 36,010 |

Notes:

- Trade receivables are non-interest bearing and are generally on 30 to 90 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- Information about the impairment of trade receivables and the Company's exposure to credit risk and foreign currency are disclosed in (refer note 33).
- A portion of trade receivables amounting to INR 188 lakhs and INR 90 lakhs includes receivables from related parties as on 31 March 2022 and 31 March 2021 respectively. (refer note 35)

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Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022
(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

Trade receivables ageing schedule

As at 31 March 2022

| Particulars | Not Due | Less than 6 months | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---------|--------------------|------------------|-----------|-----------|-------------------|--------|
| Trade receivables - Billed | | | | | | | |
| Undisputed trade receivables- considered good | 13,018 | 9,933 | 733 | 150 | 54 | 143 | 24,031 |
| Undisputed trade receivables- credit impaired | 11 | 228 | 192 | 168 | 66 | 60 | 725 |
| Disputed trade receivables - considered good | - | - | - | - | - | - | - |
| Disputed trade receivables- credit impaired | - | 38 | 125 | 137 | 50 | 114 | 464 |
| | 13,029 | 10,199 | 1,050 | 455 | 170 | 317 | 25,220 |
| Trade receivables- Unbilled | | | | | | | 6,836 |
| | | | | | | | 32,056 |
| Less: Allowance for credit losses | | | | | | | 2,439 |
| Total Trade receivables | | | | | | | 29,617 |

As at 31 March 2021

| Particulars | Not Due | Less than 6 months | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---------|--------------------|------------------|-----------|-----------|-------------------|--------|
| Trade receivables - Billed | | | | | | | |
| Undisputed trade receivables- considered good | 26,234 | 9,211 | 1,470 | 131 | 158 | 240 | 37,444 |
| Undisputed trade receivables- credit impaired | 16 | 219 | 228 | 379 | 373 | 536 | 1,751 |
| Disputed trade receivables - considered good | - | - | - | - | - | - | - |
| Disputed trade receivables- credit impaired | 1 | 2 | 102 | 51 | 94 | 216 | 466 |
| | 26,251 | 9,432 | 1,800 | 561 | 625 | 992 | 39,661 |
| Trade receivables- Unbilled | | | | | | | - |
| | | | | | | | 39,661 |
| Less: Allowance for credit losses | | | | | | | 3,651 |
| Total Trade receivables | | | | | | | 36,010 |

14 Cash and cash equivalents

As at
31 March 2022

As at
31 March 2021

| | | |
|--|--------|-------|
| Balances with banks | 32,038 | 7,090 |
| Total cash and cash equivalents | 32,038 | 7,090 |

15 Other bank balances

As at
31 March 2022

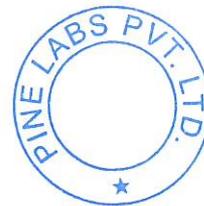
As at
31 March 2021

| | | |
|---|----------|----------|
| Earmarked balances with banks* | 3,18,433 | 2,27,483 |
| Fixed deposits with original maturity of more than three months but less than twelve months | 26,851 | 21,768 |
| Total Other Bank balances | 3,45,284 | 2,49,251 |

* (i) The Company is required to maintain certain outstanding balances, i.e. the money collected against issuance of prepaid cards, and amounts collected from brand partners in respect of pay later and cash back schemes, in a separate account with a scheduled commercial bank. The Company has maintained such accounts with various banks. The amount so maintained in the account can be used only for making permitted payments. Amounts received in these accounts, which are payable to merchants for settlement are restrictive in nature, and cannot be used for general purposes.

(ii) The Company has entered into agreements with certain banks whereby it acts as aggregator by providing services to various merchants in relation to facilitating electronic payments by their customers using credit cards and debit cards. The Company settles these transactions through nodal bank accounts, where applicable as per local regulations. Amounts received in these accounts, which are payable to merchants for settlement are restricted, and cannot be used for general purposes.

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Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022
(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

16 Share capital

| | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Authorised share capital | | |
| 142,907,700 (31 March 2021 : 142,907,700) equity shares of Re 1 each | 1,429 | 1,429 |
| Issued, subscribed and fully paid up shares | | |
| 135,288,950 (31 March 2021 : 128,709,746) equity shares of Re 1 each | 1,353 | 1,287 |
| | <u>1,353</u> | <u>1,287</u> |

(a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year

| | As at 31 March 2022 | | As at 31 March 2021 | |
|--|---------------------|--------------|---------------------|--------------|
| | Number of shares | Amount | Number of shares | Amount |
| Equity shares | | | | |
| Number of shares at beginning of the year | 12,87,09,746 | 1,287 | 11,97,61,093 | 1,198 |
| Issuance of shares | 65,79,204 | 66 | 89,48,653 | 89 |
| Number of shares at the end of the year | <u>13,52,88,950</u> | <u>1,353</u> | <u>12,87,09,746</u> | <u>1,287</u> |

(b) Terms and rights attached to equity shares

Each share holder of equity shares is entitled to one vote per share. In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares of the company held by holding company

| | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---------------------|--------|---------------------|--------|
| | Number of shares | Amount | Number of shares | Amount |
| Equity Shares | | | | |
| Pine Labs Limited (immediate and ultimate holding company) | 13,51,29,449 | 1,351 | 12,81,46,495 | 1,281 |

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

| | As at 31 March 2022 | | As at 31 March 2021 | |
|----------------------|---------------------|-----------|---------------------|-----------|
| | Number of shares | % Holding | Number of shares | % Holding |
| Equity Shares | | | | |
| Pine Labs Limited | 13,51,29,449 | 99.88% | 12,81,46,495 | 99.56% |

(e) Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

| | As at 31 March 2022 | | As at 31 March 2021 | | % Change during the year |
|----------------------|---------------------|-----------|---------------------|-----------|-----------------------------|
| | Number of shares | % Holding | Number of shares | % Holding | |
| Equity shares | | | | | |
| Pine Labs Limited | 13,51,29,449 | 99.88% | 12,81,46,495 | 99.56% | 0.32% |

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

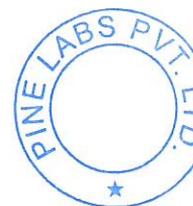
| | As at 31 March 2021 | | As at 31 March 2020 | | % Change during the year |
|----------------------|---------------------|-----------|---------------------|-----------|-----------------------------|
| | Number of shares | % Holding | Number of shares | % Holding | |
| Equity shares | | | | | |
| Pine Labs Limited | 12,81,46,495 | 99.56% | 11,91,97,842 | 99.53% | 0.03% |

(f) Details of shares issued for consideration other than cash for last 5 years immediately preceding 31 March 2022

Nil Equity shares have been issued during the last 5 years immediately preceding 31 March 2022 for consideration other than cash.

(g) Shares allotted as fully paid up by way of bonus shares during 5 years immediately preceding 31 March 2022

Nil Equity shares were issued during the 5 years immediately preceding 31 March 2022 by way of bonus shares.



Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022
(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

| 17 Other equity | As at 31 March 2022 | As at 31 March 2021 |
|---|--------------------------------|--------------------------------|
| Share application money pending allotment | 15,322 | - |
| Reserves and Surplus | | |
| Securities premium | 1,89,618 | 1,30,471 |
| Retained earnings | (14,965) | (12,637) |
| Other equity | 1,89,975 | 1,17,834 |
| a) Share application money pending allotment | As at 31 March 2022 | As at 31 March 2021 |
| Opening balance | - | - |
| Receipt of share application money | 15,322 | - |
| Closing balance | 15,322 | - |
| b) Securities premium | As at 31 March 2022 | As at 31 March 2021 |
| Opening balance | 1,30,471 | 1,10,426 |
| Issue of equity shares | 59,147 | 20,045 |
| Closing balance | 1,89,618 | 1,30,471 |
| c) Retained earnings | As at 31 March 2022 | As at 31 March 2021 |
| Opening balance | (12,637) | (7,035) |
| Net loss for the year | (2,257) | (5,583) |
| Transfer to retained earnings on expiry or cancellation of employee share options | - | 2 |
| <i>Items of other comprehensive income recognised directly in retained earnings</i> | | |
| Remeasurement of post employment benefit obligations | (228) | (28) |
| Equity instrument through other comprehensive income | 134 | - |
| Income tax relating to these items | 23 | 7 |
| Closing balance | (14,965) | (12,637) |

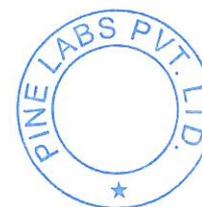
Nature and purpose of other Reserves

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Retained earnings

Retained earnings are the accumulated profits earned by the Company till date.



Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022
(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

18 Borrowings

| | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Non-current | | |
| Secured | | |
| Bank loans (b) | 4,599 | 7,145 |
| Loans from a financial institution (d) | 4,676 | 2,589 |
| Unsecured | | |
| Deferred payment liabilities (c) | - | 32 |
| Non-current borrowings | 9,275 | 9,766 |
| Current | | |
| Secured | | |
| Bank loans (b) | 2,546 | 3,890 |
| Cash credit (a) | 3,005 | 982 |
| Bank overdraft (e) | 4,631 | 2,922 |
| Loans from a financial institution (d) | 4,150 | 1,396 |
| Unsecured | | |
| Deferred payment liabilities (c) | 32 | 118 |
| Current borrowings | 14,364 | 9,308 |

a) Cash Credit represents a short-term loan and is repayable on demand. Such cash credit was obtained bearing an interest linked to current market rate. The cash credit limit had been secured by a floating charge over fixed deposits, inventories, trade receivables and other current assets (refer note 42).

b) Bank loan from HDFC Bank Limited is repayable in 40 to 64 instalments with interest rate ranging between 8.30% to 8.41%. (March 31, 2021 : 8.30% to 9.31%). These bank loans are going to mature in financial year 2023 to 2026. The loans are secured against certain fixed deposits, inventories, plant and machinery, trade receivables and other current assets (refer note 42).

c) Deferred payment liabilities pertain to the licences purchased from a vendor in June 2019 and includes amount repayable in 3 yearly instalments till June 2022.

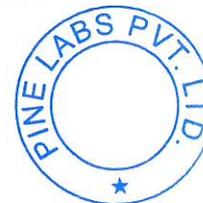
d) During the year ended 31 March 2022 and 2021, the Company has entered into various arrangements for sale and lease back of certain property, plant and equipment with a financial institution (other than bank). Under the arrangements, the related assets have been sold to the financial institution at the carrying value in the books of the Company. Further, the related assets have been leased back to the Company at a monthly lease payment for a tenor ranging from 36 months to 48 months. Since, the sale of such assets do not meet the criterion of sale under Ind AS-115, the assets have not been derecognized in accordance with guidance under Ind AS-116. The amounts received by the Company have been, consequently, presented as Borrowings from Financial Institution. The interest rates on these arrangements are fixed ranging from 9.25% p.a. to 11.08% p.a.

(e) Bank overdrafts are repayable on demand. The overdraft facility carries an interest rate of MCLR plus 1.65% per annum and interest rate of FD interest rate plus 0.50% per annum for facility with fixed deposits as security, computed on monthly basis on the actual amount utilised and are repayable on demand. This facility is secured against fixed deposits (INR 7,685 lakhs) and current assets. i.e. all receivables from certain corporate clients of the Company. No default in interest is noted in current and previous year.

(f) The transferee Company (refer note 49) has borrowings from HDFC Bank Limited on the basis of security of certain current assets. The below is summary of quarterly reconciliation of statements of inventories, trade receivables and creditors as filed by the transferee Company to the bank and books of account:

| Particulars | Quarter ended | Amount as per books of account (A) | Amount as reported in the original quarterly return/statement (B) | Amount as reported in the revised quarterly return/statement (C) | Amount of difference between books of accounts and revised quarterly statements (A-C) |
|---|---------------|------------------------------------|---|--|---|
| Stock (Inventories) | 31-03-2022 | 1,161 | 1,159 | 1,161 | - |
| Debtors (Trade receivables including contract assets) | | 21,676 | 22,867 | 21,676 | - |
| Creditors-(Excluding Capital creditors) | | 6,449 | 3,671 | 6,449 | - |
| Capital creditors | | 4,657 | - | 4,657 | - |
| Stock (Inventories) | 31-12-2021 | 1,063 | 14,597 | 1,063 | - |
| Debtors (Trade receivables including contract assets) | | 19,580 | 19,756 | 19,580 | - |
| Creditors-(Excluding Capital creditors) | | 10,299 | 9,343 | 10,299 | - |
| Capital creditors | | 4,530 | - | 4,530 | - |
| Stock (Inventories) | 30-09-2021 | 754 | 4,302 | 754 | - |
| Debtors (Trade receivables including contract assets) | | 15,884 | 15,363 | 15,884 | - |
| Creditors-(Excluding Capital creditors) | | 5,183 | 6,700 | 5,183 | - |
| Capital creditors | | 2,911 | - | 2,911 | - |
| Stock (Inventories) | 30-06-2021 | 402 | 15,597 | 402 | - |
| Debtors (Trade receivables including contract assets) | | 14,397 | 14,774 | 14,397 | - |
| Creditors-(Excluding Capital creditors) | | 4,976 | 2,152 | 4,976 | - |
| Capital creditors | | 6,679 | - | 6,679 | - |

(g) Qwikilver Solutions Private Limited, transferor Company has borrowings from banks on the basis of security of current assets and has complied with the requirement of filing of monthly/quarterly returns/statements of current assets with the banks or financial institutions, as applicable, and these returns were in agreement with the books of accounts for the year ended 31 March 2022 and 31 March 2021.



Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022
(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

| Movement in liabilities arising from financing activities | 31 March 2022 | 31 March 2021 |
|---|-----------------|-----------------|
| Cash credit and bank overdraft | (7,636) | (3,904) |
| Other borrowings | (16,000) | (15,170) |
| Lease liabilities | (4,584) | (4,704) |
| Net debt | (28,220) | (23,778) |

| | Lease liabilities | Cash credit and bank overdraft | Other borrowings | Total |
|--|-------------------|--------------------------------|------------------|-----------------|
| As at 1 April 2020 | (6,867) | (2,992) | (14,658) | (24,517) |
| Proceeds from borrowings | - | - | (4,615) | (4,615) |
| Repayment of borrowings | - | - | 4,452 | 4,452 |
| Payment of lease liabilities | 1,099 | - | - | 1,099 |
| Termination/end of lease contracts | 2,309 | - | - | 2,309 |
| Total changes from financing cash flows | (3,459) | (2,992) | (14,821) | (21,272) |
| Other changes | | | | |
| New leases | (666) | - | - | (666) |
| Accretion of interest | (579) | - | (318) | (897) |
| Other non cash changes | - | - | (31) | (31) |
| Change in cash credit and bank overdraft (net) | - | (912) | - | (912) |
| Net debt as at 31 March 2021 | (4,704) | (3,904) | (15,170) | (23,778) |
| As at 1 April 2021 | (4,704) | (3,904) | (15,170) | (23,778) |
| Proceeds from borrowings | - | - | (8,068) | (8,068) |
| Repayment of borrowings | - | - | 7,238 | 7,238 |
| Payment of lease liabilities | 872 | - | - | 872 |
| Termination/end of lease contracts | 46 | - | - | 46 |
| Total changes from financing cash flows | (3,786) | (3,904) | (16,000) | (23,690) |
| Other changes | | | | |
| New leases | (337) | - | - | (337) |
| Accretion of interest | (461) | - | - | (461) |
| Other non cash changes | - | - | - | - |
| Change in cash credit and bank overdraft (net) | - | (3,732) | - | (3,732) |
| Net debt as at 31 March 2022 | (4,584) | (7,636) | (16,000) | (28,220) |

19 Other financial liabilities

| | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Non-current | | |
| Payable to related parties (refer note 35)* | 1,418 | - |
| Total other non-current financial liabilities | 1,418 | - |
| Current | | |
| Creditors for capital goods | 4,752 | 3,983 |
| Payable to employees | 4,558 | 2,372 |
| Payable to related parties (refer note 35)* | 14,022 | 7,758 |
| Security deposits received | 58 | 58 |
| Payable towards cashback schemes | 34,571 | 34,484 |
| Other payables | 2,031 | 1,354 |
| Total other current financial liabilities | 59,992 | 50,009 |

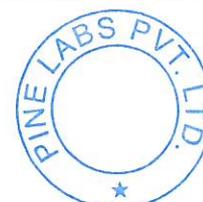
* Payable to related parties includes outstanding liability towards the Parent Company with respect to Employee stock option expenses amounting to INR 13,813 lakhs (31 March 2021: INR 6,829 lakhs) and for reimbursement of expenses amounting to INR 1,619 lakhs (31 March 2021: INR 929 lakhs)

20 Provisions

| | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Non-current | | |
| Provision for compensated absences | 701 | 463 |
| Provision for gratuity (refer note 36) | 2,346 | 1,766 |
| Provision for long service award | 74 | 64 |
| Total Employee benefit obligations - Non-current | 3,121 | 2,293 |
| Current | | |
| Provision for compensated absences | 216 | 239 |
| Provision for gratuity (refer note 36) | 391 | 261 |
| Provision for long service award | 13 | 8 |
| Total Employee benefit obligations - Current | 620 | 508 |

Signature

Signature



Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022
(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

21 Trade payables

As at
31 March 2022

As at
31 March 2021

Current

Total outstanding dues of micro enterprises and small enterprises (refer note 39) 708 316
Dues to enterprises other than micro and small enterprises 25,833 20,434

Total trade payables 26,541 20,750

These amounts are non-interest bearing. Trade payables are normally settled on 0 to 60 days term.

Trade payables ageing schedule

As at 31 March 2022

| Particulars | Not Due | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | Accrued expenses | Total |
|-----------------------|---------------|------------------|--------------|--------------|-------------------|------------------|---------------|
| MSME | 231 | 44 | 1 | - | - | 432 | 708 |
| Others | 13,077 | 1,061 | 66 | 2 | 3 | 11,624 | 25,833 |
| Disputed Dues- MSME | - | - | - | - | - | - | - |
| Disputed Dues- Others | - | - | - | - | - | - | - |
| | 13,308 | 1,105 | 67 | 2 | 3 | 12,056 | 26,541 |

As at 31 March 2021

| Particulars | Not Due | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | Accrued expenses | Total |
|-----------------------|---------------|------------------|--------------|--------------|-------------------|------------------|---------------|
| MSME | 227 | 37 | - | - | - | 52 | 316 |
| Others | 10,455 | 2,320 | 1,185 | 51 | 57 | 6,366 | 20,434 |
| Disputed Dues- MSME | - | - | - | - | - | - | - |
| Disputed Dues- Others | - | - | - | - | - | - | - |
| | 10,682 | 2,357 | 1,185 | 51 | 57 | 6,418 | 20,750 |

22 Other liabilities

As at
31 March 2022

As at
31 March 2021

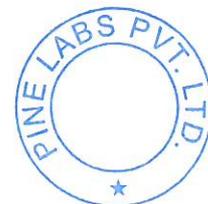
Current

Statutory dues 5,902 3,003

Total other liabilities - Current 5,902 3,003

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Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022

(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

| 23 Revenue from operations | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| Revenue from contracts with customers | | |
| Sale of services | 73,380 | 48,026 |
| Sale of traded goods | 3,444 | 5,043 |
| Other operating revenue | | |
| Interest on funds held for customers | 16,408 | 11,926 |
| Total revenue from operations | 93,232 | 64,995 |

Disaggregation of revenue

| | | |
|--|---------------|---------------|
| Transaction processing and settlement revenue | 55,257 | 39,088 |
| Petroleum | 4,583 | 4,753 |
| Gift solutions | 16,761 | 9,058 |
| Sale of goods (devices, plastic cards and gift vouchers) | 223 | 169 |
| Interest on funds held for customers | 16,408 | 11,927 |
| Total revenue | 93,232 | 64,995 |

Reconciliation of revenue recognised with the contracted price is as follows

| | | |
|---|---------------|---------------|
| Gross sale of services and goods | 1,21,287 | 85,598 |
| Less: variable considerations and discounts | 36,651 | 26,683 |
| Less: consideration paid to customers | 7,812 | 5,846 |
| Net sale of services and goods | 76,824 | 53,069 |

Timing of revenue recognition

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| Goods and services transferred at a point in time | 75,677 | 52,205 |
| Services transferred over time* | 17,555 | 12,790 |
| Total | 93,232 | 64,995 |

*Includes interest on funds held for customers amounting to INR 16,408 lakhs (31 March 2021: 11,927 lakhs)

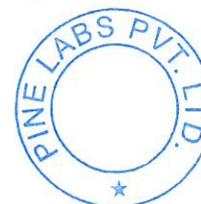
Contracts assets and contract liabilities

| | As at 31 March 2022 | As at 31 March 2021 |
|-----------------------------------|------------------------|------------------------|
| Unbilled revenue* | 6,717 | 7,425 |
| Less: Loss allowance | (139) | (236) |
| Total Contract Assets | 6,578 | 7,189 |
| Contract liabilities | | |
| Deferred revenue** | 3,368 | 3,466 |
| Advance from customer*** | 3,07,387 | 2,33,760 |
| Total contract liabilities | 3,10,755 | 2,37,226 |
| Non-current | 540 | 700 |
| Current | 3,10,215 | 2,36,526 |
| Total | 3,10,755 | 2,37,226 |

*The contract assets primarily relate to the Company's rights to consideration for performance obligation completed but not billed at the reporting date, pending reconciliations with customers in many cases.

** Deferred revenue represents the consideration received in advance, in respect of future services to be provided to customers.

*** INR 303,898 lakhs (31 March 2021: INR 221,899 lakhs) maintained in earmarked balances with banks against advance from customers.



Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022
(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

| | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Revenue recognised that was included in the contract liability balance at the beginning of the period | 1,664 | 2,186 |

Transaction price allocated to remaining performance obligations:

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date:

| | As at 31 March 2022 | As at 31 March 2021 |
|------------------|------------------------|------------------------|
| Deferred revenue | 4,759 | 4,300 |
| Total | 4,759 | 4,300 |

The Company expects to recognize revenue for unsatisfied performance obligations within 1 to 5 years for 31 March 2022 (31 March 2021: 1 to 6 years) from the reporting date.

24 Other income

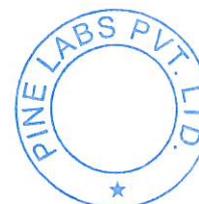
| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| Interest on fixed deposits | 1,110 | 1,375 |
| Interest on income tax refund | 212 | 292 |
| Unwinding of discount on security deposits | 21 | 87 |
| Gain on disposal of subsidiary | - | 20 |
| Interest received on loan to subsidiary | - | 5 |
| Liabilities and provisions no longer required written back | 546 | 536 |
| Profit on sale of property, plant and equipment | 175 | 15 |
| Foreign exchange gain (net) | - | 97 |
| Net gain on lease termination | 4 | 247 |
| Gain on sale of mutual funds | 73 | 292 |
| Fair valuation gain on mutual funds | 27 | 8 |
| Service charges from group companies | 251 | 336 |
| Miscellaneous income | 144 | 7 |
| Total other income | 2,563 | 3,317 |

25 Changes in inventories of stock-in-trade

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| Closing balance | | |
| Traded goods | 1,176 | 355 |
| Total closing balance | 1,176 | 355 |
| Opening balance | | |
| Traded goods | 355 | 327 |
| Total opening balance | 355 | 327 |
| Total changes in inventories | (821) | (28) |
| Less: Increase in provision for obsolescence | (14) | 163 |
| Net changes in inventories | (807) | (191) |

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Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022

(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

| 26 Employee benefits expense | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Salaries, wages and bonus | 36,442 | 26,808 |
| Contribution to provident and other funds | 734 | 694 |
| Employee share based payment expense (refer note 41) | 6,684 | 2,329 |
| Staff welfare expenses | 1,247 | 759 |
| Total employee benefits expense | 45,107 | 30,590 |

| 27 Finance costs | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Interest expense on credit facilities from banks | 1,041 | 1,428 |
| Interest expense on loans from a financial institution | 745 | 178 |
| Interest on lease liabilities (refer note 4) | 462 | 579 |
| Other finance costs | 119 | 31 |
| Interest on loan from holding company | - | - |
| Total finance costs | 2,367 | 2,216 |

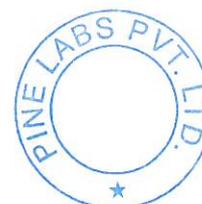
| 28 Depreciation, amortisation and impairment expenses | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| Depreciation of property, plant and equipment (refer note 3) | 12,627 | 10,521 |
| Impairment of property, plant and equipment* | - | 574 |
| Amortisation of right-of-use assets (refer note 4) | 640 | 850 |
| Amortisation of intangible assets (refer note 5) | 5,602 | 5,562 |
| Total depreciation, amortisation and impairment expenses | 18,869 | 17,507 |

* Impairment expenses represents impairment of obsolete digital check-out points. (refer note 3)

| 29 Other expenses | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| Rent (refer note 4) | 195 | 170 |
| Freight and forwarding charges | 970 | 980 |
| Repairs and maintenance | | |
| - Plant and machinery | 3,377 | 2,193 |
| - IT hardware and services | 858 | 513 |
| - Building | 384 | 389 |
| Program management fees | 176 | 74 |
| E-commerce site listing fees | 7,702 | 2,045 |
| Payment gateway charges | 58 | 55 |
| Others distribution and processing costs | 154 | 140 |
| Insurance | 255 | 269 |
| Travel expenses | 1,237 | 921 |
| Advertisement and business promotion | 2,577 | 1,257 |
| Printing and stationery | 32 | 26 |
| Communication costs | 3,320 | 2,486 |
| Rates and taxes | 295 | 409 |
| Legal and professional expenses [refer note 29 (a)] | 7,033 | 4,414 |
| Power and fuel | 157 | 138 |
| Provision for obsolete and slow moving inventory (refer note 10) | - | 163 |
| Advances written off | - | 45 |
| Foreign exchange loss (net) | 326 | - |
| Rewards management charges | 190 | 138 |
| Write-off of property, plant and equipment | 79 | 535 |
| Data base maintenance and service charges | 2,018 | 1,351 |
| Corporate Social Responsibility ("CSR") expenditure (refer note 30) | 83 | 44 |
| Miscellaneous expenses | 245 | 256 |
| Total other expense | 31,721 | 19,011 |

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Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022

(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

(a) Payments to auditor comprises (excluding GST)

As auditor:

| | | |
|---------------------------|------------|-----------|
| Statutory audit fees# | 107 | 81 |
| Reimbursement of expenses | 6 | 3 |
| Tax audit | 11 | 9 |
| Total | 124 | 93 |

Includes INR 27 lakhs in respect of previous year.

