

PayU Payments Private Limited
Consolidated Balance Sheet as at 31 March 2022

		(₹ in Lakh, unless stated otherwise)	
	Note	31 March 2022	31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3A	63.25	193.69
Right of use assets	3B	2,070.30	2,233.25
Intangibles under development	3C	143.09	-
Goodwill	3D	75,069.72	75,069.72
Other intangible assets	3E	2,615.66	3,382.68
Investment	4	41,131.13	770.43
Financial assets			
- Other financial assets	5	239.63	236.32
Non-current tax assets (net)	7	4,498.60	2,355.19
Other non-current assets	8	4,914.65	1,742.21
Total non-current assets		138,735.83	85,983.11
Current assets			
Financial assets			
- Trade receivables	9	10,599.12	7,506.18
- Cash and cash equivalents	10	8,761.34	8,043.65
- Bank balances other than above	11	1,930.60	2,000.23
- Other financial assets	5	9,110.51	3,206.95
Current tax assets (net)	7	-	-
Other current assets	8	2,531.11	1,439.42
Total Current Assets		32,932.68	22,196.43
Non-current assets classified as held for sale	12, 41	-	55,314.85
Total current assets		32,932.68	77,571.28
Total assets		163,667.71	163,554.39
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	203,402.55	198,021.50
Other equity	14	(88,115.93)	(120,753.08)
Non Controlling Interest		-	2,441.89
Total equity		115,286.62	71,310.37
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	19	4,383.39	4,263.39
- Lease Liability	37	1,845.72	2,047.97
- Other financial liabilities	18	1,203.62	886.65
Provisions	15	885.53	768.35
Other non-current liabilities	16	3,301.89	3,314.42
Total non-current liabilities		11,520.15	11,300.83
Current liabilities			
Financial liabilities			
(i) Borrowings	19	-	-
(ii) Trade payables	47	-	-
- Total outstanding dues of micro and small enterprises		157.63	8.89
- Total outstanding dues of creditors other than micro and small enterprises		4,843.38	1,307.90
- Lease Liability	42	617.54	482.40
- Other financial liabilities	18	17,962.44	50,884.19
Other current liabilities	16	13,728.69	6,899.76
Provisions	15	110.26	72.50
Total current liabilities		37,060.94	61,656.79
Total liabilities		48,581.09	72,957.63
Liabilities classified as held for sale		-	19,287.50
Total equity and liabilities		163,667.71	163,554.49

The accompanying notes are an integral part of the financial statements

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In terms of our report of even date
For Walker Chandok & Co LLP
Chartered Accountants
Firm Registration No. 001076/NM/S00013

Neeraj Goyal
Neeraj Goyal
Partner
Membership No. 099514

Place: Gurugram
Date: 26 September 2022



For and on behalf of board of director
PayU Payments Private Limited

Anurag Mulhargi
Anurag Mulhargi
CEO & Director
DIN - 07157044
Member
26 September 2022

Anurag Aggarwal
Anurag Aggarwal
Director
DIN - 02654594
Member
26 September 2022

Manish Goyal
Manish Goyal
CFO
DIN - 07636513
Member
26 September 2022

Anuradha Aggarwal
Anuradha Aggarwal
Company Secretary
26 September 2022



PayU Payments Private Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2022

(₹ in Lakhs, unless stated otherwise)

	Note	31 March 2022	31 March 2021
Income			
i) Revenue from operations	20	209,480.65	139,371.05
ii) Other income	21	3,086.94	1,812.93
Total income		212,567.59	141,183.98
Expenses			
i) Cost of services	22	177,787.59	116,648.66
ii) Employee benefits expense	23	28,898.17	24,755.23
iii) Finance cost	24	715.01	656.71
iv) Depreciation and amortization expenses	25	1,575.51	1,952.63
v) Impairment loss	26	-	518.36
vi) Other expenses	27	13,964.84	8,487.37
Total expenses		222,941.12	153,018.96
Profit/(loss) before share of profit/(loss) of Associate, exceptional items and tax		(10,373.52)	(11,834.98)
i) Share of profit/(loss) of an associate	46	(162.10)	-
Exceptional item:			
i) Profit on sale of non-current investments	41	45,724.45	-
Profit/(loss) before tax		35,188.83	(11,834.98)
Tax expense			
Current and deferred tax		-	-
Profit/(loss) for the period from continuing operations		35,188.83	(11,834.98)
Profit/(loss) from discontinued operations	41	(2,196.02)	(8,623.84)
Tax expenses of discontinued operations			
Profit/(loss) from discontinued operations after tax		(2,196.02)	(8,623.84)
Profit/(loss) for the period after tax		32,992.81	(20,458.82)
Total Loss for the year			
Loss attributable to			
- Owners		33,113.23	(20,837.87)
- Non Controlling Interest		(120.41)	(420.95)
Other comprehensive income			
i) Items that will not be reclassified to profit or loss			
Share of profit/(loss) of an associate		(1.31)	-
Remeasurements of the defined benefit plans		67.02	53.23
ii) Items that will be reclassified to profit or loss			
Other comprehensive income from discontinuing operation		-	9.60
Total other comprehensive income/(loss)		65.71	62.83
Other Comprehensive Loss attributable to			
- Owners		65.71	62.30
- Non Controlling Interest		-	0.53
Total comprehensive Profit/(loss) for the year		33,059.83	(20,395.99)
Total Comprehensive Loss attributable to			
- Owners		33,113.23	(19,975.57)
- Non Controlling Interest		(120.41)	(420.42)
Profit/(loss) per equity share [nominal value of equity share ₹ 10]	30		
Basic and diluted (in ₹ per share)		1.75	(0.60)

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

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In terms of our report of even date,
For Walker Chandok & Co LLP
Chartered Accountants
Firm Registration No. 001876NN500013

Naveen Goel
Partner
Membership No. 999514

Place: Gurgaon
Date: 26 September 2022



For and on behalf of board of directors
PayU Payments Private Limited

Anurag Mukherjee
CEO & Director
DIN - 07151585
Mumbai
26 September 2022

Manish Goel
CFO
DIN - 07636513
Gurgaon
26 September 2022

Anurag Mundhra
Director
DIN - 02654599
Dubai
26 September 2022

Anuradha Aggarwal
Company Secretary
Gurgaon
26 September 2022



(₹ in Lakhs, unless stated otherwise)

	31 March 2022	31 March 2021
A. Cash flow from operating activities		
Less: after tax from continuing operations	35,188.83	111,834.79
Less: after tax from discontinued operations	(2,545.76)	(8,627.84)
Adjustment for:		
Less: on sale of property, plant and equipment	(45,774.45)	(7.76)
Less: from Associates	162.10	-
Depreciation and amortisation expenses	1,536.40	2,953.74
Impairment charge	-	896.00
Interest & Finance Charges	727.59	1,051.73
Foreign exchange (loss)/gain	141.43	144.59
Provision for doubtful	-	-
Provision for employee benefits	-	-
Allowance of Special Credit Limit	-	-
Provision for priority, lease commitment and ESOP	-	-
Interest income	(97.36)	(428.82)
Depreciation	-	-
Capitalised foreign exchange (loss)/gain	-	-
Bad debts	-	2,479.84
Provision for Due and Doubtful Debt and Advance	-	-
Interest income as per IFR	-	-
Gain/loss on lease commitment and modification	-	(100.49)
Amortisation for intangible	-	-
Share based compensation	-	1,065.86
Operating Profit Before Working Capital Changes	(10,656.33)	(1,367.45)
Changes in working capital:		
Receivables for services - decrease in operating assets	(11,497.13)	(1,921.11)
Trade receivables	737.81	(23,764.78)
Other financial assets	4,363.86	(1,721.09)
Other assets	6,275.44	324.63
Less: increase in receivables related to operating liabilities	-	-
Trade payables	4,207.79	(1,329.09)
Other financial liabilities	7,604.83	(2,566.40)
Other liabilities	4,676.87	7,711.83
Provisions	(209.88)	1,474.54
Cash (used in)/ generated from operations	(7,089.70)	(38,817.22)
Less: Tax on final profit	(2,171.97)	3,853.86
Net cash (used in)/ from operating activities	(9,261.67)	(34,963.36)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	-	-
Purchased during the period	(196.44)	(137.74)
Sold during the period	-	4.26
Interest income received	(3,612.35)	501.63
Gain/loss on sale of investments	-	-
Loss of Cash balance of Subsidiary due to loss of control	(1,181.24)	-
Repayment of investments	-	(3,268.29)
Net cash (used in)/ from investing activities	(4,990.03)	(3,900.14)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (BPS)	12,705.21	3,647.80
Proceeds from issue of long term and short term borrowing	(3,487.92)	4,980.00
Proceeds from issue of preference share capital	-	-
Dividends received during the year	-	4,751.15
Proceeds from acquisition of short term borrowing	(3,000.00)	-
Payment of lease liability	(325.72)	(363.76)
Interest paid on borrowings	(449.54)	(119.83)
Net cash flow from financing activities	4,942.05	13,905.05
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(9,319.65)	(22,067.54)
Cash and Cash Equivalents at the beginning of the year (refer note 12)	17,569.55	40,457.07
Less: continuing operations	8,941.65	6,789.59
Less: discontinued operations	9,525.90	33,676.48
Cash and Cash Equivalents at the end of the year (refer note 12)	8,701.94	17,569.55
Less: continuing operations	8,701.94	8,941.65
Less: discontinued operations	-	9,525.90
Cash and cash equivalents as per the cash flow statement	(8,000.71)	(22,067.52)

For and on behalf of the board of directors

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Payu Payments Private Limited



A Equity share capital

Particulars	Amount
Balance as at 31 March 2020	196,908.73
+ Changes in equity share capital during the year	1,712.83
Balance as at 31 March 2021	198,621.56
+ Changes in equity share capital during the year	4,780.90
Balance as at 31 March 2022	203,402.55

B Other equity

Particulars	Attributable to owners						Non Controlling Interest	Total
	Statutory reserve sub 451A RBI Act	Securities premium	Employee stock option plan reserve	Deemed capital contribution	Other comprehensive income reserve	Retained earnings		
Balance as at 31 March 2020	10.47	16,762.14	-	-	185.65	(129,113.36)	2,862.31	(109,292.79)
Loss for the year	-	-	-	-	-	(20,037.86)	(420.95)	(20,458.80)
Reversal of defined benefit obligations	-	-	-	-	62.30	-	0.53	62.82
Employee stock compensation expense	-	-	-	472.90	-	-	-	472.90
Transaction with Owners, in their capacity as owners	-	-	-	-	-	-	-	-
Dividend received from allotment of shares	-	1,904.67	-	-	-	-	-	1,904.67
Transaction with non controlling interest	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	10.47	18,666.81	-	472.90	247.95	(149,151.22)	2,441.89	(127,311.19)
Loss for the year	-	-	-	-	-	(32,992.81)	(120.41)	(33,113.22)
Reversal of defined benefit obligations	-	-	-	-	68.71	-	-	68.71
Securities premium on equity shares issued during the year	-	7,924.22	-	-	-	-	-	7,924.22
Employee stock compensation expense	-	-	-	454.41	-	-	-	454.41
Eliminated due to loss of control	(10.47)	-	-	-	-	10.47	(2,321.48)	(2,321.48)
Balance as at 31 March 2022	-	26,591.03	-	927.31	313.65	(116,147.93)	-	(88,316.92)