30 Details of CSR expenditure:

In terms of the Section 135(5) of Companies Act, 2013, the Company is not fulfilling the criteria of having average net profit for immediate three

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| (A). Gross amount required to be spent by the transferor Company during the year (based on the pre amalgamation standalone financials of transferor Company) | 82 | 44 |
| (B) Amount spent during the year | | |
| i) Construction/acquisition of any asset | - | - |
| ii) On purposes other than (i) above | 83 | 44 |
| (C) Shortfall at the end of the year (A-B) | - | - |
| (D) Total of previous years shortfall | - | - |
| (E) Reason for shortfall | NA | NA |
| (F) Nature of CSR activities | Donation towards enrichment of disabled persons, migrant children and PM Cares fund | Donation towards enrichment of disabled persons, migrant children and PM Cares fund |
| (G) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard, | NA | NA |
| (H) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately. | - | - |

31 Income tax expense

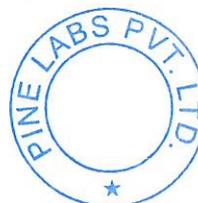
| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|----------------------------|-----------------------------|-----------------------------|
| Current income tax expense | 69 | 1,730 |
| Deferred tax (credit) | (5,258) | (3,555) |
| Income tax expense | (5,189) | (1,825) |

(a) Reconciliation of tax expense and the accounting profits/ (loss)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| Loss before income tax expense | (7,446) | (7,408) |
| Tax at the Indian tax rate of 25.168% (Year ended 31 March 2021 – 25.168%) | (1,874) | (1,865) |
| <u>Adjustments:</u> | | |
| Reversal of deferred tax liabilities on intangibles (refer note 49) | (3,925) | - |
| Adjustments in respect of current income tax of previous years | - | (61) |
| Reduction in tax losses | 540 | - |
| Non deductible expenses | 108 | 71 |
| Others | (38) | 30 |
| Effective tax rate | 69.69% | 24.64% |

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32 Fair value measurements

a) Financial instruments by category

| | As at 31 March 2022 | | As at 31 March 2021 | |
|------------------------------------|---------------------|-----------------|---------------------|-----------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | |
| Investment | 4,957 | 4,957 | 3,441 | 3,441 |
| Trade receivables | 29,617 | 29,617 | 36,010 | 36,010 |
| Loans | 29 | 29 | 14 | 14 |
| Cash and bank balances | 3,77,322 | 3,77,322 | 2,56,341 | 2,56,341 |
| Other financial assets | 52,194 | 52,194 | 28,335 | 28,335 |
| Total financial assets | 4,64,119 | 4,64,119 | 3,24,141 | 3,24,141 |
| Financial liabilities | | | | |
| Borrowings | 23,639 | 23,653 | 19,074 | 19,108 |
| Lease liabilities | 4,584 | 4,584 | 4,704 | 4,704 |
| Trade payables | 26,541 | 26,541 | 20,750 | 20,750 |
| Other financial liabilities | 61,410 | 61,410 | 50,009 | 50,009 |
| Total financial liabilities | 1,16,174 | 1,16,188 | 94,537 | 94,571 |

Fair value hierarchy

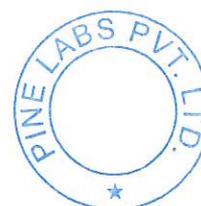
| | Notes | Level 1 | Level 2 | Level 3 | Total |
|----------------------------------|-------|--------------|----------|------------|--------------|
| As at 31 March 2022 | | | | | |
| Financial assets | | | | | |
| Investment in equity instruments | 6 | - | - | 904 | 904 |
| Investment in mutual funds | 6 | 4,052 | - | - | 4,052 |
| Total financial assets | | 4,052 | - | 904 | 4,956 |
| As at 31 March 2021 | | | | | |
| Financial assets | | | | | |
| Investment in equity instruments | 6 | - | - | 770 | 770 |
| Investment in mutual funds | 6 | 2,670 | - | - | 2,670 |
| Total financial assets | | 2,670 | - | 770 | 3,440 |

The following tables shows a reconciliation from the beginning balances to the ending balances for fair value measurement in Level 3 of the fair value hierarchy:

| | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Opening balance | 770 | - |
| Investment in equity instruments | - | 770 |
| Total gains and losses recognized in : | - | - |
| - profit and loss | - | - |
| - other comprehensive income | - | - |
| Net change in fair value | 134 | - |
| Closing balance | 904 | 770 |

The following methods and assumptions were used to estimate the fair values:

- Cash and cash equivalents, other banks balances, other financial assets, trade receivables, receivable from related parties, receivable for cashback schemes, advance recoverable from employees, security deposits, loan to employees, other receivables, trade payables, lease liabilities, and other financial liabilities approximate to their fair value largely due to the short-term nature of these instruments.
- Fair value of quoted mutual funds is based on quoted market prices at the reporting date.
- For all other financial instruments, the carrying amount is either the fair value, or approximates the fair value. Investment in equity instruments is valued using price of recent investment method (PORI). The implied revenue multiple is based on TTM revenue. The estimated fair value of investment would increase (decrease) if multiples would increase or decrease respectively.
- There have been no transfers between level I, level II and level III fair value measurements.



33 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board. This process provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company policies and risk objectives.

(A) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and contract assets) and from its financing activities, including deposits with banks, and financial institutions, and other financial assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Financial assets are written off when there are indicators that there is no reasonable expectation of recovery.

Trade receivables and contract assets

Trade receivables and contract assets are non interest bearing and are generally on 30 to 90 days credit term. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. In accordance with Ind AS 109, the Company applies expected credit loss model (ECL) for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment losses on trade receivables and contract assets. The Company determines the expected credit losses on these items by using flow rate, estimates based on historical credit loss experience of past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Management also exercises judgment in specific cases and basis past experience makes additional impairment loss provisions. These include trade receivables associated with litigations, balances for which customers have not transacted/ paid for more than a specific period and other reasons. The carrying amounts of financial assets represent the maximum credit risk exposure.

The Company's credit risk exposure in relation to trade receivables and contract assets under Ind AS 109 as at 31 March 2022 and 31 March 2021 are set out as follows:

As at 31 March 2022

| Particulars | Not due | 0-6 months past due | 6-12 months past due | More than 12 months past due | Total |
|--|---------|---------------------|----------------------|------------------------------|---------|
| Trade receivables and contract assets- gross carrying amount | | | | | |
| -Not impaired | 25,609 | 10,923 | 617 | 435 | 37,584 |
| -Impaired | 11 | 266 | 317 | 595 | 1,189 |
| | 25,620 | 11,189 | 934 | 1,030 | 38,773 |
| Loss allowances | (338) | (713) | (629) | (898) | (2,578) |
| Net carrying amount | 25,282 | 10,476 | 305 | 132 | 36,195 |

As at 31 March 2021

| Particulars | Not due | 0-6 months past due | 6-12 months past due | More than 12 months past due | Total |
|--|---------|---------------------|----------------------|------------------------------|---------|
| Trade receivables and contract assets- gross carrying amount | | | | | |
| -Not impaired | 14,817 | 28,053 | 1,470 | 529 | 44,869 |
| -Impaired | 17 | 220 | 330 | 1,650 | 2,217 |
| | 14,834 | 28,273 | 1,800 | 2,179 | 47,086 |
| Loss allowances | (670) | (558) | (586) | (2,073) | (3,887) |
| Net carrying amount | 14,164 | 27,715 | 1,214 | 106 | 43,199 |

Movement in allowance accounts:

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--------------------------------|---------------------|---------------------|
| At the beginning of year | 3,887 | 3,243 |
| Charge during the year | 244 | 711 |
| Utilised during the year | (1,553) | (67) |
| Balance at the end of the year | 2,578 | 3,887 |

Impairment losses in revised standalone statement of profit and loss

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|--------------------------|--------------------------|
| Impairment losses on trade receivables and contract assets | 244 | 711 |
| Bad debts written off | 922 | 61 |
| Impairment losses on trade receivables and contract assets | 1,166 | 772 |

Other financial instruments and term deposits

Credit risk from balances with banks and financial institutions is managed by Company's treasury. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. The Company monitors ratings, credit spreads and financial strength of its counter parties. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. Counterparty credit limits are set to minimise the concentration of risks.

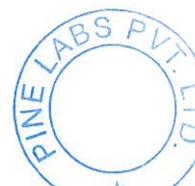
Cash and cash equivalents, earmarked balances with banks and fixed deposits.

The Company held cash and cash equivalents of INR 32,038 Lakhs as at 31 March 2022 (31 March 2021: INR 7,090 lakhs), earmarked balances with banks of INR 318,433 Lakhs as at 31 March 2022 (31 March 2021: INR 227,483 lakhs) and fixed deposits of INR 33,798 Lakhs as at 31 March 2022 (31 March 2021: 21,857 lakhs) with banks which are considered to have low credit risk.

The Company has mutual funds of INR 4,052 lakhs as at 31 March 2022 (31 March 2021: INR 2,670 lakhs). The credit risk on liquid funds is thus limited, since the counterparties are banks and financial institutions with high credit-ratings assigned by international credit-rating agencies.

Security deposits

The Company monitors the credit rating of the counterparties on regular basis. These instruments carry very minimal credit risk based on the financial position of parties and Company's historical experience of dealing with the parties.



(B) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company closely monitors its liquidity position and deploys a cash management system. It maintains adequate sources of financing including loans, debt, cash credit and overdraft facilities from banks. The balance sheet date, among other bank balance, the Company held deposits with original maturity of more than three months but less than twelve months of INR 26,851 lakhs as at 31 March 2022 (31 March 2021: 21,768 lakhs) that are expected to readily generate cash inflows for managing liquidity risk.

(i) Maturities of financial liabilities

The table below provides details regarding the contractual maturities of significant financial liabilities:

Contractual maturities of financial liabilities : (undiscounted Cash flows)

| | Less than 1 year | 1 to 2 years | 2 to 5 Years | More than 5 years | Total |
|-----------------------------|------------------|--------------|--------------|-------------------|-----------------|
| 31 March 2022 | | | | | |
| Borrowings | 15,454 | 6,558 | 3,373 | - | 25,385 |
| Lease liabilities | 931 | 867 | 2,076 | 3,285 | 7,159 |
| Trade payables | 26,541 | - | - | - | 26,541 |
| Other financial liabilities | 59,992 | 996 | 422 | - | 61,410 |
| Total | 1,02,918 | 8,421 | 5,871 | 3,285 | 1,20,495 |
| 31 March 2021 | | | | | |
| Borrowings | 10,407 | 4,778 | 6,109 | - | 21,294 |
| Lease liabilities | 855 | 860 | 2,167 | 3,787 | 7,669 |
| Trade payables | 20,750 | - | - | - | 20,750 |
| Other financial liabilities | 50,009 | - | - | - | 50,009 |
| Total | 82,021 | 5,638 | 8,276 | 3,787 | 99,722 |

The Company has access to financing facilities as described below, of which INR 11,865 lakhs were unused at the reporting date (31 March 31 2021: INR 2,096 lakhs). The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

| | As at 31 March 2022 | As at 31 March 2021 |
|-------------------------------|------------------------|------------------------|
| Secured cash credit facility: | | |
| -amount used | 7,635 | 3,904 |
| -amount unused | 11,865 | 2,096 |

(C) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency rate risk, interest rate risk and other price risks, such as equity risk. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables, payables, borrowings and investment in mutual funds. The Company has in place appropriate risk management policies to limit the impact of these risks on its financial performance.

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. Currently, no interest rate swaps or forward contracts are taken to cover any foreign currency fluctuations and interest rate risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt interest obligations, except in case of borrowings from a financial institution. Further, the Company engages in financing activities at both fixed and market linked rates. Any changes in the market linked interest rates environment may impact future rates of market linked borrowing. The board continuously monitors the prevailing interest rates in the market.

Sensitivity

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of borrowings (excluding cash credit facilities):

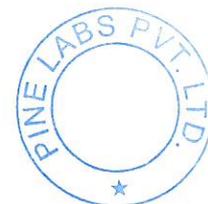
| Particulars | Impact on loss (increase/(decrease)) | |
|--|--------------------------------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Interest rate (increase by 100 basis points) | 90 | 134 |
| Interest rate (decrease by 100 basis points) | (90) | (134) |

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, assuming other variables to be constant.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. Fluctuations in foreign currency exchange rates may have an impact on the consolidated statements of profit or loss, the revised standalone statement of changes in equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to trade receivables and payables. The Company does not enter into derivative financial instruments (such as foreign currency forward contracts) for hedging of its foreign currency risk. The appropriateness of the risk policy is reviewed periodically with reference to the approved foreign currency risk management policy followed by the Company.



Exposure to currency risk

The following table analyzes foreign currency risk from financial assets and liabilities as of 31 March 2022 and 31 March 2021:

| | | As at 31 March 2022 | | As at 31 March 2021 | |
|--|------|--------------------------------|--------------|--------------------------------|--------------|
| | | Foreign currency (in lakhs) | Indian Rupee | Foreign currency (in lakhs) | Indian Rupee |
| Trade receivables | SGD | 2 | 98 | 1 | 71 |
| | USD | 2 | 145 | 1 | 66 |
| | AUD | 1 | 80 | 0 | 9 |
| | EURO | 0 | 28 | - | - |
| Other financial assets | USD | 25 | 1,915 | 2 | 141 |
| Other financial liabilities | USD | 204 | 15,441 | 95 | 6,957 |
| Trade payable | USD | 8 | 641 | 0 | 2 |
| | AUD | 1 | 69 | - | - |
| | SGD | 4 | 207 | - | - |
| Advance from customer (contract liabilities) | USD | - | - | 0 | 9 |
| Contract assets | USD | - | - | 1 | 38 |

Sensitivity

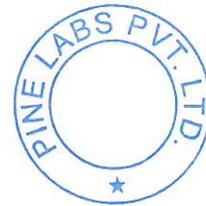
The sensitivity analysis includes only outstanding foreign currency denominated monetary items which has material impact on the revised standalone financial statement. The translation for the year end is taken at 5% change in foreign currency rates. A negative number below indicates an decrease in profit or equity where the INR 5% increase against the relevant currency. For a 5% decrease of the INR against relevant currency, there would be a comparable impact on the profits or equity, and the balances below would be positive.

| Particulars | Impact on loss ((increase)/decrease) | |
|--------------------------|--------------------------------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| USD sensitivity | | |
| INR/USD - Increase by 5% | (705) | (332) |
| INR/USD - Decrease by 5% | 705 | 332 |

34 Capital management**Risk management**

For the purpose of the Company's capital management, capital includes ordinary share capital and reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. The Company focus is to keep strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company. The Company is not subject to any externally imposed capital requirements.



Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022
(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

35 Related party disclosures:

(a) Parent entity and fellow subsidiaries

| Name of entity | Type |
|--|--------------------|
| Pine Labs Limited (formerly known as "Pine Labs Pte. Ltd.") | Holding Company |
| Mopay Services Private Limited (with effect from 19 February 2021) | Subsidiary Company |
| PT Pine Labs Indonesia | Fellow subsidiary |
| Pine Labs Payment Services Provider L.L.C | Fellow subsidiary |
| Pine Labs Finance Private Limited | Fellow subsidiary |
| Fave Group Pte Ltd. (with effect from 14 July 2020) | Fellow subsidiary |
| Pine Payment Solutions SDN BHD | Fellow subsidiary |
| Qwikilver Solutions Pty Ltd | Fellow subsidiary |
| Qwikilver Solutions Pte Ltd. (w.e.f 18 February 2021) | Fellow subsidiary |
| Pine Labs Private Limited, Thailand | Fellow subsidiary |
| PT Disdus (Indonesia)- FAVE | Fellow subsidiary |

(b) Key managerial personnel:

Sameer Maheshwary (Executive Director) till 30 December 2020
 Kush Mehra (Executive Director)
 Shalini Saxena (Additional Director) w.e.f 29 April 2020 till 7 september 2021 and w.e.f 13 october 2021 till 31 December 2021
 Nitish Kumar Asthana (Non Executive Director) w.e.f 31 October 2020 to 31 January 2022
 Tanya Mohan Naik (Non-Executive Director) w.e.f 5 February 2022
 Indresh Kumar Gupta (Non- Executive Director) w.e.f 26 January 2022

(c) Key management personnel compensation:

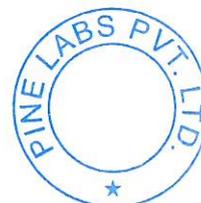
| Remuneration Paid | Year ended 31 March 2022 | Year ended 31 March 2021 |
|-------------------------------|-----------------------------|-----------------------------|
| Short-term employees benefits | 472 | 465 |
| Post-employment benefits* | 11 | 13 |
| Long-term employee benefits* | 11 | 12 |
| Employee share-based payment | 438 | 861 |
| Total | 932 | 1,351 |

* Post employment benefits and long-term employee benefits have been disclosed from the actuarial valuation done for Key management personnel separately.

(d) Details of related party transactions during the year:

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| Subscription for new equity shares by Holding Company Pine Labs Limited (formerly known as "Pine Labs Pte. Ltd.") | 66 | 89 |
| Securities premium received from Holding Company Pine Labs Limited (formerly known as "Pine Labs Pte. Ltd.") | 59,147 | 20,045 |
| Share application money pending allotment Pine Labs Limited (formerly known as "Pine Labs Pte. Ltd.") | 15,322 | - |
| Service charges from group companies Pine Labs Limited (formerly known as "Pine Labs Pte. Ltd.") Pine Payment Solutions SDN. BHD. Qwikilver Solutions Pte Ltd. Qwikilver Solutions Pty Ltd Pine Labs Payment Services Provider L.L.C | 13 175 - - 63 | 37 271 59 25 38 |
| Investment made Mopay Services Private Limited | - | 1 |
| Sale of services* Pine Labs Private Limited, Thailand Pine Payment Solutions SDN. BHD. PT Disdus (Indonesia)- FAVE Qwikilver Solutions Pte Ltd. Qwikilver Solutions Pty Ltd | 2 126 0 608 154 | - - - - - |

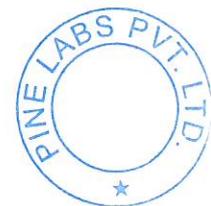
*Reported figure is net of discount received and discount allowed to party.



Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022
(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| Other expenses | | |
| Pine Payment Solutions SDN. BHD. | 97 | - |
| Purchase of property, plant and equipment | | |
| Pine Labs Payment Services Provider L.L.C | - | 16 |
| Expenses incurred by Group on behalf of related parties | | |
| Pine Labs Finance Private Limited | 10 | - |
| Pine Labs Limited (formerly known as "Pine Labs Pte. Ltd.") | 10 | 5 |
| Expenses incurred on behalf of the Company by related parties (recorded in other expenses) | | |
| Pine Labs Limited (formerly known as "Pine Labs Pte. Ltd.") | 737 | 230 |
| Fave Group Pte Ltd. | 402 | 214 |
| Qwikcilver Solutions Pte Ltd. | - | 8 |
| PT Disdus (Indonesia)- FAVE | 8 | - |
| Kush Mehra | - | 1 |
| Nitish Kumar Asthana | 4 | - |
| Tanya Mohan Naik | 3 | - |
| Advertisement and business promotion | | |
| Pine Payment Solutions SDN. BHD. | 54 | 30 |
| Qwikcilver Solutions Pte Ltd. | 814 | 562 |
| Qwikcilver Solutions Pty Ltd | 144 | 28 |
| Pt Pine Labs Indonesia | - | 13 |
| Pine Labs Payment Services Provider L.L.C | 115 | - |
| Pine Labs Private Limited, Thailand | 6 | - |
| Sale of equity shares of wholly owned subsidiary i.e Qwikcilver Solutions Pte Ltd. | | |
| Pine Labs Limited (formerly known as "Pine Labs Pte. Ltd.") | - | 21 |
| Employee share based payment expense cross charged by Holding Company | | |
| Pine Labs Limited (formerly known as "Pine Labs Pte. Ltd.") | 6,684 | 2,329 |
| (e) Outstanding balances arising : | | |
| Other financial liabilities | | |
| Pine Labs Limited (formerly known as "Pine Labs Pte. Ltd.") | 15,432 | 7,742 |
| Pine Labs Payment Services Provider L.L.C | 8 | 16 |
| Pine Payment Solutions SDN. BHD. | 1 | - |
| Payable to Key managerial personnel | | |
| Tanya Mohan Naik | 29 | - |
| Shalini saxena | 30 | - |
| Indresh kumar Gupta | 14 | - |
| Kush Mehra | 59 | - |
| Sameer Maheshwary | - | 0 |
| Trade payables | | |
| Fave Group Pte Ltd. | 299 | 214 |
| Qwikcilver Solutions Pte Ltd. | 299 | 154 |
| Qwikcilver Solutions Pty Ltd | 69 | 13 |
| Pine Payment Solutions SDN. BHD. | 110 | - |
| Pine Labs Private Limited, Thailand | 6 | - |
| PT Disdus (Indonesia)- FAVE | 8 | - |
| Pine Labs Payment Services Provider L.L.C | 115 | - |



Pine Labs Private Limited

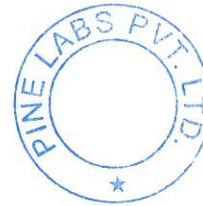
Notes to the revised standalone financial statements for the year ended 31 March 2022

(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

| | As at | |
|---|---------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| Unsecured loans | | |
| Mopay Services Private Limited | 1 | 1 |
| Other financial assets | | |
| Pine Labs Limited (formerly known as "Pine Labs Pte. Ltd.") | 1,608 | 94 |
| Pine Payment Solutions SDN. BHD. | 413 | 261 |
| Pt Pine Labs Indonesia | - | 19 |
| Pine Labs Payment Services Provider L.L.C | 105 | 38 |
| Pine Labs Finance Private Limited | 14 | 4 |
| Receivable from Key managerial personnel | | |
| Kush Mehra | - | 1 |
| Trade receivables | | |
| Pine Payment Solution Sdn Bhd | 8 | 10 |
| Qwikilver Solutions Pte Ltd. | 98 | 71 |
| Qwikilver Solutions Pty. Ltd. | 80 | 9 |
| PT Disdus (Indonesia)- FAVE | 0 | - |
| Pine Labs Private Limited, Thailand | 2 | - |
| Investment | | |
| Mopay Services Private Limited | 1 | 1 |

(f) Terms and conditions

All other transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable in cash.



36 Employee Benefits

(a) Defined contribution plans

The Company provide provident fund and employee's state insurance scheme for eligible employees as per applicable regulations where in both employees and the Company make monthly contributions at a specified percentage of the eligible employee's salary. The expense recognised during the year towards defined contribution plan is INR 734 lakhs (31 March 2021: INR 713 lakhs).

(b) Defined benefit plan

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Company have an unfunded defined benefit gratuity plan as per Payment of Gratuity Act, 1972.