The accompanying notes are integral part of the financial statements

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For the statement of changes in equity referred to in our report of even date

For Walker Chandhok & Co LLP
Chartered Accountants
Firm Registration No. 001076/N/S00013

Neeraj Goel

Neeraj Goel
Partner
Membership No. 099514

Date: 30 September 2022



For and on behalf of board of directors
PayU Payments Private Limited
CIN: U72400MH2006PTC293027

Anirudh Moolherjee
Anirudh Moolherjee
CEO & Director
DIN - 07157585
Member
26 September 2022

Manoj Goel
CFO
DIN - 07636513
Gurgaon
26 September 2022

Ankash Mundhra
Ankash Mundhra
Director
DIN - 02654599
Dubai
26 September 2022

Anuradha Aggarwal
Anuradha Aggarwal
Company Secretary
Gurgaon
26 September 2022



1 Corporate Information

PayU Payments Private Limited ("the Company or the Holding Company") was incorporated in India on 24 May 2006 and is domiciled in India. The Company is headquartered in Gurgaon, Haryana and is a subsidiary of MHI India (Maharaja) Limited. The Holding Company together with its only subsidiary i.e. PayU Finance India Private Limited (called "The Group") are engaged in the business of payment gateway services for e-commerce transactions, providing finance i.e. business lending credit by way of personal loan and deferred credit facility for short term duration.

2 Summary of significant accounting policies

2.1 Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time, stipulations contained in Schedule III (Revised) of the Act and other provisions of applicable laws. The Group has consistently applied the accounting policies to all periods presented in these financial statements, except as stated herein.

2.2 Basis of preparation

These consolidated financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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. All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any defaults or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional currency of the Company and its subsidiaries is the Indian Rupee (₹).

The significant accounting policies used in preparation of the consolidated financial statements have been discussed in the respective notes.

2.3 Basis of consolidation

The Company consolidates all entities which are controlled by it. The Company establishes control when, it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity.

The company disposed of 100% of its holding in PayU Finance India Private Limited to PaySense Services India Pvt. Ltd., a company within a group for a consideration of INR 392,81,85,151.15 on 2nd June 2021.

The results of subsidiary sold during the year is consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

As a result of disposal of aforementioned subsidiary identified as non-current asset held for sale, the company does not control any entity as on date of reporting (31st March 2022).

However, the company has a significant influence as on 31st March 2022 over its former subsidiary, owing to investment in Compulsorily Convertible Preference Shares in PayU Finance India Private Limited.

2.4 Use of estimates and judgements

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of consolidated financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Group uses the following critical accounting estimates in preparation of its consolidated financial statements:

2.5 Revenue recognition

Sale of services is recognised as and when the performance obligation, as defined in Ind AS 115 - "Revenue from Contracts with Customers", is complete. Income is recognised net of Goods and Service tax. Income from set up fees is recognised as and when services are rendered and invoiced as per the terms of the agreement.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. These incomes are recognised on accrual basis, except when there is uncertainty of collection.



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2.6 Useful lives of property, plant and equipment

All items of PPE are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

2.7 Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost over their estimated useful lives specified in Part "C" of Schedule II of the Act except for the following classes of fixed assets which are depreciated based on the internal assessment of the management as under:

• Furniture and fixtures - 5 to 10 years

• Office equipment - 3 years

• Computers, data processing units and communication equipment - 3 years

Leasehold improvements are amortised over the period of the lease or the useful life (approximately 5 years), whichever is shorter.

The salvage value for the assets is considered to be nil and individual assets costing less than Rs. 5,000 are depreciated at the rate of 100%.

De-recognition

An item of PPE is derecognised on disposal or when no future economic benefits are expected from its use. Gains and losses arising from disposal of an item of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

2.8 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Goodwill

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses, if any.

Derecognition of intangible assets

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 the Statement of Profit and Loss when the asset is derecognised.

Useful lives of intangible assets

Intangible assets with a finite useful life are amortised using the straight-line method over the following periods:

• Trademark 10 years

• Customer relationship 12 years

2.9 Impairment of PPE and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group 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.

No impairment loss is recognised for the period.



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2.01 Financial instruments

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

Financial assets

Initial recognition and measurement

The Group recognizes a financial asset in its balance sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus or minus the costs of financial assets are recorded at fair value through profit or loss (FVTPL), except for assets that are classified in the measurement of financial assets. Where the fair value of a financial asset at initial recognition is different from its nominal (par) value, the difference between the fair value and the par value is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e., level 1 input) or through a valuation technique that uses data from observable markets (i.e., level 2 input). In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and nominal (par) value is included in other comprehensive income in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in market price; market participants take into account when pricing the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For subsequent measurement, the Group classifies a financial asset as follows: (a) debt instruments measured at amortized cost, and (b) debt instruments measured at fair value through profit or loss. Accordingly, the Group classifies its financial assets into the following categories:

a. Financial assets measured at amortized cost

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

- i. The Group's business model objective for managing the financial asset is to hold the asset to collect contractual cash flows; and
- ii. The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The category applies to cash and cash equivalents, trade receivables, loans and other financial assets of the Group. Such financial assets are subsequently measured at amortized cost using the effective interest method.

Interest on financial assets measured at amortized cost is recognized in the income statement using the effective interest method. The amortization calculation using the effective interest method of the difference between the amortized cost amount and the carrying amount is added to the income statement. The interest on principal payments, if any, of the financial asset over the relevant period in the financial asset to arrive at the amortized cost of each reporting date.

The corresponding effect of the amortization under effective interest method is recognized in income statement over the relevant period in the financial asset and is included in other income, in the Statement of Profit and Loss.

The carrying amount of a financial asset is also adjusted for loss allowance, if any.

Financial assets measured at fair value through other comprehensive income (FVOCI):

A financial asset is measured at FVOCI in both of the following conditions are met:

- i. The Group's business model objective for managing the financial asset is to collect contractual cash flows, and
- ii. The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Group recognizes income, interest and dividends in the Statement of Profit and Loss. On derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity in the Statement of Profit and Loss.

c. Financial assets measured at FVTPL

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVOCI as explained above. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

2.02 Derecognition of financial assets

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets, is derecognized from the balance sheet when any of the following occurs:

- a. The Group transfers cash flows from the financial asset to others;

- b. The Group transfers its rights to cash flows to another party, and the Group has substantially transferred all the risks and rewards of ownership of the financial asset;

- c. The Group retains the contractual right to receive cash flows but assumes a contractual obligation to pay the cash flows to third parties, and the Group provides a "pass-through" arrangement, thereby substantially transferring all the risks and rewards of ownership of the financial asset;

- or, the Group neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the financial asset. The effect of the Group's transfer of financial assets and substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognize cash flows of the financial asset in the form of its continuing involvement in the financial asset. In this case, the Group also recognizes an associated liability. The financial asset and the associated liability are measured at fair value. For rights and obligations that the Group has retained.

On derecognition of a financial asset (or part as mentioned in b above for financial assets measured at FVTPL), the difference between the carrying amount and the net liability measured is recognized in the Statement of Profit and Loss.

2.03 Impairment of financial assets

The Group applies expected credit loss (ECL) model for measurement and recognition of loss allowance on its trade receivables, loans and other financial assets measured at amortized cost (other than trade receivables) and financial assets measured at fair value through other comprehensive income (FVOCI).



2.13 Trade receivables

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance. In case of other assets mentioned above, the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all with shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL, which result from default events that are possible within 12 months from the reporting date.

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

As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss under the head 'Other expenses'.

2.14 Loan assets

The Group follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

- Stage 1 includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured as 12-month ECL for Stage 1 loan assets and lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12 months PD) or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) - LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type, and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) - EAD is based on the amount of outstanding exposure as on the assessment date on which ECL is computed including undrawn amounts in respect of Letters of Credit.

Forward-looking economic information is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

2.15 Financial liabilities and equity instruments

Financial liabilities

Initial recognition and measurement:

The Group recognizes a financial liability in its balance sheet when it becomes party to the contractual provisions of the instrument.

All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction cost that are attributable to the acquisition of the financial liability.

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

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

Subsequent measurement

All financial liabilities of the Group are subsequently measured at amortized cost using the effective interest method, whereby, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability and is included under finance cost in the Statement of Profit and Loss.

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

Classification as debt or equity

Debt and equity instruments issued by the Group 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 a Group entity are recognized at the proceeds received, net of direct issue costs.



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2.22 Leases

A contract is, in substance, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the Statement of Profit and Loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'Property, plant and equipment' and lease liabilities in 'loans and borrowings' in the Balance Sheet (Refer note 42).

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases for office premises that have a lease term of less than 12 months. The lease payments associated with these leases is recognised as an expense on a straight-line basis over the lease term.

2.23 Foreign currency transactions

In preparing the financial statements of the Group, transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, outstanding monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the Statement of Profit and Loss in the year in which they arise.

2.24 Income tax

The income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination or items recognised directly in equity or in OCI.

Current tax
Current tax is computed in accordance with the relevant applicable tax regulations and measured using tax rates enacted or substantively enacted by the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on net basis or simultaneously.

Deferred tax
Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on net basis or simultaneously.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity).

2.25 Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the profit/loss attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share computing after adjusting the amounts used in the determination of basic earnings per share to take into account, the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Potential dilutive equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been initially issued at fair value (i.e., average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for employee share options against the share capital of the Group and bonus shares, if any, as appropriate.



2.26 Non-current asset or disposal group held for sale and discontinued operations

Non-current asset or disposal group held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such assets or disposal groups are classified only when both the conditions are satisfied -

a) The sale is highly probable, and

b) The asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Non-current assets or disposal groups are presented separately from other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet. Upon classification, non-current assets or disposal groups held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets which are subject to depreciation or amortisation are not depreciated or amortised once they are classified as held for sale.

Disposal of Non-Current assets held for sale

Investment in subsidiary PayU Finance India Pvt. Ltd. that was classified as non-current assets held for sale in the previous year has been disposed of during the year.

The disposal has resulted in loss of control over subsidiary.

As per para 25 of Ind AS 110 Consolidation, If a parent loses control of a subsidiary, the parent also derecognises the assets and liabilities of the former subsidiary from the consolidated balance sheet.

It recognises any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant Ind ASs. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with Ind AS 109 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

c) recognises the gain or loss associated with the loss of control attributable to the former controlling interest.

Discontinued operations

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Statement of Profit and Loss.

2.27 Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long-term investment that, in substance, forms part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss outside operating profit.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made in bringing the accounting periods in line with those of the Group.

PayU India private limited exercises significant influence over PayU Finance India Pvt. Ltd as a result of owning 37,100,277 compulsorily convertible preference shares in the company.



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PayU Payments Private Limited
Notes to Consolidated Financial Statements for the year ended 31 March 2022

3A. Property, plant and equipment
For the year ended 31 March 2022

(R in Lakhs, unless stated otherwise)

Description	Gross carrying value as at 01 April 2021	Additions	Disposal/ adjustments	Gross carrying value as at 31 March 2022	Accumulated depreciation as at 01 April 2021	Additions	Disposal/ adjustments	Accumulated depreciation as at 31 March 2022	Carrying value as at 31 March 2022
Leasehold improvements (buildings)	683.69	-	-	683.69	541.20	109.59	-	650.79	32.90
Furniture and fixtures	46.17	8.36	-	54.53	42.92	3.54	-	46.46	8.07
Office equipment	633.85	1.12	-	634.97	609.69	19.40	-	629.09	5.88
Computers, data processing units and communication equipment	1,426.56	8.75	-	1,435.29	1,403.36	15.53	-	1,418.89	16.40
Total	2,790.27	18.23	-	2,808.48	2,597.17	148.06	-	2,745.23	63.25

For the year ended 31 March 2021

Description	Gross carrying value as at 01 April 2020	Additions	Disposal/ adjustments	Gross carrying value as at 31 March 2021	Accumulated depreciation as at 01 April 2020	Additions	Disposal/ adjustments	Accumulated depreciation as at 31 March 2021	Carrying value as at 31 March 2021
Leasehold improvements (buildings)	683.69	-	-	683.69	431.61	109.59	-	541.20	142.49
Furniture and fixtures	52.67	-	(6.50)	46.17	42.46	5.84	(6.38)	42.92	3.25
Office equipment	652.40	-	(18.55)	633.85	574.80	52.95	(18.06)	609.69	24.16
Computers, data processing units and communication equipment	1,411.56	15.00	-	1,426.56	1,375.93	27.43	-	1,403.36	23.19
Total	2,800.32	15.00	(25.05)	2,790.26	2,425.80	195.81	(24.44)	2,597.17	193.09



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PayU Payments Private Limited

Notes to Consolidated Financial Statements for the year ended 31 March 2022

3B Right of use assets

(₹ in Lakh, unless stated otherwise)

Description	31 March 2022	31 March 2021
Carrying amounts of:		
Right-of-use assets	2,070.30	2,233.25
Total	2,070.30	2,233.25

Year ended 31 March 2022

Description	Building	Computer	Total
Cost or deemed cost			
Balance as at 01 April 2021	2,886.77	344.12	3,230.89
Additions during the year	-	579.90	579.90
Disposals	(82.42)	-	(82.42)
Balance as at 31 March 2022	2,804.35	924.02	3,728.37
Accumulated depreciation			
Balance as at 01 April 2021	800.38	197.26	997.64
Depreciation charge for the year	405.39	255.04	660.43
Balance as at 31 March 2022	1,205.77	452.30	1,658.07
Closing net carrying amount	1,598.58	471.72	2,070.30

Year ended 31 March 2021

Description	Building	Computer	Total
Cost or deemed cost			
Balance as at 01 April 2020	3,572.68	311.76	3,884.44
Additions during the year	138.98	32.36	171.34
Disposals	(824.89)	-	(824.89)
Balance as at 31 March 2021	2,886.77	344.12	3,230.89
Accumulated depreciation			
Balance as at 01 April 2020	585.70	82.28	667.98
Depreciation charge for the year	549.12	114.98	664.10
Disposals	(334.44)	-	(334.44)
Balance as at 31 March 2021	800.38	197.26	997.64
Closing net carrying amount	2,086.39	146.86	2,233.25



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(₹ in Lakh, unless stated otherwise)

30. Intangibles under development
For the year ended 31 March 2022

Particulars	31 March 2022	31 March 2021
Capital work-in-progress	143.09	-
Total Capital work-in-progress	143.09	-

Capital work-in-progress ageing schedule for the year ended March 31, 2022 and March 31, 2021 is as follows:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
BHPS software development	143.09	-	-	-	143.09
Total Capital work-in-progress	143.09	-	-	-	143.09

For capital-work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of March 31, 2022 and March 31, 2021

Particulars	To be completed in				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Projects in Progress	143.09	-	-	-	143.09
BHPS software development	143.09	-	-	-	143.09
Total Capital work-in-progress	143.09	-	-	-	143.09

31. Goodwill
For the year ended 31 March 2022
Description

	Goodwill
Balance as at 31 March 2020	75,069.72
Assets included in disposal group classified as held for sale (refer note 11)	-
Adjustments	-
Impairment	-
Balance as at 31 March 2021	75,069.72
Assets included in disposal group classified as held for sale (refer note 11)	-
Adjustments	-
Impairment	-
Balance as at 31 March 2022	75,069.72

32. Other Intangible assets
For the year ended 31 March 2022

Description	Computer softwares	Trademark	Customer relationship	Total
Gross carrying value as at 01 April 2021	4,152.91	1,727.00	4,780.00	10,659.91
Additions during the year	-	-	-	-
Disposal adjustments	4,152.91	1,727.00	4,780.00	10,659.91
Gross carrying value as at 31 March 2022	3,558.57	1,285.00	2,433.66	7,277.23
Accumulated amortisation as at 01 April, 2021	419.35	68.88	278.79	767.02
Additions during the year	-	-	-	-
Impairment	-	-	-	-
Disposal adjustments	3,977.92	1,353.88	2,712.45	8,044.25
Accumulated amortisation as at 31 March 2022	174.99	373.12	2,067.55	2,615.66
Carrying value as at 31 March 2022				

For the period ended 31 March 2021

Description	Computer softwares	Trademark	Customer relationship	Total
Gross carrying value as at 01 April 2020	4,152.91	1,727.00	4,780.00	10,659.91
Additions during the year	-	-	-	-
Disposal adjustments	4,152.91	1,727.00	4,780.00	10,659.91
Gross carrying value as at 31 March 2021	2,396.86	1,114.40	2,154.89	5,666.15
Accumulated amortisation as at 01 April, 2020	731.35	82.60	278.77	1,092.72
Additions during the year	430.36	88.00	-	518.36
Impairment	-	-	-	-
Disposal adjustments	3,558.57	1,285.00	2,433.66	7,277.23
Accumulated amortisation as at 31 March 2021	594.34	442.00	2,346.31	3,382.65
Carrying value as at 31 March 2021				



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(₹ in Lakh, unless stated otherwise)

	31 March 2022	31 March 2021
4 Investment		
Unquoted investments carried at cost		
27,100,277 (Fully paid up compulsorily convertible preference shares of ₹ 10 each in PayU Finance India Private Limited (2021 : 27,100,277))	39,118.44	-
Decreed investment in PayU Finance India Private Limited - Value of guarantees issued to third parties	1,232.20	-
Unquoted investments carried at fair value through Other Comprehensive Income		
Fully paid equity shares of ₹ 10 each - 61,320 (2021 : 61,320) (Fully paid up equity shares)	770.18	770.18
Fully paid equity shares of ₹ 10 each - 2,510 (2021 : 2,510) (Fully paid up equity shares of	0.25	0.25
	<u>41,121.13</u>	<u>770.43</u>
5 Other financial assets	31 March 2022	31 March 2021
Non-current		
Security deposits	<u>238.63</u>	<u>236.52</u>
Current		
Security deposits	28.85	121.61
Commission receivable	3,439.97	348.78
Other receivables	5,641.69	2,628.52
Interest accrued on other deposits		108.04
	<u>9,110.51</u>	<u>3,206.95</u>
	<u>9,349.14</u>	<u>3,443.47</u>
6 Deferred tax assets/liabilities (net)	31 March 2022	31 March 2021
Deferred tax assets/(liabilities) consists of		
Book-tax depreciation difference	(18,670.28)	(10,663.59)
Employee benefits	813.10	650.20
Carry forward of business loss	12,980.87	12,415.84
Unabsorbed depreciation	13,431.79	13,092.63
Allowance for doubtful trade receivables	217.63	130.78
Deferred tax assets (net)	<u>8,773.11</u>	<u>15,640.86</u>
Deferred tax assets recognised	-	-
Note: In view of conservatism and the absence of reasonable certainty that future taxable profits will be available against which temporary differences can be utilised, no deferred tax assets have been recognised on any temporary differences and unused tax losses.		
7 Tax assets (net)	31 March 2022	31 March 2021
Non-current		
TDS recoverable	<u>4,498.60</u>	<u>2,355.19</u>
	<u>4,498.60</u>	<u>2,355.19</u>
8 Other assets	31 March 2022	31 March 2021
Non-current		
Prepaid expenses	49.76	54.05
Advance payment to ISOI* trust	<u>4,864.89</u>	<u>1,688.18</u>
	<u>4,914.65</u>	<u>1,742.23</u>
Current		
Trade advances	648.05	917.49
Less: Allowance for bad and doubtful advances	-	-
	<u>648.05</u>	<u>917.49</u>
Prepaid expenses	581.98	401.62
Balance with government authorities	1,147.00	116.24
Provision against Service tax receivable	(87.66)	(87.66)
Other receivable	241.74	91.73
	<u>2,531.11</u>	<u>1,439.42</u>




(₹ in Lakh, unless stated otherwise)

31 March 2022 31 March 2021

9 Trade receivables #

(Refer note 31 for amounts due from other related parties)

Unsecured, considered good:

Trade receivables

Less: Allowance for bad and doubtful debts

10,599.12	7,506.18
<u>10,599.12</u>	<u>7,506.18</u>

A Contract balances

Trade receivables

10,599.12	7,506.18
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Contract liabilities

Advance from customers

-	44.87
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B Movement in contract liabilities balances during the year

Contract liabilities

Opening balance

Add: Addition during the year

Less: Adjusted during the year

Closing balance

44.87	39.33
-	5.54
<u>44.87</u>	<u>-</u>
-	<u>44.87</u>

Trade receivable ageing

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Unsecured Trade receivables - considered good	8,714.61	839.17	556.39	258.14	420.35	10,599.14
	5,662.01	538.92	399.97	637.73	267.44	7,506.18

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PayU Payments Private Limited
Notes to Consolidated Financial Statements for the year ended 31 March 2022