Details of changes and obligation under the defined benefit plan is given as below:-

I Expense recognized in the revised standalone statement of profit and loss:

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| (i) Current service cost | 544 | 427 |
| (ii) Interest cost | 116 | 99 |
| Net expense recognized in the revised standalone statement of profit and loss | 660 | 526 |

II Remeasurement of (Gain)/loss recognised in other comprehensive income

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| (i) Actuarial changes arising from changes in demographic assumptions | - | (13) |
| (ii) Actuarial changes arising from changes in financial assumptions | (51) | 53 |
| (iii) Actuarial changes arising from changes in experience adjustments | 279 | (12) |
| Net expense recognised in other comprehensive income | 228 | 28 |

III Changes in obligation during the year:

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| (i) Opening balance | 2,027 | 1,593 |
| (ii) Current service cost | 544 | 427 |
| (iii) Past service cost | - | - |
| (iv) Interest cost | 116 | 99 |
| (v) Actuarial (gain) / loss | 279 | (12) |
| (vi) Actuarial (gain) / loss - demographic assumptions | - | (13) |
| (vii) Actuarial (gain) / loss - financial assumptions | (51) | 53 |
| (viii) Benefits paid | (178) | (120) |
| Present value of obligation as at year end | 2,737 | 2,027 |

IV Net assets / liabilities recognised in the revised standalone balance sheet:

| | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| (i) Present value of obligation at the end of the year | 2,737 | 2,027 |
| (ii) Fair value of plan assets at the end of the year | - | - |
| (iii) Net liabilities / (assets) recognised in the revised standalone balance sheet | | |
| - Current | 391 | 261 |
| - Non current | 2,346 | 1,766 |
| | 2,737 | 2,027 |

V Experience adjustment

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| Experience adjustment (gain) / loss on plan liabilities | 279 | (12) |
| Experience adjustment (loss) / gain on plan assets | - | - |

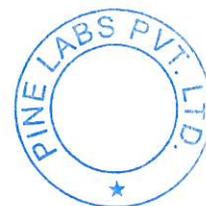
VI Principle actuarial assumptions

| | As at 31 March 2022 | As at 31 March 2021 | | |
|--|--|--|-------------|----------|
| (i) Discount rate (per annum) | 6.15% to 7.18% | 5.65% to 6.77% | | |
| (ii) Expected increase in salary costs (per annum) | 9%-11% | 9%-11% | | |
| (iii) Attrition rate | Age related & experience as given below: | Age related & experience as given below: | | |
| | Age (Years) | Rates % | Age (Years) | Rates % |
| | 21-30 | 15 to 28 | 21-30 | 15 to 28 |
| | 31-40 | 14 to 26 | 31-40 | 14 to 26 |
| | 41-50 | 13 to 17 | 41-50 | 13 to 17 |
| | 51-58 | 10 to 13 | 51-58 | 10 to 13 |

(iv) Mortality rate : Published rates under the Indian Assured Lives Mortality (2012-14) Ult table and IALM table
(v) Retirement age

58 years

58 years



VII Quantitative sensitivity analysis for significant assumptions is as below:

| Increase / (decrease) on present value of defined benefits obligations at the end of the year | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| Discount Rate | | |
| Increase by 0.5% | (75) | (58) |
| Decrease by 0.5% | 78 | 61 |
| Salary Increase | | |
| Increase by 0.5% | 69 | 58 |
| Decrease by 0.5% | (67) | (56) |

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the revised standalone balance sheet.

VIII Risk exposure

Through its defined benefit plans, The Company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

IX Maturity profile of defined benefit obligation (Undiscounted)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Within the next 12 months (next annual reporting period) | 391 | 261 |
| Between 1 and 6 years | 1,685 | 1,259 |
| Beyond 6 years | 1,517 | 1,144 |
| Total expected payments | 3,593 | 2,664 |

X The average duration of the defined benefit plan obligation at the end of the reporting period is 5.32 to 6.35 years (31 March 2021: 5.69 to 6.33 years).

37 Loss per share (EPS)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| (a) Net loss for calculation of basic and diluted EPS | (2,257) | (5,583) |
| (b) Weighted average number of equity shares of Re. 1 each (31 March 2021 : Re. 1 each) for both basic and dilutive shares | 13,18,07,103 | 12,75,08,420 |
| (c) Basic and diluted earnings per share | (1.71) | (4.38) |

38 Contingent liabilities

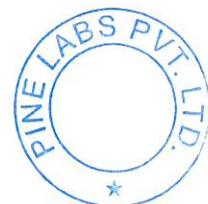
| | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| i) Bonus payable for the financial year 2014-15 | 5 | 5 |
| ii) Employee provident fund liability including interest | 34 | 34 |
| iii) Indirect tax matters | 3,410 | 1,873 |
| iv) Legal compliance of labour laws | 0 | 0 |
| | 3,449 | 1,912 |

a) The nature of such litigations are as follows:

a(i) As per an additional requirement introduced under Payment of Bonus Act, 1965, from year 2016 onwards, the statutory bonus shall be included and paid as a part of the salary for all the eligible employees. Since it was not specifically called out if such requirement needs to be complied retrospectively, the excess amount of INR 5 lakhs relating to FY 2014-15 has been considered under contingent liabilities by the Company in consultation with their legal counsel.

a(ii) In February 2019, there was a judicial pronouncement in India with respect to defined contribution benefit payments interpreting certain statutory defined contribution obligations of employees and employers. It is not currently clear whether the interpretation set out in the pronouncement has retrospective application. If applied retrospectively, the interpretation would result in an increase in contributions payable by the Company for past periods for certain of its India-based employees. There are numerous interpretative challenges concerning the retrospective application of the judgment. Due to such challenges and a lack of interpretive guidance and based on legal advice the Company has obtained on the matter, it is currently impracticable to reliably estimate the timing and amount of any payments the Company may be required to make.

a(iii) In August 2018, one of the regulatory authorities in India, the Directorate General of Goods & Services Tax Intelligence ("Department"), issued a show cause notice ("Notice"), and subsequently passed an order dated December 30, 2021 confirming the demand alleging non-payment of service tax on various transactions over a period of five years between 2012 and 2017. The Company has filed an appeal in CESAT against the abovesaid order. On the basis of internal evaluation and in consultation with the legal counsel, the Company has considered an amount of INR 3,410 Lakhs (31 March 2021: INR 1,873 Lakhs) after considering net breakage retained by the Company excluding interest (including penalty) under contingent liabilities.



Pine Labs Private Limited

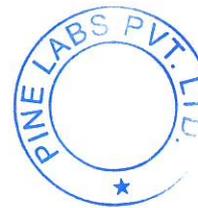
Notes to the revised standalone financial statements for the year ended 31 March 2022

(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

b) In July 2019, a third party filed a lawsuit against the Company, alleging infringement of a patent. The complaint, sought an injunction restraining the Company from using, including dealing in any manner directly or indirectly, with any system / product / technology covered by such patent. The District Court limited its order in essence to not use the patent and has transferred the case to a higher court given the Company's claim of invalid patent. The Company has challenged and will defend the claims made against the Company.

The Company is in view that the third party claim is untenable. Based on the Company's evaluation the expected impact of pending legal proceedings and claims, should not have any material adverse effect on business operations, cash flows or revised standalone balance sheet.

c) The Company is involved in lawsuits and proceedings, which arise in the ordinary course of business. The ultimate liability is not currently determinable because of considerable uncertainties that exist / pending the resolution of proceedings. However, based on facts currently available, management believes that the disposition of matters that are pending or asserted will not have a material adverse impact on the revised standalone financial statements.



Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022

(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

39 Dues to micro and small enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

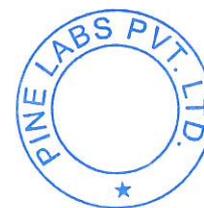
| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 708 | 316 |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year | - | - |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made | - | 0 |
| Further interest remaining due and payable for earlier years | - | - |

40 Capital commitments

Capital expenditure contracted for at the end of the reporting period, but not recognised is as follow:

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Estimated amounts of contracts remaining to be executed on capital account and not provided for* | 8,782 | 14,543 |
| | 8,782 | 14,543 |

* Net of capital advances amounting to INR 3,802 lakhs for year ended 31 March 2022 (31 March 2021: 11 lakhs).



41 Employee share option scheme

Employee stock option plan 2014 of Pine Labs Limited (formerly known as "Pine Labs Pte. Ltd.") (Parent Company)

Pine Labs Limited ("The Parent Company") formulated the Employees Stock Option Plan 2014 ("Plan") which was approved by the Board of the Parent Company. The options are denominated in US Dollars ("USD").

Vesting conditions

Options granted to a Participant(s), under each Grant, shall vest subject to the condition that the Participant continues to be in employment with the Company during the term required as per their respective vesting schedule.

| | Vesting Period from the grant date | Vesting schedule |
|--|---|------------------|
| For options with a vesting period of 48 months | After completion of 12 months | 25% |
| | In a series of 36 successive equal monthly installments over the next 36 months | 75% |
| For options with a immediate vesting period | Immediate vesting | 100% |

Exercise period is the period from the vesting date, as may be determined by the Board of the Parent Company from time to time, within which the vested options must be exercised, i.e. 60 months from each vesting date or 12 months from the date of termination of services for any reasons, including but not limited to, death and permanent disability, whichever is earlier or as may be determined by the Board in some specific cases. If the participant does not exercise his vested options during the exercise period, the vested options shall lapse.

Each option entitles the holder to one common share of the Parent Company. On exercise of options the employees are issued shares of the Parent Company.

The Company has entered into an agreement with the Parent Company, whereby the Company will reimburse the Parent Company for the share based compensation cost computed on the basis of fair value method in respect of options exercised by the employees of the Company. Accordingly, the Company has set up liability in respect of Share based compensation payable to the Parent Company computed on the basis of fair value method in respect of all options vested as well as outstanding as at the year end.

The number and weighted average exercise prices of share options outstanding during the year are as follows :-

| | 31 March 2022 | | | 31 March 2021 | | |
|--|-------------------|-------------------------------------|-------------------------------------|-------------------|-------------------------------------|-------------------------------------|
| | Number of options | Weighted average exercise price INR | Weighted average exercise price USD | Number of options | Weighted average exercise price INR | Weighted average exercise price USD |
| Options outstanding at the beginning of the year | 5,12,384 | 571 | 8 | 4,66,921 | 707 | 10 |
| Options granted during the year | 83,507 | 598 | 8 | 1,26,956 | 602 | 8 |
| Transfer (out) during the year* | (8,737) | 2,068 | 29 | (614) | 700 | 11 |
| Forfeited during the year | (34,298) | 594 | 8 | (13,959) | 597 | 8 |
| Buyback of vested employee share options during the year | (1,74,858) | 373 | 5 | (1,089) | 736 | 11 |
| Exercised during the year | (17,884) | 583 | 8 | (65,831) | 1,587 | 23 |
| Outstanding at the end of the year | 3,60,114 | 637 | 9 | 5,12,384 | 571 | 8 |
| Exercisable at the end of year | 2,15,486 | 665 | 9 | 3,55,617 | 562 | 8 |

* pertains to employees transferred to/from other group companies.

The weighted average share price at the date of exercise for share options exercised during the year was INR 18,064.89 (March 31, 2021 : INR 3,807.91)

The share options outstanding at 31 March 2022 had a exercise price ranging from INR 80.62 to INR 4,420.75 (31 March 2021: INR 0.62 to INR 4,420.75 and a weighted average remaining contractual life of 3.38 years (31 March 2021: 2.95 years)

The weighted average fair value of options granted during the year was INR 18,619.11 per option (March 31, 2021 : INR 3,786.53)

Inputs for measurement of grant date fair values

The fair value of the share options on date of grant was made using the Black-Scholes model with the following assumptions-

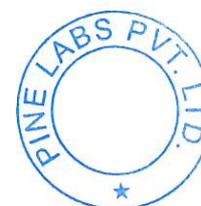
| Particulars | 31 March 2022 | 31 March 2021 |
|--------------------------------|---------------|---------------|
| Weighted average share price | 19,191.42 | 4,367.14 |
| Expected volatility | 35.90%-40.87% | 30.50%-37.6% |
| Expected life of share options | 3.44-4.66 | 3.50-6.50 |
| Risk Free Rate | 0.90%-1.59% | 0.20%-1.00% |
| Expected dividend yields | 0 | 0 |

Share based compensation cost for the years ending 31 March 2022 and 31 March 2021 in respect of stock options amounting to INR 6,684 Lakhs and INR 2,329 lakhs lakhs has been determined based on fair value method. As at 31 March 2022 and 31 March 2021, outstanding liability towards the Parent Company with respect to Employee stock option expenses are INR 13,813 Lakhs and INR 6,829 lakhs respectively.

During the current year, the Parent Company has modified a cash settled arrangement into an equity settled arrangement, and incremental fair value of INR 1,899 lakhs has been recorded as employee share option expense in the Company.

The Parent Company has measured incremental fair value by using Black-Scholes model as mentioned below:

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|--------------------------|--------------------------|
| Weighted average share price | 19,879.93 | - |
| Expected volatility | 37.69% | - |
| Expected life of share options (years) | 4.66 | - |
| Risk Free Rate | 2.09% | - |



Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022

(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

42 Assets pledged as security

Pursuant to amendment in Schedule III to the Companies Act, 2013, effective from 1 April 2021, the Company has modified the classification of security deposits from "Loans" to "Others" in financial assets and current maturities of borrowings has now been included in the "Current borrowings" line item. Comparative amounts in the notes to the revised standalone financial statements were reclassified for consistency.

43 Impact of outbreak of COVID-19

Our business has been impacted by lockdown restrictions and social distancing measures in India. Lockdown restrictions and measures were initially implemented in March 2020 and lifted in phases starting in May 2020, significantly impacting our business in the first quarter of fiscal year ended 31 March 2021. Subsequently, since March 2021, due to subsequent spread of COVID-19, several state governments re-imposed lockdowns, curfews and other restrictions. These restrictions have been gradually lifted, but could be re-imposed at any time due to new subsequent waves or variants of COVID-19.