	₹ in Lakhs, unless stated otherwise	
	31 March 2022	31 March 2021
10 Cash and cash equivalents		
Balances with banks	8,211.34	4,393.65
Deposit with original maturity of less than 3 month	550.00	3,150.00
	<u>8,761.34</u>	<u>8,043.65</u>
11 Bank balances other than above		
Balances in banks*	1,713.66	1,714.75
Deposit with original maturity of less than 3 months**	35.60	85.02
Balance with bank in term deposits with maturity more than 3 months**	181.34	360.46
	<u>1,930.60</u>	<u>2,060.23</u>

* Represents amounts held in Citrus wallet by customers. (Refer note 18)

** Represents amount pledged with banks for corporate guarantees, chargebacks and other purposes.

	31 March 2022	31 March 2021
12 Disposal Group held for sale		
Assets classified as held for sale	-	55,314.85
Liabilities classified as held for sale	-	(19,287.50)
	<u>-</u>	<u>36,027.35</u>

* The group of assets has been sold during the year. Refer Note 41

13 Equity share capital		
Authorised share capital		
2,500,050,000 (2021: 2,500,050,000) Equity shares of ₹ 10 each	250,005.00	250,005.00
999,950,000 (2021: 999,950,000) Preference shares of ₹ 10 each	99,995.00	99,995.00
Issued, subscribed and paid up capital		
Equity shares		
2,034,025,484 Equity shares of ₹ 10 each (2021: 1,986,215,565) fully paid up	203,402.55	198,621.56
	<u>203,402.55</u>	<u>198,621.56</u>
	<u>Number of shares</u>	<u>Number of shares</u>
Reconciliation of the number of equity shares		
Balance at the beginning of the year	1,986,215,565	1,969,037,251
Add: Issued during the year (Refer note 29)	47,809,919	17,128,314
Balance at the end of the year	<u>2,034,025,484</u>	<u>1,986,215,565</u>

Rights attached to equity shares:

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

Rights Issue

During the year the company has issued shares at various instances details of which are as follows:

Particulars	No of shares	Premium	Allotment date
Shares allotted to PayU Global B.V.	17,282,197	11.12	27-May-21
Shares allotted to PayU Global B.V.	24,323,516	11.12	7-Oct-21
Shares allotted to MHI Payments Holdings B.V.	6,204,206	52.76	14-Mar-22

Details of shares held by each shareholder holding more than 5% shares :

Name of shareholder

MHI India (Mauritius) Limited (Parent Company)

No. of shares	1,462,854,267	1,462,854,267
Holding %	71.92%	73.69%

MHI Payments Holding B.V.

No. of shares	571,171,217	-
Holding %	28.08%	-

PayU Global B.V.

No. of shares	-	523,361,297
Holding %	-	26.35%

Shares held by promoters at the end of the year

Promoter name	No. of Shares	% of total shares	% Change during the year
MHI India (Mauritius) Limited (Parent Company)	1,462,854,267	71.92%	-1.73%
MHI Payments Holding B.V.	571,171,217	28.08%	28.08%
Total	<u>2,034,025,484</u>	<u>100.00%</u>	<u>26.35%</u>



14 Other equity

(Refer Statement of Changes in Equity)

Securities premium	26,591.03	18,666.81
Retained earnings (PL)	(116,147.93)	(149,151.22)
Retained earnings (OCI)	313.65	247.95
Statutory reserve	-	10.47
Capital reserve	-	-
Deemed capital contribution	927.31	472.90
	<u>(88,315.93)</u>	<u>(129,753.08)</u>

Description of nature and purpose of each reserve

Securities premium

Securities premium is used to record the premium (excess over face value) on issue of shares, which will be utilised in accordance with provisions of the Act.

Retained earnings

Retained earnings are created from the profit / loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

Capital reserve

Capital reserve represents the difference between value of the net assets transferred in the course of business combinations and the consideration received for such combinations.

Deemed capital contribution

Under the employee shared based payment plans, an employee of the Company was granted stock options of the Naspers Limited. The plan was assessed, managed and administered by Naspers Limited. The plans granted to employees were equity settled. The Company accrued for these grants as equity settled by debiting employee stock compensation expense and crediting deemed capital contribution in equity.




Pay U Payments Private Limited
Notes to Consolidated Financial Statements for the year ended 31 March 2022

15 Provisions

Non-current	466.51	409.63
Non-pensioned liabilities	419.12	363.70
Provision (Refer note 28)	<u>885.63</u>	<u>773.33</u>
Current	66.23	38.53
Compensation liabilities	53.63	33.97
Provision (Refer note 28)	<u>119.86</u>	<u>72.50</u>

16 Other liabilities

Non-current	3,301.89	3,314.47
Employee stock options plan payable (Refer note 27)	<u>3,301.89</u>	<u>3,314.47</u>
Current		44.37
Advances from customers	9,928.79	6,461.98
Employee stock options plan payable (Refer note 27)		
Other liabilities	1,022.42	501.25
- Security deposits received from merchants	<u>1,287.49</u>	<u>1,391.66</u>
Summary liabilities	<u>13,738.69</u>	<u>8,899.76</u>

17 Trade payables

Trade payables	157.63	8.89
- Total outstanding dues of micro and small enterprises (Refer note 39)	<u>4,464.38</u>	<u>1,307.98</u>
- Total outstanding dues of creditors other than micro and small enterprises	<u>4,622.01</u>	<u>1,316.79</u>

17 Trade Payables
Trade payable ageing

(Contd.)

Particulars	Year end	Outstanding for following periods from due date of payment				Total
		Less than 1 years	1-2 years	2-3 years	More than 3 years	
4,352.72	31 March 2022	157.63	-	-	-	157.63
	31 March 2021	8.89	-	-	-	8.89
Advances	31 March 2022	4,464.38	12.33	-	-	4,476.71
	31 March 2021	1,286.72	21.18	-	-	1,307.90
Total Trade Payables	31 March 2022	4,629.01	33.51	-	-	4,662.52
	31 March 2021	1,295.61	21.18	-	-	1,316.79

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PayU Payments Private Limited

Notes to Consolidated Financial Statements for the year ended 31 March 2022

(₹ in Lakh, unless stated otherwise)
31 March 2022 31 March 2021

18 Other financial liabilities

Non-current		
Interest accrued but not due on borrowings	1,203.62	886.65
	<u>1,203.62</u>	<u>886.65</u>
Current		
Payable for cost of services	5,974.53	3,235.23
Consideration received in advance for sale of investment	-	39,281.85
Expense payable	1,947.32	1,310.06
Chargeback payable	864.65	543.43
Employee benefits payable	2,225.66	1,778.13
Amount refundable to consumers	1,713.66	1,714.75
Payable to related parties	1,684.78	652.16
Other liabilities	3,552.84	2,368.56
	<u>17,963.44</u>	<u>50,884.19</u>

19 Borrowings

31 March 2022 31 March 2021

Unsecured

Non-current borrowings

Debentures

(4,283,387 8% debentures of ₹ 100 each, maturing on 13 June 2023, fully and compulsorily convertible into equity shares to be converted at the end of 5 years, i.e., 13 June 2023 at the fair value of equity shares to be determined at the time of redemption, along with interest accrued thereon - also refer note 24)

4,283.39 4,283.39

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Current borrowings

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(₹ in Lakhs, unless stated otherwise)

	31 March 2022	31 March 2021
20 Revenue from operations		
Sale of services	207,658.69	137,824.65
Other operating revenues		
- Setup and integration fees	180.61	148.11
- Payment gateway support services	1,641.35	1,398.29
	<u>209,480.65</u>	<u>139,371.05</u>
Disaggregation of revenue		
Revenue mainly comprises sale of services. All customers of the Company are located within India. The disaggregation of the Company's revenues from contracts with customers is given below.		
Particulars		
Revenue from contracts with customers	207,658.69	137,824.65
(i) Sales of services	1,821.96	1,546.40
(ii) Other operating revenue	<u>209,480.65</u>	<u>139,371.05</u>
Total revenue covered under Ind-AS 115		
Note: Control in all revenue transactions is transferred at a point in time.		
21 Other income		
Interest income	92.36	73.48
- Bank deposits	210.77	446.00
- Income tax refunds	16.55	23.23
- Security deposits	-	-
Gain on disposal of property plant and equipment, net	2,767.26	1,260.72
Miscellaneous income	<u>3,086.94</u>	<u>1,812.93</u>
22 Cost of services		
Payment gateway cost	172,510.15	112,963.15
Hosting and bandwidth expenses	2,621.81	2,125.93
Other cost of services	<u>2,655.63</u>	<u>1,559.58</u>
23 Employee benefits expense		
Salaries and allowances	21,359.95	15,266.48
ESOP expenses (Refer note 29)	6,272.29	8,588.86
Gratuity expense (Refer note 28)	245.90	219.61
Contributions to provident and other funds (Refer note 28)	873.86	614.54
Staff welfare expenses	<u>146.17</u>	<u>65.71</u>
	<u>28,898.17</u>	<u>24,755.23</u>
24 Finance costs		
Interest expense	437.07	413.74
Other finance cost		342.97
- Lease	261.07	
- Security deposit	<u>16.87</u>	<u>656.71</u>
	<u>715.01</u>	<u>656.71</u>



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Notes to Consolidated Financial Statements for the year ended 31 March 2022

(₹ in Lakh, unless stated otherwise)

	31 March 2022	31 March 2021
25 Depreciation and amortisation expenses		
Depreciation on tangible assets (refer note 3A)	148.06	195.81
Depreciation on right of use asset (refer note 3B)	660.43	664.10
Amortisation on intangible assets (refer note 3E)	767.02	1,092.72
	<u>1,575.51</u>	<u>1,952.63</u>
26 Impairment of non current assets		
Impairment of intangibles	-	518.36
	<u>-</u>	<u>518.36</u>
27 Other expenses		
Advertisement and sales promotion	712.22	357.36
Acquisition related cost	410.02	
Auditors' remuneration	33.92	30.51
- Statutory audit fees	30.35	26.00
- Fees for other services	2.20	3.60
- Reimbursement of expenses	1.37	0.91
Bad debt	86.76	77.16
Provision for doubtful debt		180.32
Communication	102.58	138.68
Conference costs	15.38	4.28
Electricity	43.78	59.53
Insurance	81.36	17.80
Legal and professional	1,885.81	1,499.10
Loss on foreign currency transactions and translations, net	141.43	114.67
Management service charge	7,854.09	4,512.45
Office maintenance	162.10	1.18
Provision for chargeback	321.22	41.85
Rates, taxes and fees	37.95	171.15
Recruitment	113.54	189.94
Rent	92.12	22.95
Repairs and maintenance	410.44	425.65
Staff cost on contract	437.53	302.74
Subscription charges	284.92	122.26
Travelling and conveyance	227.81	29.74
Miscellaneous	488.81	258.05
	<u>13,964.84</u>	<u>8,487.37</u>

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28. Employee benefits

Defined contribution plans

The Group pays provident fund contributions to the Regional Provident Fund Commissioner as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and are recognised as employee benefits expense when they are due.