The COVID-19 pandemic has adversely impacted and is likely to continue to adversely impact the operations of our customers, suppliers, vendors and other business partners, and may adversely impact our results of operations in the future. Cross-border and domestic commerce may be adversely impacted due to measures taken by government authorities and businesses. Actions that we have taken or may take in the future intended to assist customers impacted by COVID-19 may negatively impact our results of operations. In particular, we may continue to experience adverse financial impacts from a number of operational factors, including, but not limited to:

- Increased cybersecurity and payment fraud risk related to COVID-19, as cybercriminals attempt to profit from the disruption in light of increased online banking, e-commerce, and other online activity;

- Challenges to the availability and reliability of our products and services resulting from changes to our normal operations, including due to one or more clusters of COVID-19 cases occurring at our (or our service providers') sites or mandatory local lock-down requirements, which may impact our employees, our level of customer service, and/or the systems or employees of our customers and business partners.

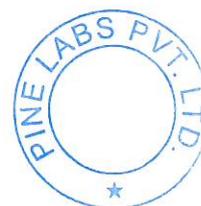
In light of the above, the Company has made assessment of its liquidity position including its cash flows, business outlook and of the recoverability of its receivables and other assets. The Company has further evaluated the impact of COVID – 19 on the possibility of onerous obligations, penalties relating to breaches of service level agreements, termination or deferment of contracts by customers, etc. Based on such assessment, the Company has concluded that no material adjustments are required to its financial statements for the year ended 31 March 2022. The future impact of the COVID-19 pandemic on an ongoing basis is still uncertain and will remain a factor in the analysis of key estimates and judgements used in preparing our financial statements, especially given the rapid and unexpected changes the pandemic is posing to global and local economic environments. We will continue to monitor the COVID-19 situation closely, and intend to follow health and safety guidelines as they evolve.

To the extent that customer preferences revert to pre-COVID-19 behaviors, as mitigation measures to limit the spread of COVID-19 are lifted or relaxed, and an effective vaccine or treatments for COVID-19 becomes available, the extent of adverse impact on our business, financial condition, and results of operations may be reduced. However, such situations and development remain difficult to predict. Additionally, COVID-19 could require new or modified processes, procedures, and controls to respond to changes in our business environment. We may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, and business partners.

44 Change in classification

Pursuant to amendment in Schedule III to the Companies Act, 2013, effective from 1 April 2021, the Company has modified the classification of security deposits from "Loans" to "Others" in financial assets and current maturities of borrowings has now been included in the "Current borrowings" line item. Comparative amounts in the notes to the revised standalone financial statements were reclassified for consistency.

| | Numbers prior to revised classification | Revised classification | Difference |
|-----------------------------|---|------------------------|------------|
| Assets | | | |
| Non-current assets | | | |
| Financial assets | | | |
| Loans | 281 | - | 281 |
| Other financial assets | 93 | 374 | (281) |
| Current assets | | | |
| Financial assets | | | |
| Loans | 82 | 14 | 68 |
| Other financial assets | 27,893 | 27,961 | (68) |
| Liabilities | | | |
| Current liabilities | | | |
| Borrowings | 3,904 | 9,308 | (5,404) |
| Other financial liabilities | 55,414 | 50,009 | 5,405 |



Notes to the revised standalone financial statements for the year ended 31 March 2022

(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

45 Operating segments

In reviewing the operational performance of the Company and allocating resources, the chief operating decision maker of the Company ("CODM") i.e. the Board of Directors reviews the financial performance and forecasts, performance of key product lines, new product buildout/performance reviews, and other reviews such as employee performance, functional reviews and ad-hoc-reviews. The Company's operating segments, as described below, are strategic business units that offer different products and services. For each of the operating segments, the CODM reviews performance based on Revenue and Gross Profit. The financial review does not include breakups or details of assets and liabilities of these operating segments. The Company's reportable segments under Ind AS 108, as reflected in internal management reports, are therefore as follows:

Segment A - Digital payments

Segment B - Issuing

Digital payments:

Under Digital payments segment, the Company provides technology platforms (under the brand name of "Pinelabs") that are made available to merchants to enable acceptance of instore or online digital payments. These technology platforms and infrastructure allow merchants to accept debit cards, credit cards, prepaid instruments wallets, QR codes, Unified Payment Interface (UPI), loyalty points, pay later, etc. to enable purchases made by consumers. The merchants on Pinelabs platforms span across sectors and cities primarily in India. The Company monetizes the platform by charging subscription-based or transaction-based fees from merchants, acquiring and issuing banks and consumer brand partners. In addition the Company also generates revenue from other sources, including digitization of fuel stations, integration fees, merchant lending, sales of paper rolls, loyalty and analytics services and fees from other partnerships.

Issuing:

Under Issuing segment, the Company primarily provides a technology platform to issue, process and distribute prepaid cards. For issuing and processing solutions, the Company monetizes primarily by charging a processing fee from merchants who are utilizing the technology platform and in the case of distribution, revenue is earned based on the commission earned that the Company retains by distributing prepaid cards. Additionally, the Company earns interest income on amounts loaded on the prepaid cards that are deposited in a bank escrow account and that have not yet been utilized; breakage income which is the unutilized amount remaining after expiry as per applicable regulatory guidelines; and program initiation and integration fee of merchant's platform with the Company's technology platform.

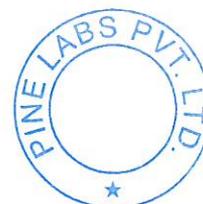
Information about reportable segments operating performance:**For the year ended 31 March 2022**

| | Digital Payments | Issuing | Total |
|--|------------------|---------|----------------|
| Revenue | 59,840 | 33,392 | 93,232 |
| Gross Profit | 55,226 | 33,188 | 88,414 |
| Depreciation, amortisation and impairment expense | | | (18,869) |
| Employee benefits expense | | | (45,107) |
| Changes in inventories of stock-in-trade | | | 807 |
| Impairment losses on trade receivables and contract assets | | | (1,166) |
| Other expenses | | | (31,721) |
| Other income | | | 2,563 |
| Finance cost | | | (2,367) |
| Loss before tax | | | (7,446) |
| Income tax credit | | | 5,189 |
| Loss for the year | | | (2,257) |

For the year ended 31 March 2021

| | Digital Payments | Issuing | Total |
|--|------------------|---------|----------------|
| Revenue | 43,840 | 21,155 | 64,995 |
| Gross Profit | 39,295 | 19,885 | 59,180 |
| Depreciation, amortisation and impairment expense | | | (17,507) |
| Employee benefits expense | | | (30,590) |
| Changes in inventories of stock-in-trade | | | 191 |
| Impairment losses on trade receivables and contract assets | | | (772) |
| Other expenses | | | (19,011) |
| Other income | | | 3,317 |
| Finance cost | | | (2,216) |
| Loss before tax | | | (7,408) |
| Income tax credit | | | 1,825 |
| Loss for the year | | | (5,583) |

The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 2. The segment's profitability measure, i.e. gross profit and without allocation of employee benefit expenses, depreciation, amortisation and impairment expenses, changes in inventories of stock-in-trade, impairment losses on trade receivables and contract assets, other expenses and other income, finance costs and income tax expense. This is the measure reported to the Company's CODM for the purpose of resource allocation and assessment of segment performance.



Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022
(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

Geographic information

The Company's revenue from external customers and information about its segment assets by geographical location are detailed below:

Revenue from external customers

| | <u>Year ended</u> <u>31 March 2022</u> | <u>Year ended</u> <u>31 March 2021</u> |
|---------------|---|---|
| India | 91,454 | 63,828 |
| Outside India | 1,778 | 1,168 |
| Total | 93,232 | 64,996 |

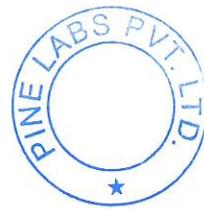
The revenue information above is based on the locations of the customers. The Company's revenues from its major products and services are disclosed in note 23.

Non-current assets*

| | <u>As at</u> <u>31 March 2022</u> | <u>As at</u> <u>31 March 2021</u> |
|--------------|--------------------------------------|--------------------------------------|
| India | 1,14,063 | 1,02,757 |
| Total | 1,14,063 | 1,02,757 |

*Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, capital work-in-progress, goodwill, intangible assets and intangible assets under development.

Revenues from two customers of the Company amounted to INR 29,898 lakhs for the year ended 31 March 2022 (INR 20,211 lakhs for the year ended 31 March 2021 from two customer) which is more than 10% of the Company's total revenues. Out of this, revenue of INR 13,590 lakhs for the year ended 31 March 2022 (INR 8,284 lakhs for the year ended 31 March 2021) is included in Digital Payments segment. The balance revenue for the years ended 31 March 2022 and 31 March 2021, representing interest earned on funds held for customers is included in Issuing segment.



Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022

(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

46 Impairment testing for cash generating units (CGU) containing goodwill

For the purpose of impairment testing, goodwill is allocated to a CGU representing the lowest level within the Company at which goodwill is monitored for internal management purposes and which is not higher than the Company's operating segment.

| | As at 31 March 2022 | As at 31 March 2021 |
|--------------------------------|------------------------|------------------------|
| Issuing (refer note (i) below) | 45,910 | 45,910 |
| | <u>45,910</u> | <u>45,910</u> |

Notes:

- (i) The acquisition of erstwhile Qwikilver Solutions Private Limited ("Qwikilver") in April 2019 resulted in the recognition of goodwill of INR 45,910 lakhs which was allocated to then identified CGU i.e. Qwikilver - prepaid cards business. As at 1 April 2020, the Company completed integration of the prepaid card business of Pine Labs Private Limited and erstwhile Qwikilver Solutions Private Limited, pursuant to the Company drawing significant synergies and benefits from the integrated businesses, thereby leading to a change in the composition of its CGUs. As a result of the integration, management monitors operations and makes decisions for the combined prepaid card business (i.e. Issuing).

In conjunction with the above business integration activities, during the previous year ended 31 March 2021, the Company reorganized its reporting structure as well to align with the newly integrated businesses. Thus, the goodwill which was initially (at the time of acquisition of erstwhile Qwikilver) allocated to Qwikilver - prepaid cards business CGU of INR 45,910 lakhs was re-allocated to the newly established CGU structure as on 1 April 2020 and was reassessed for impairment at the level of Issuing CGU. Accordingly in previous year ended 31 March 2021, the Company tested goodwill for impairment immediately before and after the integration and concluded that the recoverable amounts of CGUs exceeded their corresponding carrying amounts and therefore there was no impairment recognized.

- (ii) The recoverable amount of the CGUs is determined based on the value-in-use calculations which require use of assumptions. The calculations are performed using cash flow projections based on financial budgets approved by senior management covering a five-year period. Cash flows beyond the five year period are incorporated in perpetuity using the estimated growth rates stated below, during which the business is expected to continue generating cash. The terminal growth rate, revenue growth rate and EBITDA margins were determined based on management's estimates.

- (iii) **Key assumptions used in estimation of value in use were as follows:**

The key assumptions used in the calculation of value in use are as follows:

| | As at 31 March 2022 | As at 31 March 2021 |
|--------------------------|------------------------|------------------------|
| Issuing business | | |
| Discount rate (pre-tax)* | 19.98% | 22.63% |
| Terminal growth rate | 4% | 4% |
| Revenue growth rate | 36% - 43% | 34% - 44% |
| EBITDA margin | 33% - 42% | 35% - 46% |

*The discount rate is based on the Weighted Average Cost of Capital (WACC) of the erstwhile Qwikilver Solutions Private Limited and has been calculated taking in account long-term interest rate, equity risk premium, asset specific risk premium, industry beta and impact related to COVID-19. These estimates are likely to differ from future actual results of operations and cash flows.

- (iv) **Sensitivity Analysis**

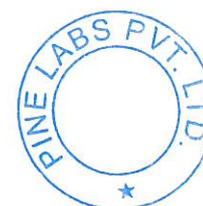
The Company has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for the CGUs to which goodwill is allocated. The management believes that any reasonably possible change in the key assumptions on which the recoverable amount of CGUs is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGUs.

- (v) Based on the above, no impairment was identified as of 31 March 2022 and 31 March 2021 as the recoverable value of the CGUs exceeded their respective carrying value.

47 Penalties levied by the RBI

During the previous year, Reserve Bank of India in exercise of its powers conferred under Section 30 of the Payment and Settlement Systems Act, 2007, levied a penalty of INR 100 lakhs vide its order dated 15 October 2020. The penalty was levied for non-compliance with paragraphs 2.5 and 10.1 (c) of the Master Direction on Issuance and Operation of Prepaid Payment Instruments. The Company has since implemented corrective action so as to ensure that such incidents do not recur.

- 48 Between June and August 2021, the Company experienced an information security incident involving a ransomware attack and consequent isolation of impacted IT services. In response to this, Management immediately initiated comprehensive containment efforts to address the incident. Recovery and restoration of all impacted applications and data has been done. The Company has also investigated the nature, extent and causes of data breach and remediation efforts are in the process of being implemented. There have been no litigations and claims relating to this cyber security incident till date and impact of any possible future litigations and claims is presently unascertainable.



Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022
(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

49 Scheme of Amalgamation

The Board of Directors of the Company at its meeting held on 14 December 2020 had approved the draft Scheme of amalgamation (the 'Scheme') between Qwikilver Solutions Private Limited ("Transferor Company") with Pine Labs Private Limited ("Transferee Company"). Application seeking approval of the Scheme was subsequently filed with Hon'ble National Company Law Tribunal (NCLT), New Delhi Bench on 29 January 2021. The earlier standalone financial statements of the Company for the year ended 31 March 2022 were approved by the Board of Directors at its meeting held on 12 September 2022 without giving effect to the Scheme since the petition was pending before the NCLT.

On receipt of the certified copy of the order dated 14 September 2022 by NCLT, New Delhi Bench sanctioning the Scheme, with appointed date 1 April 2021 and the Scheme has become effective from the order date.

Accordingly, the Company has given effect to the Scheme in the earlier approved standalone financial statements for the year ended 31 March 2022 from the Appointed date of 1 April 2021 by revising the earlier standalone financial statements approved by the Board of Directors on 12 September 2022. These Revised standalone financial statements for the year ended 31 March 2022 have been prepared pursuant to the Scheme from the specified retrospective appointed date of 1 April 2021.

Pursuant to the Scheme, all the assets, liabilities, reserves and surplus of the transferor company have been transferred to and vested in the Company with effect from the appointed date at their carrying values as appearing in the consolidated financial statements of the Company and the financial information in the revised standalone financial statements has been restated from 1 April 2020 as per requirements of Appendix C to Ind AS 103.

The revision to the earlier standalone financial statements have been carried out solely for the impact of above referred Scheme and no additional adjustments have been incorporated for any other events occurring after 12 September 2022 (being the date when the standalone financial statements were first approved by the Board of Directors of the Company).

The details of transferee company and their amalgamation are as below:

| | |
|--------------------------------|------------------------------|
| Name of the transferee company | Pine Labs Private Limited |
| General nature of business | Digital payments and Issuing |

The details of transferor company and their amalgamation are as below:

| | |
|---|-------------------------------------|
| Name of the transferor company | Qwikilver Solutions Private Limited |
| General nature of business | Issuing |
| Appointed Date of the Scheme | 1 April 2021 |
| Description and number of shares issued | Nil |
| % of Company's equity shares exchanged | Nil |

Pursuant to the Scheme the amalgamation has been accounted for as per the applicable accounting principles prescribed under relevant Indian Accounting Standards.

a) Accounting treatment

- i) The Transferee Company has accounted for the amalgamation of the Transferor Company as per Ind AS 103, Business Combination (Appendix C) and clarifications issued by the Institute of Chartered Accountants of India, as explained below.
- ii) The Transferee Company has recorded all the assets, liabilities and reserves of the Transferor Company in its standalone books of accounts on the date as determined as per Ind AS 103 and at their respective carrying amounts as appearing in the consolidated financial statements of the Transferee Company.
- iii) The investment in equity share capital of the Transferor Company as appearing in the standalone books of account of Transferee Company has been cancelled.
- iv) The identity of the reserves, including balance of Profit and Loss Account, of the Transferor Company have been preserved and recorded in the standalone financial statements of the Transferee Company in the same form and manner in which they appeared in the consolidated financial statements of the Transferee Company.

b) The book value of assets and liabilities (as appearing in the consolidated financial statements of transferee Company) taken over in accordance with the terms of the scheme at the following summarised values:

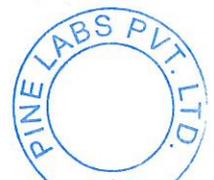
| | As at 1 April 2021 | As at 1 April 2020 |
|--|-----------------------|-----------------------|
| Non-current assets | 65,624 | 73,343 |
| Current assets | 2,61,634 | 1,84,609 |
| Total assets (A) | 3,27,258 | 2,57,952 |
| Non-current liabilities | 4,617 | 7,184 |
| Current liabilities | 2,47,314 | 1,76,126 |
| Total liabilities (B) | 2,51,931 | 1,83,310 |
| Total net identifiable assets acquired C = (A-B) | 75,329 | 74,642 |
| Cost of investment in the Transferor Company (D)# | 76,053 | 76,053 |
| Balance of reserves of transferor company (E)=(D)-(C) | (727) | (1,411) |

*includes goodwill and intangible assets recored in the consolidated financial statements as part of acquisition of transferor Company as on 18 April 2019

As per standalone financial statements of Transferee Company.

c) Difference between the book value of the assets and liabilities and reserves transferred to the Company and the Carrying amount of investments in transferor company cancelled has been debited to the retained earnings of the Company.

d) The consequential impact of the amalgamation on the current and deferred tax has been recognised in the profit or loss for the year ended 31 March 2022.



Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022
(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

50 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be framed. The Company will carry out an evaluation of the impact and record the same in the revised standalone financial statements in the period in which the Code becomes effective and the related rules are published.

51 Additional Regulatory Information:

a) Analytical Ratios

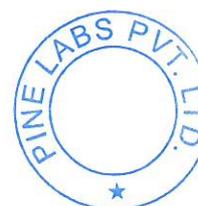
| Ratio | Numerator | Denominator | 31 March 2022 | 31 March 2021 | Variance (in %) |
|--|---|--|---------------|---------------|-----------------|
| Current ratio (in times) | Current assets | Current liabilities | 1.15 | 1.06 | 8% |
| Debt equity ratio (in times) (refer note (ai)) | Total debt=Borrowings+Lease liabilities | Shareholder equity | 0.15 | 0.20 | -26% |
| Debt service coverage ratio (in times) (refer note (ai)) | Earnings available for debt service | Debt service | 2.08 | 2.26 | -8% |
| Return on equity (in %) | Net profit after taxes | Average shareholders equity | -1% | -5% | -71% |
| Inventory turnover ratio (in times) (refer note (aii)) | Cost of goods sold | Average inventory | 5.24 | 16.49 | -68% |
| Trade receivable turnover ratio (in times) (refer note (aiii)) | Revenue from operations | Average accounts receivable | 2.84 | 2.27 | 25% |
| Trade payables turnover ratio (in times) | Purchase of stock in trade+Other expenses (excluding non cash expenses) | Average trade payable | 1.53 | 1.55 | -1% |
| Net capital turnover ratio (in times) (refer note (aiv)) | Net Sales | Working capital | 2.31 | 5.13 | -55% |
| Net profit ratio (in %) | Net profit | Net sales | -2% | -9% | -72% |
| Return on capital employed (in %) (refer note (av)) | EBIT=Earning before interest and taxes | Capital employed = Tangible networth + Total debt + Total deferred tax liability | -2% | -4% | -50% |
| Return on investment (in %) (refer note (avi)) | Income | Investment | 3% | 9% | -67% |

Remarks

- (ai) Due to increase in lease and repayment of lease and borrowings.
- (aii) Due to increase in inventory for new deployment planned.
- (aiii) Due to increase in revenue from operations.
- (aiv) Due to increase in cash balance, receivable for cashback schemes and balance with government authorities.
- (av) Due to decrease in earning before interest and taxes, increase in tangible networth and increase in total debt.
- (avi) Due to decrease in income on investments.

b) Others

- i) The Company does not have any Benami property, where any proceedings have been initiated or pending against the Company for holding any Benami property.
- ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period except for new borrowing limits from ICICI bank on 4 March 2022 has been sanctioned against which charge documents have been filed on 25 April 2022.
- iii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the period covered by this financial year.
- v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii) The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- viii) a) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
b) The Company (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs as part of the Group.



Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022
(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

ix) Disclosure for struck off companies

The following table depicts the details of balances outstanding in respect of transactions undertaken with a company struck-off under section 248 of the Companies Act, 2013:

| Name of struck off Company | Nature of transactions with struck off company | 31 March 2022 | | 31 March 2021 | |
|--|--|---------------------|--|---------------------|--|
| | | Balance outstanding | Relationship with the struck off company, if any | Balance outstanding | Relationship with the struck off company, if any |
| 3G Network Solutions Private Limited | Advance from customers | - | Customer | 0 | Customer |
| 79Seventeen Destination Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| 99 Healthlounge Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Aalvina Restaurant Opc Pvt Ltd | Trade receivable balance | 0 | Customer | - | Customer |
| Active Roots Private Limited | Trade receivable balance | 0 | Customer | 0 | Customer |
| Aesthetica Aesthetic Cosmatic Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Agrawal Sports & Fitness Private Limited | Trade receivable balance | 3 | Customer | 2 | Customer |
| Aibi Technology Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Amenity Infotech Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Amrj Retail Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Anandas Ram Mohan Food & Cosmetic Products (I) Private Limited | Trade receivable balance | 4 | Customer | 4 | Customer |
| Anisha Appliances Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Annapura Retail Limited | Trade receivable balance | 0 | Customer | 0 | Customer |
| Aos Style Bazaar Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Apa Hospitality Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Apna Haat Retail Private Limited | Advance from customers | (0) | Customer | (0) | Customer |
| Appi Informatics Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Applegadgets Technologies Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Aps Life Sciences Private Limited | Revenue from operations | - | Customer | - | Customer |
| Arpn Kids Solution Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Auto Care Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Av Bistro Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Av Dentkart Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Avana Healthcare Private Limited | Trade receivable balance | 0 | Customer | 0 | Customer |
| B.A. Trademart Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Bajaj Electronics Pvt Ltd | Trade receivable balance | - | Customer | 0 | Customer |
| Banivababu Retails Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Baron Electronics Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Beams Hospitals Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Beaute Lah Products Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Benivo Power Solutions Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Benzo Vacations Club Public Limited | Trade receivable balance | - | Customer | 0 | Customer |
| B-Fitness 24X7 Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Bhamba Autos Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Bindery Infotech Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Bintel Ventures Private Limited | Advance from customers | (0) | Customer | (0) | Customer |
| Bon Temps Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Brahmanand Health And Fitness Care Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Bright Pariwar Marketing Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Capnerds Venture Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Casa Marketing Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Cashbag Tech Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Cg Eosnest Private Limited | Revenue from operations | - | Customer | - | Customer |
| Chashma Ghar Eye Care Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Chenetha Colour Weaves Private Limited | Trade receivable balance | - | Customer | 1 | Customer |
| Chitransha Real Estate Private Limited | Trade receivable balance | 0 | Customer | 0 | Customer |
| Cloudone International Network Limited | Trade receivable balance | - | Customer | 1 | Customer |
| Convet Mor Agro Private Limited | Advance from customers | (0) | Customer | (0) | Customer |
| Countwide Vacations (Opc) Private Limited | Trade receivable balance | 0 | Customer | 0 | Customer |
| Cubo Fitness Solution Private Limited | Trade receivable balance | - | Customer | 2 | Customer |
| Cult Fitness Private Limited | Revenue from operations | - | Customer | - | Customer |
| D Square Enterprises Private Limited | Trade receivable balance | - | Customer | 1 | Customer |
| De Heavens Kourt Club Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Dessi Dhaaba Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Diazzo Industries Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Div Entertainment Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Dr. RatS Health Care Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Dreams Unlimited Recruitment Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Eduzenii Global Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Ego Wellness Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Elaagoon Digital Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Ellen Healthcare Private Limited | Revenue from operations | - | Customer | - | Customer |
| Emyves Vasantham Computers Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Fabrout Digital Sales And Services Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Falcon Hospitality Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Familybazar Retail Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Fathom Phonevala Services Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Feel Software Private Limited | Trade receivable balance | - | Customer | 1 | Customer |
| Femto I Care Private Limited | Trade receivable balance | 0 | Customer | 0 | Customer |
| Fke Foods Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Forcepoint Wellness Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Free 3 Health Care Services Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Fremont It Solutions Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Furry Petz Corp Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Futuregreen Infraprojects Private Limited | Revenue from operations | - | Customer | - | Customer |
| Fu-Vision Training Solutions Private Limited | Trade receivable balance | - | Customer | 2 | Customer |
| Galaxy Fitness Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Game Of Shakes Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Garnet Marketing Pvt Ltd | Advance from customers | - | Customer | (0) | Customer |
| Gei Network Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Getit Infoservices Private Limited | Advance from customers | (0) | Customer | (0) | Customer |
| Gig Restaurants Private Limited | Advance from customers | (0) | Customer | (0) | Customer |
| Globalit Life Style Technology Store Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Glow And Grow Services Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Godwin Resorts & Hotels Private Limited | Trade receivable balance | 0 | Customer | 0 | Customer |
| Goria Builders Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Grand Heritage Vacations Private Limited | Trade receivable balance | 0 | Customer | 0 | Customer |
| Green Electronics & Engineering India Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Greenox Food And Beverages Private Limited | Trade receivable balance | 0 | Customer | 0 | Customer |
| Grev Box Technologies Private Limited | Trade receivable balance | 0 | Customer | 0 | Customer |
| Gromo Systems Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Gsr Electrosifting Private Limited | Trade receivable balance | 1 | Customer | 1 | Customer |
| Gym Zone India Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Hav Aand Roi Tekh Solutions Private Limited | Advance from customers | (0) | Customer | (0) | Customer |
| Hbm Food Services Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Hdmc Trading Private Limited | Revenue from operations | - | Customer | - | Customer |
| Hicurry Foods India Private Limited | Trade receivable balance | - | Customer | 0 | Customer |

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PINE LABS PVT. LTD.