During the year, the Group has recognized the following amounts in the Statement of Profit and Loss:

	31 March 2022	31 March 2021
Contributions to provident and other funds	871.86	614.54

Defined benefit plans

- Gratuity
- Compensated absences

In accordance with Ind AS 19 - Employee Benefits, the actuarial valuation for the aforesaid defined 'benefit' plans is based on the following assumptions

	Compensated absences		Gratuity	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Discount rate	7.26%	6.76%	7.26%	6.76%
Salary escalation rate	10.00%	10.00%	10.00%	10.00%
Expected future working life	28.00	28.08	28.00	28.08
Mortality table	IALM (2012-2014)	IALM (2012-2014)	IALM (2012-2014)	IALM (2012-2014)
Withdrawal rates (in %age)				
Up to 30 years	17.00%	13.00%	17.00%	13.00%
From 31 to 44 years	17.00%	13.00%	17.00%	13.00%
Above 44 years	17.00%	13.00%	17.00%	13.00%

(A) Changes in the present value of obligation

Present value of obligation as at the beginning of the year	443.17	294.73	589.79	170.64
Interest cost	29.96	19.92	39.87	31.82
Past service cost	-	-	-	-
Current service cost	263.84	232.80	219.01	199.39
Benefits paid	(134.79)	(64.59)	(104.49)	(68.46)
Actuarial (gain)/ loss on obligations	(69.44)	(39.69)	(58.81)	(42.60)
Present value of obligation as at the end of the year	532.74	443.17	685.37	589.79

(B) Changes in the fair value of plan assets

Fair Value of plan assets at the beginning of the year	-	-	192.12	170.93
Actual return on plan assets	-	-	21.19	21.19
Contributions	-	-	-	-
Benefits paid	-	-	-	-
Actuarial gain/(loss) for the year on asset	-	-	-	-
Fair value of plan assets at the end of the year	-	-	213.31	192.12

(C) Expense recognized in the Statement of Profit and Loss

Current service cost	263.84	232.80	219.01	199.39
Past service cost	-	-	-	-
Interest cost	29.96	19.92	39.87	31.82
Expected return on plan assets	-	-	(12.99)	(11.56)
Net actuarial (gain)/ loss recognized in the year	(69.44)	(39.69)	-	-
Expenses recognized in the Statement of Profit and Loss	224.36	213.03	245.89	219.65



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PayU Payments Private Limited

Notes to Consolidated Financial Statements for the year ended 31 March 2022

(₹ in Lakh, unless stated otherwise)

(D) Expense recognized in other comprehensive income

	Compensated absences		Gratuity	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Actuarial gain (loss) on planned benefits obligations	-	-	58.81	43.00
Actuarial gain (loss) on plan asset	-	-	8.21	9.63
Unrecognised actuarial gain (loss) for the year	-	-	67.02	53.23

(E) Amounts to be recognized in the Balance Sheet

Net present value of obligation as at the end of the year	532.74	443.17	685.37	589.79
Net fair value of plan assets as at the end of the year	-	-	213.31	192.12
Net asset / (liability) recognised in the Balance Sheet	(532.74)	(443.17)	(472.06)	(397.67)

(F) Sensitivity analysis for the defined benefit obligations*

Impact of change in discount rate				
Present Value of Obligation as at the end of the year	532.74	443.17	685.37	589.79
Impact due to increase in 0.50%	(16.36)	(17.76)	(21.31)	(24.37)
Impact due to decrease in 0.50%	17.30	19.05	22.58	26.19
Impact of the change in salary increase				
Present Value of Obligation as at the end of the year	532.74	443.17	685.37	589.79
Impact due to increase in 0.50%	16.77	18.39	21.90	25.27
Impact due to decrease in 0.50%	(16.04)	(17.33)	(20.89)	(23.78)

*Sensitivities due to mortality and withdrawals are not material. Hence, the impact of change due to these is not calculated.

The above sensitivity analysis is 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 balance sheet.

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29. Share based payments

Naspers Limited ('Naspers') has offered certain employees of the Company various equity compensation plans, the majority of which are classified as equity settled. In terms of these plans, employees are offered awards in the form of either share options, restricted stock units ('RSU') or share appreciation rights ('SAR').

All awards are granted subject to the completion of a requisite service (vesting) period by employees, ranging from one year to four years. Unvested awards are subject to forfeiture on termination of employment. Vesting takes place in tranches depending on the duration of the total vesting period.

In respect of the share options and SARs on exercise date, following completion of the vesting period, awards are settled with employees in the equity instruments of Naspers Limited or its subsidiaries for equity-settled plans and in cash or other assets for cash-settled plans, where applicable. In respect of RSUs, awards are automatically settled in Naspers Limited equity instruments on the vesting date.

The group share trusts hold Naspers shares (as shareholders) to settle awards held by employees of the Naspers and Prosus group. These share trusts were funded by Naspers to administer the Naspers group share schemes for all employees.

RSUs are granted with an exercise price of zero. All SARs are granted with an exercise price of not less than 100% of the fair value of the SARs on the date of the grant. All cancelled options/RSUs/SARs are cancelled by mutual agreement between the employer and employee.

A. Naspers Restricted Stock Plan Trust ('Naspers RSU'):

Under the Naspers RSU plan, share options may be granted with an exercise price of not less than 100% of the market value of the shares at the time of the grant. The Naspers shares are automatically settled with the participants on their respective vesting dates. The Naspers Restricted Stock Plan Trust may issue no more than 200,000 awards in aggregate during any one financial year. This plan is classified as equity-settled at Naspers's level. The vesting period is over four years with 25% vesting each year.

a) Fair value of the options

The weighted average fair value has been calculated by an external valuer using the Black-Scholes option pricing model, using the following inputs and assumptions:

Weighted average fair value at measurement date (in ZAR)	3,251.25
Weighted average exercise price	-
Weighted average expected volatility (in %) - determined using historical daily share prices	0%
Weighted average option life (in years)	2.50
Weighted average dividend yield (in %)	0%
Weighted average risk-free interest rate (in %), based on zero rate bond yield at perfect fit/Nothing	0%

b) Changes in options during the year

Particulars	2021-22		2020-21	
	Number of options	Weighted average exercise price (ZAR)	Number of options	Weighted average exercise price (ZAR)
Balance at the beginning of the year	1,245	-	2,258	-
Granted during the year	-	-	-	-
Forfeited during the year	(177)	-	(297)	-
Exercised during the year	(459)	2,870.80	(716)	3,286.75
Expired during the year	-	-	-	-
Balance at the end of the year	509	-	1,245	-

c) Share options outstanding at the end of the year

The share option outstanding at the end of year had remaining contractual life of 0.64 years (2021: 1.16 years)

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B. Naspers Fintech BV SAR Scheme ("Naspers Fintech")

Under the Naspers Fintech BV Share Appreciation Rights ("SAR") Scheme, no more than 15% of the total number of ordinary shares is available for issue. SARs may be granted with an exercise price of not less than 100% of the fair value of the SARs at the time of the grant. This plan is classified as equity-accounted as Naspers's level. For all offers made prior to March 31, 2018, one fifth of the SARs generally vest at the anniversary of each of the first, second, third, fourth and fifth years after the grant date. All offers made from 01 April 2018 vest equally over four years. SAR offers expire after 10 years from date of offer.

g) Fair value of the SARs

The weighted average fair value has been calculated by an external valuer using the Bermudan Binomial option pricing model, using the following inputs and assumptions:

Weighted average fair value at measurement date (in US\$)	4.89
Weighted average share price (in US\$)	10.68
Weighted average exercise price (in US\$)	10.93
Weighted average expected volatility (in %), determined using historical annual company valuations	53.8%
Weighted average option life (in years)	10.01
Weighted average dividend yield (in %)	0.00%
Weighted average risk-free interest rate (in %), based on zero rate bond yield	2.3%
Weighted average sub-optimal rate (in %)	16.0%
Weighted average vesting period (in years)	2.50

h) Changes in SAR during the year

Particulars	2021-22		2020-21	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price (ZAR)
Balance at the beginning of the year	161,667	86.12	202,055	82.59
Granted during the year	-	-	-	-
Movements (In/Out)	-	-	(476)	88.45
Forfeited during the year	(15,366)	92.84	(16,303)	85.39
Exercised during the year	(8,166)	62.48	(23,609)	50.65
Expired during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Balance at the end of the year	138,135	86.12	161,667	82.59

At the year end, 75,629 SARs (2021: 54,508) are vested and the balance 62,506 (2021: 107,159) SARs are unvested

c) SAR outstanding at the end of the year by exercise price

Exercise prices (in US\$)	SARs outstanding			SARs currently available	
	Number outstanding at 31 March 2022	Weighted average remaining contractual life (years)	Weighted average exercise price (in US\$)	Exercisable at 31 March 2022	Weighted average exercise price (in US\$)
39.1	25	1.95	39.10	25	39.10
40.63	2,802	3.47	40.63	2,802	40.63
40.92	10,618	4.76	40.92	10,618	40.92
58.44	3,318	5.33	58.44	2,480	58.44
75.16	4,535	6.25	75.16	3,236	75.16
95.18	116,837	7.39	95.18	56,468	95.18
	138,135		86.12	75,629	82.46

Exercise prices (in US\$)	SARs outstanding			SARs currently available	
	Number outstanding at 31 March 2021	Weighted average remaining contractual life (years)	Weighted average exercise price (in US\$)	Exercisable at 31 March 2021	Weighted average exercise price (in US\$)
39.10	40	2.95	39.10	40	39.10
40.63	9,822	4.51	40.63	9,822	40.63
40.92	11,488	5.73	40.92	8,952	40.92
43.51	978	3.45	43.51	978	43.51
58.44	3,781	6.32	58.44	1,038	58.44
75.16	5,685	7.25	75.16	2,440	75.16
95.18	129,873	8.38	95.18	30,348	95
	161,667		82.59	64,508	45.09



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C. MHI Services FZ LLC - N - ZAR (Naspers shares):

MHI Services FZ LLC (formerly, MHI (Mauritius) Limited) has established a shares trust and under the provisions of the trust deed, the share options expire after 10 years from grant date. The vesting period for share options granted after 25 August 2017 is one quarter vesting after years one, two, three and four. Options granted before 25 August 2017 vest one third at the anniversary of each of the third, fourth and fifth years after the grant date.

ii) Changes in share options during the year:

	2021-22		2020-21	
	Number of options	Weighted average exercise price (ZAR)	Number of options	Weighted average exercise price (ZAR)
Balance at the beginning of the year	-	-	1,579	2,097.88
Granted during the year	-	-	-	-
Forfeited during the year	-	-	(1,579)	2,097.88
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Balance at the end of the year	-	-	-	-

As a result of corporate transactions, certain share options have been split from the above scheme and the details of such options are disclosed below:

i. MCG - Naspers RSU plan:

Following its listing on the Johannesburg Stock Exchange (JSE) in South Africa in February 2019, the Naspers group distributed its shares in its video-on-demand business, MultiChoice Group Limited (MCG), to shareholders as a pro rata distribution in specie (the distribution). The Share Trusts (the Trusts), being a shareholder of Naspers Limited, participated in the distribution and received MCG shares. In accordance with the Trust Deed, beneficiaries, as option holders, participate in the distribution. Accordingly, the Trustees gave each beneficiary the choice to either link the MCG share to their Naspers Limited share, underlying each option, or have the strike price of their option reduced with the market value of the MCG share, on the distribution date. The strike prices of the balance of the options outstanding on the distribution date were adjusted accordingly and are reflected in the reduced weighted average exercise prices disclosed above. As at 31 March 2022, none of the MCG shares linked to the outstanding options were outstanding.

ii) Changes in the share options during the year:

	2021-22		2020-21	
	Number of options	Weighted average exercise price (ZAR)	Number of options	Weighted average exercise price (ZAR)
Balance at the beginning of the year	-	-	31	-
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	(31)	-
Expired during the year	-	-	-	-
Balance at the end of the year	-	-	-	-

c) Share options outstanding at the end of the year:

The share option outstanding at the end of year had remaining contractual life of Nil years (2021: Nil years)

ii. Prosus - Naspers RSU:

On 11 September 2019 Naspers listed its international e-commerce and internet assets on Euronext Amsterdam. This listing has created a new global consumer internet group Prosus N.V. (formerly Myriad International Holdings N.V.), comprising Naspers' internet interests outside South Africa and includes investments in online classifieds, food delivery, payments and fintech, retail, travel, education and social and internet platforms, among others. Prosus N.V. has a secondary market listing on the JSE. Pursuant to the listing of Prosus, Naspers provided its existing shareholders an option to receive either a shareholding in Prosus shares or additional Naspers shares for no consideration. The Trustees made the election for the Trust where they elected the option to receive additional Naspers shares. The Prosus shares were then linked to the outstanding options, so that when a beneficiary exercises their options and pays their original strike price they will receive the original Naspers share and the additional Naspers shares linked thereto.

ii) Changes in the share options during the year:

	2021-22		2020-21	
	Number of options	Weighted average exercise price (ZAR)	Number of options	Weighted average exercise price (ZAR)
Balance at the beginning of the year	1,245	-	2,258.00	-
Transfers in / (out)	-	-	-	-
Granted during the year	-	-	-	-
Forfeited during the year	(377)	-	(297)	-
Exercised during the year	(450)	-	(716)	-
Expired during the year	-	-	-	-
Balance at the end of the year	509	-	1,245	-

c) Share options outstanding at the end of the year:

The share option outstanding at the end of year had remaining contractual life of 0.64 years (2021: 1.16 years)



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D. PROSUS RSU (RSU):

Prosus N.V. Share Award Plan has been introduced during the year. Under the Scheme, no more than 5% of the issued share capital of Prosus N.V. may be granted in the Prosus RSU. One quarter of the awards will be vested on yearly basis. Awards under the scheme will be settled automatically with participants on vesting date.

ai Fair value of the options:

The weighted average fair value has been calculated by an external valuer using the Black-Scholes Binomial option pricing model, using the following inputs and assumptions:

Weighted average fair value at measurement date (in EUR)	74.89
Weighted average exercise price	0.00
Weighted average expected volatility (in %) - determined using historical daily share prices	0%
Weighted average option life (in years)	10.00
Weighted average dividend yield (in %)	0%
Weighted average risk-free interest rate (in %), based on zero rate bond yield	0%
Weighted average annual sub-optimal rate (%)	100%
Weighted average vesting period (years)	2.50

bi Changes in options during the year

Particulars	2021-22		2020-21	
	Number of options	Weighted average exercise price (EUR)	Number of options	Weighted average exercise price (EUR)
Balance at the beginning of the year	24,769	-	-	-
Granted during the year	80,647	-	28,437	-
Forfeited during the year	(13,732)	-	(3,668)	-
Exercised during the year	(5,492)	-	-	-
Expired during the year	-	-	-	-
Balance at the end of the year	86,192	-	24,769	-

c) Share options outstanding at the end of the year

The share option outstanding at the end of year had remaining contractual life of 9.39 years (2021: 9.52)

E. MIH FinTech Holding BV SAR plan

Under the MIH FinTech Holding BV Share Appreciation Rights (SAR) Scheme, no more than 2.5% of the total number of ordinary shares is available for issue. SARs may be granted with an exercise price of not less than 100% of the fair value of the SARs at the time of the grant. This plan is classified as cash-settled at Napier's level. All offers vest equally over four years. SAR offers expire after 10 years from date of offer.

ai Fair value of the SARs

The weighted average fair value has been calculated by an external valuer using the Black-Scholes Binomial option pricing model, using the following inputs and assumptions:

Weighted average fair value at measurement date (in US\$)	4.39
Weighted average share price (in US\$)	10.68
Weighted average exercise price (in US\$)	10.93
Weighted average expected volatility (in %), determined using historical annual company valuations	54%
Weighted average option life (in years)	10.01
Weighted average dividend yield (in %)	0.00%
Weighted average risk-free interest rate (in %), based on zero rate bond yield	2%
Weighted average sub-optimal rate (in %)	160%
Weighted average vesting period (in years)	2.50

bi Changes in SAR during the year:

Particulars	2021-22		2020-21	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at the beginning of the year	81,352	6.54	-	-
Granted during the year	48,729	10.61	81,352	6.54
Movements (In/Out)	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Canceled during the year	-	-	-	-
Balance at the end of the year	130,081	8.07	81,352	6.54

At the year end 20334 SARs (2021: Nil) are vested and the balance 109743 (2021: 81352) SARs are unvested.



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1. PayU Credit RV SAR Plan

Under the PayU Credit RV Share Appreciation Rights (SAR) Scheme, no more than 15% of the total number of ordinary shares is available for issue. SARs may be exercised within an exercise period of not less than 100% of the fair value of the SARs at the time of the grant. This plan is classified as cash-settled in PayU's consolidated financial statements over four years. SARs vest over the 10 years from date of grant.

Weighted value of the SARs

The weighted average fair value has been calculated by an external valuer using the Black-Scholes Option Pricing Model, using the following inputs and assumptions:

Weighted average fair value at the grant date (in US\$)	21.87
Weighted average share price (in US\$)	48.91
Weighted average exercise price (in US\$)	50.57
Weighted average expected volatility (in %), determined using historical annual company volatilities	53.85%
Weighted average option life (in years)	10.01
Weighted average dividend yield (in %)	0
Weighted average risk-free interest rate (in %), based on zero rate based yield	3.3%
Weighted average average cost of debt (in %)	10.0%
Weighted average working period (in years)	2.50

1. Changes in SAR during the year

Particulars	2021-22		2020-21	
	Number of equity	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at the beginning of the year	14,761	21.57	-	-
Granted during the year	20,136	39.57	14,761	21.57
Annuls (in US\$)	-	-	-	-
Forfeited during the year	10,079	21.57	-	-
Forfeited during the year	-	-	-	-
Expired during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Balance at the end of the year	24,818	23.76	14,761	21.57

At the year end, 5,028 SARs (2021: 119) are vested and the balance 19,790 (2021: 14,761) SARs are unvested.

1. SARs issued during the year by exercising below:

Exercise prices (in US\$)	SARs outstanding			SARs currently available	
	Number outstanding at 31 March 2022	Weighted average exercise price (in US\$)	Weighted average exercise price (in US\$)	Exerciseable at 31 March 2021	Weighted average exercise price (in US\$)
21.57	14,124	6.48	21.57	1,326	27.53
39.57	20,136	9.34	39.57	-	-
	34,260		30.67	1,326	27.53

Exercise prices (in US\$)	SARs outstanding			SARs currently available	
	Number outstanding at 31 March 2021	Weighted average exercise price (in US\$)	Weighted average exercise price (in US\$)	Exerciseable at 31 March 2021	Weighted average exercise price (in US\$)
21.57	14,761	6.48	21.57	-	-
	14,761		21.57	-	-

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G. PayU Global HV SAR Plan (2020)

Under the PayU Global HV Share Appreciation Rights ('SAR') Scheme, no more than 15% of the total number of ordinary shares is available for issue. SARs may be granted with an exercise price of not less than 100% of the fair value of the SARs at the time of the grant. This plan is classified as cash-settled in Nasdaq's level. All offers vest equally over four years. SAR offers expire after 10 years from date of offer.

a) Fair value of the SARs

The weighted average fair value has been calculated by an external valuer using the Bermudan Binomial option pricing model, using the following inputs and assumptions:

Weighted average fair value at measurement date (in US\$)	59.87
Weighted average share price (in US\$)	135.42
Weighted average exercise price (in US\$)	140.26
Weighted average expected volatility (in %), determined using historical annual company valuations	53.8%
Weighted average option life (in years)	10.01
Weighted average dividend yield (in %)	0
Weighted average risk-free interest rate (in %), based on zero rate bond yield	2.3%
Weighted average sub-optimal rate (in %)	100%
Weighted average vesting period (in years)	2.51

b) Changes in SAR during the year

Particulars	2021-22		2020-21	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at the beginning of the year	155,453	82.86	-	-
Granted during the year	108,669	140.26	108,464	82.86
Movements (In/Out)	-	-	-	-
Forfeited during the year	(54,091)	101.52	(13,011)	82.86
Exercised during the year	(10,195)	82.86	-	-
Expired during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Balance at the end of the year	198,936	109.06	155,453	82.86

At the year end 25,022 SARs (2021: Nil) are vested and the balance 1,73,914 (2021: 1,55,453) SARs are unvested.

c) SAR outstanding at the end of the year by exercise price

Exercise prices (in US\$)	SARs outstanding			SARs currently available	
	Number outstanding at 31 March 2022	Weighted average remaining contractual life (years)	Weighted average exercise price (in US\$)	Exercisable at 31 March 2021	Weighted average exercise price (in US\$)
82.86	108,144	9.52	82.86	25,022	82.86
140.26	90,792	9.30	140.26	-	-
	198,936		82.59	25,022	82.86

Exercise prices (in US\$)	SARs outstanding			SARs currently available	
	Number outstanding at 31 March 2021	Weighted average remaining contractual life (years)	Weighted average exercise price (in US\$)	Exercisable at 31 March 2021	Weighted average exercise price (in US\$)
82.86	155,453	9.52	82.86	-	-
	155,453		82.86	-	0.00

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Notes to Consolidated Financial Statements for the year ended 31 March 2022

5. Share Payments (Share Buy Back Plan (2021))

Under the Paid-Up Share Repurchase Rights (SAR) Scheme, no more than 15% of the total number of ordinary shares is permitted to be repurchased. The SARs can be granted with a maximum price of not less than 105% of the fair value of the SARs at the time of the grant. This plan is identified as non-vested as the SARs will only vest after three years SARs will only vest after 30 years from date of offer.