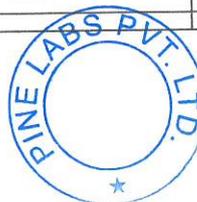
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Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022
(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

| Name of struck off Company | Nature of transactions with struck off company | 31 March 2022 | | 31 March 2021 | |
|--|---|---------------------|--|---------------------|--|
| | | Balance outstanding | Relationship with the struck off company, if any | Balance outstanding | Relationship with the struck off company, if any |
| Hiralaxmi Foods Private Limited | Trade receivable balance | 0 | Customer | 0 | Customer |
| Homekraft Styles Private Limited | Trade receivable balance | - | Customer | 3 | Customer |
| Hosanna Tours And Travels Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Hotels & More Private Limited | Advance from customers | (0) | Customer | (0) | Customer |
| Hrishi E-Commerce Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| I-Abroad Education & Immigration Services Private Limited | Revenue from operations | - | Customer | - | Customer |
| Ignition Healthcare Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Impresa Hospitality Management Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Infinizzen Foods Private Limited | Revenue from operations | - | Customer | - | Customer |
| Infra-Red Coastal Ventures Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Insatiable Fitness Solutions Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Interactive Retail India Private Limited | Trade receivable balance | 34 | Customer | 11 | Customer |
| Invictus Hospitality Private Limited | Advance from customers | (0) | Customer | (0) | Customer |
| Jazz Hair & Skin Solutions Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Joy Supermarket Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Jui Agencies Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Just Retail India Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Kaffee Concepts Gurgaon Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Kaka Decor Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Kamadhenu Multicuisine Private Limited | Trade receivable balance | 0 | Customer | 1 | Customer |
| Kamla Landmarc Motorbikes (Pune) Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Kepler Solutions Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Kkm Digital Marketing Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Kolkata Electronics Private Limited | Trade receivable balance | - | Customer | - | Customer |
| Krishna Wireless Distributors Private Limited | Revenue from operations | - | Customer | 1 | Customer |
| Kvr Enterprises Private Limited | Trade receivable balance | - | Customer | - | Customer |
| Kwals Cafe Private Limited | Revenue from operations | (0) | Customer | (0) | Customer |
| L.M. Cargo Express Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Lavandis Hospitality Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Levels Entertainment & Hospitality Private Limited | Trade receivable balance | 0 | Customer | 0 | Customer |
| Likaami Healthcare Private Limited | Trade receivable balance | - | Customer | (0) | Customer |
| Little Moon Retail Private Limited | Advance from customers | - | Customer | 0 | Customer |
| Live Fit Nutrition And Merchandise Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Lizten Hearing Hub Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Longbell Interiors Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Lumen Beauty & Health Solution Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Lumina Right Solution Marketing Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Luminor Fashion Private Limited | Trade receivable balance | - | Customer | 2 | Customer |
| Man Antair Foods Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Man Antair Foods Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Magic Meals Private Limited | Trade receivable balance | - | Customer | (0) | Customer |
| Mahesh Plots Private Limited | Advance from customers | - | Customer | - | Customer |
| Maisa Food Products Private Limited | Revenue from operations | - | Customer | (0) | Customer |
| Matanaj Estate Broker Private Limited | Advance from customers | - | Customer | 0 | Customer |
| Mealfull Enterprise Private Limited | Advance from customers and Trade receivable balance | (0) | Customer | 0 | Customer |
| Memmo Global Telecommunications Private Limited | Trade receivable balance | 0 | Customer | 0 | Customer |
| Mergen Hospitality Private Limited | Trade receivable balance | 0 | Customer | 0 | Customer |
| Millionaire Dream Vacation Tours And Travels Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Moart Furniture'S Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Mobac Retail Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Mom Beauty Impex Private Limited | Trade receivable balance | 0 | Customer | 0 | Customer |
| Moriah Retail Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Mpmk Solution Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Ms Softtech Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Mt Hospitality Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Mudpie Apparels Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Namco Healthcare Services Private Limited | Advance from customers | (0) | Customer | (0) | Customer |
| Navcraft Handlooms Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Needz Mart Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Neptune Biotech Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| New Hindustan Retail Goods And Servicesprivate Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Niralcube Technologies Private Limited | Trade receivable balance | 0 | Customer | - | Customer |
| Nnr Infra Projects India Private Limited | Revenue from operations | - | Customer | 0 | Customer |
| Nwos Gaming Private Limited | Advance from customers | (0) | Customer | (0) | Customer |
| O2 Club Wellness India Private Limited | Advance from customers | - | Customer | 0 | Customer |
| Omega Leisure & Hospitality Private Limited | Trade receivable balance | - | Customer | (0) | Customer |
| Ontrack Fitness And Dance Studio Private Limited | Advance from customers | - | Customer | 0 | Customer |
| Onyx infotech Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Originalbuy Solutions Private Limited | Advance from customers | (0) | Customer | (0) | Customer |
| Owl Tech Private Limited | Trade receivable balance | - | Customer | - | Customer |
| Pan Club Hotels Private Limited | Revenue from operations | - | Customer | 0 | Customer |
| Panacea Careers & Management Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Panoramic Holidays Limited | Trade receivable balance | 1 | Customer | 0 | Customer |
| Parabellz Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Paradigm Ias Academy Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Pazzesco Foods Private Limited | Revenue from operations | - | Customer | - | Customer |
| Pdr Spa & Wellness Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Perfect Ayurveda Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Pgr Industries India Private Limited | Advance from customers | (0) | Customer | (0) | Customer |
| Physioccu Healthcaretakers (Op) Private Limited | Advance from customers | - | Customer | (1) | Customer |
| Planet M Retail Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Prakruthi Agri Fresh Private Limited | Advance from customers | (0) | Customer | (0) | Customer |
| Prastavika Retails (Op) Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Pride Wellness Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Principia Mathematics India Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Promind Software Technologies Private Limited | Trade receivable balance | - | Customer | - | Customer |
| Prudent Holidays Private Limited | Revenue from operations | - | Customer | 0 | Customer |
| Purodrops Appliances Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Qubvk Services Private Limited | Trade receivable balance | 0 | Customer | 1 | Customer |
| Qway India Mark Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Rainbow Enterprises Pvt Ltd | Trade receivable balance | - | Customer | 0 | Customer |
| Rambow Communications Private Limited | Trade receivable balance | - | Customer | - | Customer |
| Ramlas Hospitality Private Limited | Trade receivable balance | 0 | Customer | 0 | Customer |
| Raso Solutions Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Rejoice Medical Science Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Reliable Multifreight Private Limited | Advance from customers | (0) | Customer | (0) | Customer |
| Renaissance Brand Promotions (I) Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Renown Events And Promotions India Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Rishini Fitness Gala Private Limited | Trade receivable balance | - | Customer | 0 | Customer |

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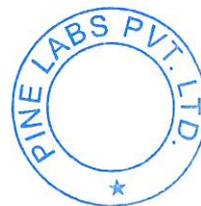


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Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022
(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

| Name of struck off Company | Nature of transactions with struck off company | 31 March 2022 | | 31 March 2021 | |
|--|---|---------------------|--|---------------------|--|
| | | Balance outstanding | Relationship with the struck off company, if any | Balance outstanding | Relationship with the struck off company, if any |
| Rnw Hospitality Services Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Royalty Hotels Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Rtmp Express Retail Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Rubicelle Scoop India Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Sagar Sales Pvt Ltd | Trade receivable balance | 0 | Customer | 0 | Customer |
| Samrat Cold Storage Private Limited | Revenue from operations | - | Customer | - | Customer |
| Sancentre It Solutions Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Sanitas Enviro Performance Fitness Private Limited | Trade receivable balance | 0 | Customer | 0 | Customer |
| Saraansh Health India Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Savn Holidays Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Seculife Svstems (I) Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Secure Future Promotion Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Shandesh Vithal Yelve Enterprises Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Shoptic Grocery Bazar Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Shoptap India Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Showtime Media & Events Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Shree Valga Infra And Hospitality Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Shweta Leisure Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Silver Spoon Restaurants And Hotels Private Limited | Advance from customers and Trade receivable balance | (0) | Customer | 0 | Customer |
| Sir John Bakeries India Private Limited | Trade receivable balance | 0 | Customer | 0 | Customer |
| Sips B-Services Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Skyline Restaurants Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Smart Choice Healthy Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Smart Choice Retail Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Soundtech Audishev Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Spectrum Edutech Private Limited | Trade receivable balance | 0 | Customer | 1 | Customer |
| Sqs Technologies Private Limited | Trade receivable balance | - | Customer | 1 | Customer |
| Sree Suprabhath Townships Private Limited | Trade receivable balance | 0 | Customer | 0 | Customer |
| Srinandaa Gokulaa Aagro Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Star Sales P.Ltd. | Trade receivable balance | - | Customer | 0 | Customer |
| Strength Web Mart Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Suarabhakti Goods Pvt.Ltd. | Advance from customers | - | Customer | (0) | Customer |
| Subramaniam Naturub Products And Services Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Sudhir Udavakanth Domain Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Sukhija Cafe And Lounge Private Limited | Revenue from operations | - | Customer | - | Customer |
| Sukhija Hospitality Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Sun Silver Concept Marketing Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Supreme Solar Systems Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Svm Ventures Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Swadesh Marketing And Retail Trading Company (India) Pvt Ltd | Trade receivable balance | - | Customer | 0 | Customer |
| Swatheretail Consulting Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Swizaino Lifestyle Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| T & D Ventures Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Takbeer Tours & Travels Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Tenacious Retail Private Limited | Advance from customers | - | Customer | (0) | Customer |
| The Rising Sun Buildhome Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Tiptel Informatics Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Tongbram Construction And Marketing Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Totipotency Hospitality Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Trebo Furnish Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Twinkle Educational Institution Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Ultimate Fitness Academy Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Ultimate Tactical And Combat Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Unilife Mart Trading And Retailing Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| United Strings Technologies Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Uttrbulls Diagnostics Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Vaivok Consultancy Services Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Venzer Softeeh Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Verma Jewellers Group Private Limited | Trade receivable balance | - | Customer | 2 | Customer |
| Verticle Technologies Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Vg Mobiworl Private Limited | Trade receivable balance | - | Customer | 1 | Customer |
| Vijavs Pragatiappleeducation Private Limited | Trade receivable balance | - | Customer | 6 | Customer |
| Vintero Hospitality Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Viraaksh Abhaya Ganapathi Foods Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Vishesh Foods Indore Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Visiona Techlabs India Private Limited | Revenue from operations | - | Customer | - | Customer |
| Vn Fitness Center Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Vr World Private Limited | Advance from customers | (0) | Customer | (0) | Customer |
| White Feather Training Academy Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| White Feathers Hospitality Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Whomely Online Services Private Limited | Advance from customers | - | Customer | (0) | Customer |
| World Explore Holidays Master Private Limited | Trade receivable balance | - | Customer | 1 | Customer |
| Yadgar Holidays Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| You N Me Movies Private Limited | Trade receivable balance | - | Customer | 0 | Customer |
| Yuvi Entertainment Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Zaffys Enterprise Merchentry Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Zafra Phones Private Limited | Advance from customers | - | Customer | (0) | Customer |
| Futurecode Technologies Pvt Ltd | Trade receivable balance | 1 | Vendor | 1 | Vendor |
| Onkar Electronics Pvt Ltd | Payables | (3) | Vendor | (3) | Vendor |
| Comwen Information Technologies Private Limited | Payables | (0) | Vendor | (0) | Vendor |
| The Dressing Lounge Pvt Ltd | Payables | (0) | Vendor | (0) | Vendor |
| Kapsh Technologies Pvt Ltd | Payables | (0) | Vendor | (0) | Vendor |
| Go Wallet Solutions Private Limited | Payables | (0) | Vendor | (0) | Vendor |
| Aptapp Creations Private Limited | Payables | (0) | Vendor | (0) | Vendor |
| Sun Sports Pvt Ltd | Payables | (0) | Vendor | (0) | Vendor |
| Buzzworks Loyalty Solutions Pvt. Ltd. | Trade receivable balance | 23 | Customer | 23 | Customer |



Pine Labs Private Limited

Notes to the revised standalone financial statements for the year ended 31 March 2022
(Amount in Indian Rupees (INR) lakhs, except per share data, unless otherwise stated)

52 The amounts disclosed in financials as "0" are below the rounding off norm adopted by the Company.

For BSR & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Manish Gupta
Partner
Membership No.: 095037
Place: New Delhi
Date: 29 October 2022

For and on behalf of the Board of Directors of
Pine Labs Private Limited
CIN: U67100DL1998PTC093878

Kush Mehra
Director
DIN No.: 08754941
Place: Noida
Date: 29 October 2022

Indresh Kumar Gupta
Director
DIN No.: 07488823
Place: Noida
Date: 29 October 2022

Rachana Prakash
Company Secretary
M No.: 32481
Place: Noida
Date: 29 October 2022