5.1 Fair value of the SARs

The weighted average fair value has been estimated by an external valuer using the Black-Scholes formula against pricing model, using the following inputs and

Weighted average time to maturity (in years)	10.11
Weighted average share price (in US\$)	72.28
Weighted average exercise price (in US\$)	72.30
Weighted average expected volatility (in %) determined using historical annual company volatilities	55.89%
Weighted average option life (in years)	10.07
Weighted average dividend yield (in %)	0
Weighted average risk-free rate (in %)	2.29%
Weighted average subordinated rate (in %)	1.60%
Weighted average cost of capital (in %)	2.50

Not 4 shares in SARs during the year

Movements	2021-22		2020-21	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at the beginning of the year	-	-	-	-
Granted during the year	35,301	72.28	-	-
Exercised (in shares)	-	-	-	-
Forfeited during the year	-	-	-	-
Terminated during the year	-	-	-	-
Expired during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Balance at the end of the year	35,301	72.28	-	-

Note: Not applicable SARs (2021-22) not applicable and the balance 35,301 (2020-21 Not applicable) SARs are exercised

5.2 SARs outstanding at the end of the year and the exercise period

SARs outstanding	SARs currently available	
	Exercisable at 31 March 2021	Weighted average exercise price (in US\$)
Number outstanding at 31 March 2022	35,301	72.28
Weighted average exercise price (in US\$)	72.28	72.28
Weighted average time to maturity (in years)	9.86	9.86
Weighted average risk-free rate (in %)	2.29%	2.29%
Weighted average cost of capital (in %)	2.50%	2.50%



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30. Earnings/ (loss) per equity share ("EPS")

The earnings and weighted average number of equity shares used in the calculation of basic earning per share are as follows :

	31 March 2022	31 March 2021
Profit/(Loss) for the year attributable to the equity shareholders (A)	35,188.83	(11,834.98)
Weighted average number of equity shares outstanding during the year (number, in lakhs) (B)	20,128.81	19,704.95
Nominal value of equity shares (₹)	10.00	10.00
Basic loss per share (₹) (A/B)	1.75	(0.60)

The Company has issued compulsorily convertible debentures (see note 19) and the conversion of these debentures into equity shares has an anti-dilutive impact on EPS. Hence, the disclosure of diluted EPS is restricted to basic EPS in the Statement of Profit and Loss.

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31. Related party disclosures

In accordance with the requirements of Indian Accounting Standard ('Ind AS') – 24 'Related Party Disclosures' the names of the related parties with the aggregate transactions and year- end balance with them as identified and certified by the management in the ordinary course of business and on arms' length basis are given below:

A. List of related parties

Related parties where control exists

- i) Ultimate Parent Company - MHI Payments Holdings B.V., the Netherlands, which is a subsidiary of Naspers Limited, South Africa
- ii) Parent Company - MHI India (Mauritius) Limited
- iii) Associate Company - PayU Finance India Private Limited (Subsidiary till June 1, 2021)

Other related parties

- i) Fellow subsidiaries / entities under common control with whom transactions have taken place during the current year and previous year:

- Myriad Services BV
- MHI PayU BV
- PayU Credit BV
- MHI Internet SEA Pte Limited
- Paysense Services Private Limited
- Prosus N.V. (formerly, Myriad International Holdings B.V)
- Prosus Services BV
- Enstage Software Private Limited
- MHI Payments Holding BV
- MHI Fintech Holding BV
- MHI Internet Holdings BV
- PayU Corporate IT BV
- Aasaanjobs Private Limited
- Bundl Technologies Private Limited
- Dotpe Private Limited
- OLX India Private Limited
- Sobek Auto India Private Limited
- MHI Services FZ LLC
- Zooz Mobile Limited

ii) Key management personnel

- Mr. Aakash Moondhra, Director
- Mr. Anirban Mukherjee, Chief Executive Officer and Director
- Mr. Manesh Goel, Chief Financial Officer and Director
- Ms. Mikita Goel, Company secretary (Up to 27 April 2021)
- Ms. Anuradha Aggarwal, Company secretary (w.e.f. 28 April 2021)

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PayU Payments Private Limited

Notes to Consolidated Financial Statements for the year ended 31 March 2022

B. Details of transactions with related parties

	(₹ in Lakh, unless stated otherwise)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Advance payment to ESOP trust		
-MHI Internet holding BV	4,243.00	1,688.18
Issue of equity share capital		
-MHI Payments Holding BV	620.42	-
-PayU Global B.V., the Netherlands	4,160.57	1,712.83
Sale of services		
-Aasamjobs Private Limited	0.15	0.02
-Bundl Technologies Private Limited	1,092.19	896.38
-Dotpe Private Limited	0.60	10.62
-OLX India Private Limited	81.99	37.62
-Paysense Services India Private Limited	80.91	79.42
Other operating revenue		
-PayU Finance India Private Limited	636.44	-
-Enstage Software Private Limited	-	122.51
-Lazypay Private Limited	100.41	-
Other income		
-MHI PayU BV	-	807.34
-PayU Credit BV	197.81	-
-MHI Fintech Holding BV	655.92	-
-OLX India Private Limited	31.50	-
-Enstage Software Private Limited	192.14	-
-PayU Finance India Private Limited	439.40	-
Cost of services		
-Enstage Software Private Limited	955.94	265.02
Finance cost		
-PayU Finance India Private Limited	2.91	-
-MHI India (Mauritius) Limited	342.67	342.67
Legal and professional expenses		
-Enstage Software Private Limited	94.09	110.22
Management service charge		
-MHI Payments Holding BV	7,854.09	4,512.45



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PayU Payments Private Limited

Notes to Consolidated Financial Statements for the year ended 31 March 2022

B. Details of transactions with related parties (contd')

	(₹ in Lakh, unless stated otherwise)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Reimbursement of expense incurred on behalf of		
- MIH PayU BV	184.66	34.43
- Myriad Services B.V	13.81	-
- Prusus Services B.V	5.39	66.68
- MIH Fintech Holdings BV	655.67	187.28
- PayU Corporate IT BV	-	90.10
- PayU finance India private limited	59.00	-
- MIH Services FZ LLC	390.39	-
- Sobek auto India private limited	2.68	-
Transactions with key management personnel		
- Short term employee benefits	745.29	625.22
- Share based payments	8.23	18.82

C. Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	(₹ in Lakh, unless stated otherwise)	
	As at 31 March 2022	As at 31 March 2021
Other receivables		
-MIH PayU BV	-	324.91
-MIH Internet Holding BV	-	132.29
-MIH Payment Holding BV	3,786.15	169.34
-Prusus Services B.V	-	4.05
-Zooz Mobile Limited	20.87	-
-MIH Fintech Holdings BV	194.33	-
-Prusus N.V (formerly, Myriad International Holdings B.V.)	-	0.20
Trade receivables		
-Lazypay Private Limited	106.80	-
-PayU Finance India Private Limited	632.63	-
Debentures		
-MIH India (Mauritius) Limited	4,283.39	4,283.39
Other financial liabilities		
-MIH PayU BV	-	187.04
-Fastago Software Private Limited	150.84	126.18
-MIH Internet holding BV	787.65	51.95
-Myriad Services B.V	1.22	2.38
-PayU Corporate IT BV	-	89.54
-MIH Fintech holding BV	345.29	195.08
-PhySense Services Private Limited#	-	39,281.85
-MIH Services FZ LLC	399.79	-
-MIH India (Mauritius) Limited	1,203.62	826.65



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(₹ in Lakhs, unless stated otherwise)
31 March 2022 31 March 2021

32. Taxation:

32.1 Income tax recognised in the Statement of Profit and Loss

Current tax	-
Deferred tax	-
Total tax expense recognised in Statement of Profit and Loss	-

32.2 Reconciliation of tax expense between accounting profit at applicable rate and effective tax rate as follows:

Accounting profit before tax	28,908.32	(11,834.98)
Statutory income tax rate	25.17%	25.17%
Tax credit at statutory income tax rate	(7,276.22)	2,978.87
Deferred tax not recognised due to conservatism, in absence of reasonable certainty	7,276.22	(2,978.87)
MAT credit not recognised	-	-
Income tax expense at effective tax rate reported in the Statement of Profit and Loss	-	-

32.3 Details of unused tax losses for which no deferred tax is recognised in the financial statements:

Tax losses	31 March 2022			31 March 2021		
	Base amount	Deferred tax	Expiry date (assessment year)	Base amount	Deferred tax	Expiry date (assessment year)
Assessment year 2013-14	666.61	167.79	31 March 2022	666.61	167.79	31 March 2022
Assessment year 2014-15	2,995.11	753.87	31 March 2023	2,995.11	753.87	31 March 2023
Assessment year 2015-16	5,364.00	1,350.12	31 March 2024	5,364.00	1,350.12	31 March 2024
Assessment year 2016-17	15,999.50	4,027.07	31 March 2025	15,999.50	4,027.07	31 March 2025
Assessment year 2017-18	12,927.13	3,253.76	31 March 2026	12,927.13	3,253.76	31 March 2026
Assessment year 2018-19	3,414.12	859.33	31 March 2027	3,414.12	859.33	31 March 2027
Assessment year 2019-20	-	-	31 March 2028	-	-	31 March 2028
Assessment year 2020-21	7,961.48	2,003.90	31 March 2029	7,961.48	2,003.90	31 March 2029
Assessment year 2021-22	4,358.94	1,071.97	31 March 2030	-	-	-

32.4 Details of unused credit for unabsorbed depreciation for which no deferred tax is recognised in the financial statements:

	31 March 2022			31 March 2021		
	Base amount	Deferred tax	Expiry date (assessment year)	Base amount	Deferred tax	Expiry date (assessment year)
Assessment year 2007-08	-	-	Not applicable	25.18	6.34	Not applicable
Assessment year 2008-09	-	-	Not applicable	41.10	10.34	Not applicable
Assessment year 2009-10	-	-	Not applicable	29.72	7.48	Not applicable
Assessment year 2010-11	-	-	Not applicable	20.00	5.03	Not applicable
Assessment year 2011-12	-	-	Not applicable	10.75	2.70	Not applicable
Assessment year 2012-13	-	-	Not applicable	13.04	3.28	Not applicable
Assessment year 2013-14	-	-	Not applicable	40.13	10.10	Not applicable
Assessment year 2014-15	-	-	Not applicable	135.48	34.10	Not applicable
Assessment year 2015-16	-	-	Not applicable	376.79	94.84	Not applicable
Assessment year 2016-17	-	-	Not applicable	727.61	183.14	Not applicable
Assessment year 2017-18	-	-	Not applicable	848.24	213.50	Not applicable
Assessment year 2018-19	5,901.21	1,485.33	Not applicable	21,882.12	5,507.73	Not applicable
Assessment year 2019-20	15,531.99	3,909.40	Not applicable	15,531.99	3,909.40	Not applicable
Assessment year 2020-21	12,334.66	3,104.63	Not applicable	12,334.66	3,104.63	Not applicable
Assessment year 2021-22	1,347.17	339.16	Not applicable	-	-	-



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33. Risk management framework

The company has exposure to the following risks arising from the financial statements

- i) Credit risk
- ii) Liquidity risk
- iii) Market risk

The Company has formulated a comprehensive Risk Management Policy, which covers, interalia, Credit risk, Liquidity risk and Market risk of the organisation.

This note explains the source of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, receivables and other financial assets measured at amortised cost.	Trade Ageing analysis	Bank deposits, liquid funds, high credit rated receivables from banks, credits limit and collateral
Liquidity risk	Borrowings, Lease liabilities and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk	Financial liabilities not denominated in Indian Rupee (INR)	Cash flow forecasting	Foreign Currency Forwards, Short term payables, to limit fluctuations in currency

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counter party to a financial instrument fails to meet the contractual obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of credit worthiness as well concentration of risk. Financial instruments that are subject to concentration of credit risk principally consist of trade receivable, investments, cash and cash equivalents, loans and other financial assets. The carrying amount of financial assets represents the maximum credit risk exposure at the reporting date.

Financial assets that expose the entity to credit risk

Particulars	31 March 2022	31 March 2021
(i) Low credit risk on financial reporting date		
- Trade receivables	10,599.12	7,506.18
- Cash and cash equivalents	8,761.34	8,043.65
- Bank balances other than above	1,930.60	2,060.23
- Other financial assets	9,349.13	3,443.46
(ii) Moderate risk	-	-
(iii) High risk	-	-
Trade receivables		

Trade receivables represents receivables from high credit rated banks and other financial institutions in the country. The Company has not experienced any loss till date in such receivables. Accordingly, amount of expected credit loss on such receivables is expected to be NIL.



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34. Risk management framework (Contd.)**Cash and cash equivalents and bank deposits**

Credit risk related to cash and cash equivalents and bank deposits is managed by parking funds in investment grade rated instruments and highly rated banks and also diversifying the deposit base by investing in different instruments/ banks across the country.

(i) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

As at 31 March 2022

	Contractual cash flows		
	Carrying amount	Within 1 year	More than 1 year
(i) Borrowings	4,283.39	-	4,283.39
(ii) Lease liability	2,465.36	617.54	1,845.72
(iii) Trade payables	4,622.01	4,622.01	-
(iv) Other financial liabilities	19,162.06	17,963.44	1,300.62
	30,535.72	23,202.99	7,332.73

As at 31 March 2021

	Contractual cash flows		
	Carrying amount	Within 1 year	More than 1 year
(i) Borrowings	4,283.39	-	4,283.39
(ii) Lease liability	2,530.43	482.46	2,047.97
(iii) Trade payables	1,316.79	1,316.79	-
(iv) Other financial liabilities	33,770.34	30,884.19	886.63
	59,901.45	52,683.44	7,218.01

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35. Risk management framework (Contd.)

iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign currency risk

The Company is subject to foreign exchange risk primarily due to its transactions incurred in foreign currencies. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risk primarily relate to fluctuations in USD against the functional currency of the Company. The Company has a treasury team which evaluates the impact of foreign rate fluctuation by assessing its exposure to exchange rate risk and advises the management of any material adverse effect on the Company and recommends in case any forward contracts to be taken to cover the risk.

Exposure to currency risk

The details of unhedged foreign currency at the exchange rate at reporting date are:

	31-Mar-22	31-Mar-21
Liabilities		
Other financial liabilities		
AED	-	-
EURO	-	-
GBP	-	-
SGD	-	-
USD	129.34	266.30
ZAR	-	-
	<u>129.34</u>	<u>266.30</u>

Note: The numbers in above table represents INR equivalent of respective foreign currency.

Sensitivity analysis

The table below represents the impact on Statement of Profit and Loss (+ Gain / (Loss)) for 5% change in foreign currency exchange rate against INR on the unhedged exposures:

	31-Mar-22		31-Mar-21	
	Adverse	Favorable	Adverse	Favorable
AED/INR	-	-	-	-
EURO/INR	-	-	-	-
GBP/INR	-	-	-	-
SGD/INR	-	-	-	-
USD/INR	6.47	(6.47)	13.32	(13.32)
ZAR/INR	-	-	-	-



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(₹ in Lakhs, unless stated otherwise)

36. Contingent liabilities

36A. Claims against the Company not acknowledged as debts

Other cases in consumer forum/ district courts

31 March 2022	31 March 2021
5.87	4.87
5.87	4.87

Based on its evaluations for the above matters, the management believes that the Company has strong merits in these cases and accordingly, no adjustments are considered necessary at this stage.

32B. The Supreme Court on 23 February 2019, has provided its judgment regarding inclusion of other allowances such as travel allowances, special allowances, etc. within the expression 'basic wages' for the purpose computation of contribution of provident fund under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. There are interpretive challenges on the application of the said judgment including the period from which judgment would apply, consequential implications on resigned employees, etc and these factors pose significant uncertainty regarding the implementation of the said judgment.

On account of the aforesaid uncertainty, absence of reliable measurement of the provisions for the earlier periods and pending clarification from regulatory authorities in this regard, the Company has not recorded adjustments, if any, in respect of this matter for earlier years.

37. Financial instruments

A - Categories of financial instruments:

Financial assets, measured at amortised cost

	31 March 2022	31 March 2021
• Trade receivables	10,599.12	7,506.18
• Cash and cash equivalents	8,761.34	8,043.65
• Bank balances other than above	1,930.60	2,060.23
• Other financial assets	9,349.13	3,443.47
Total financial assets	30,640.19	21,053.53

Financial liabilities, measured at amortised cost

• Non current borrowings	4,283.39	4,283.39
• Lease liability	3,049.34	2,934.62
• Trade payables	4,622.01	1,316.79
• Current borrowings	-	-
• Other financial liabilities	18,580.98	51,366.65
Total financial liabilities	30,535.72	59,901.45

B - Fair values of financial instruments

B.1 Fair value of financial assets and liabilities that are not measured at fair value (but fair value disclosures are required)

	31 March 2022		31 March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets, measured at amortised cost				
Financial assets at amortised cost				
• Trade receivables	10,599.12	10,599.12	7,506.18	7,506.18
• Cash and cash equivalents	8,761.34	8,761.34	8,043.65	8,043.65
• Bank balances other than above	1,930.60	1,930.60	2,060.23	2,060.23
• Other financial assets	9,349.13	9,349.13	3,443.47	3,443.47
Financial liabilities, measured at amortised cost				
Financial liabilities at amortised cost:				
• Non current borrowings	4,283.39	4,283.39	4,283.39	4,283.39
• Lease liability	3,049.34	3,049.34	2,934.62	2,934.62
• Trade payables	4,622.01	4,622.01	1,316.79	1,316.79
• Current borrowings	-	-	-	-
• Other financial liabilities	18,580.98	18,580.98	51,366.65	51,366.65

B.2 Fair value of financial assets and liabilities that are measured at fair value

	31 March 2022		31 March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets, measured at fair value through Other Comprehensive Income				
Investments in National Payment Corporation of India *	770.18	770.18	770.18	770.18
Investments in Feibine Private Limited *	0.25	0.25	0.25	0.25

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, Contract assets, balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity.

For non current financial liabilities which represents 8% debentures and lease liability, carrying value are a reasonable approximation of their fair value as the market rate as on the reporting date for similar instruments is same as effective interest rate used to measure these liabilities at amortised cost.

*The shares of National Payments Corporation of India and of Feibine Private Limited are unquoted and the Company being minority shareholder, does not have any other alternate source to determine the fair value of such investments as at 31 March 2022. Also, the management, based on financial information available, believes that the value of these shares has not changed materially since the acquisition/investment date and therefore the purchase value of these shares have been considered as their fair value.



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38. Capital management

For the purpose of the Group's capital management, capital includes issued equity share capital and all other equity reserves attributable to the shareholders of the Company. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity/capital.

Gearing ratio

	31 March 2022	31 March 2021
Total debt (including current maturities of long term debt) (Refer A below)	4,283.39	4,283.39
Less: Cash and cash equivalents (Refer note 10)	(8,761.34)	(8,013.65)
Net debt	(4,477.95)	(3,760.26)
Total equity/capital (Refer B below)	115,086.62	68,868.48
Total capital and net debt	110,608.67	65,108.22
Gearing ratio	-4.05%	-5.78%
A- Total debt		
- Non current borrowings (Refer note 19)	4,283.39	4,283.39
- Current borrowings (Refer note 19)	-	-
	4,283.39	4,283.39
B- Total equity		
- Equity share capital (Refer note 13)	203,402.55	198,621.56
- Other equity (Refer note 14)	(88,315.93)	(129,753.08)
	115,086.62	68,868.48

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings during the year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

39. Dues to micro and small enterprises

The dues to micro and small enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), to the extent the Company has received information from its supplier regarding their registration status under the MSMED Act, is given below:

	31 March 2022	31 March 2021
(i) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year -		
Principal amount remaining unpaid	157.63	8.89
Interest accrued and remaining unpaid	-	-
(ii) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii) the amount of interest due and payable for the period for the delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest under the MSMED Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
(v) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

40. Reconciliation of liabilities arising from financing activities

The table below details the changes in Group's liabilities arising from financing activities, including both cash and non-cash:

	Lease liabilities	Long-term borrowings	Short-term borrowings	Total
As at 01 April 2020	3,432.91	4,283.39	0.01	7,716.31
Cash flows				
Proceeds from borrowings	-	-	(0.01)	(0.01)
Repayment of borrowings	-	-	9,733.35	9,733.35
Repayment of lease liabilities	(763.76)	-	-	(763.76)
Non-cash:				
Adoption of Ind AS 116	(419.61)	-	-	(419.61)
Interest element on lease liabilities	280.89	-	(9,733.35)	(9,452.46)
As at 31 March 2021	2,530.43	4,283.39	-	6,813.82
Cash flows				
Proceeds from borrowings	-	-	-	-
Repayment of borrowings	-	-	-	-
Repayment of lease liabilities	(825.72)	-	-	(825.72)
Non-cash:				
Additions/deletions in Lease Liability (Refer note 37)	497.48	-	-	497.48
Interest element on lease liabilities	261.07	-	-	261.07
As at 31 March 2022	2,463.26	4,283.39	-	6,746.65



12. Discontinued Operations

PayU Finance India Private Limited

(a) Description:

On 7 February 2020, the Group entered into a share purchase agreement with Payzone Services India Private Limited to sell PayU Finance India Private Limited (formerly known as Subik Leasing Private Limited), a wholly owned subsidiary.

At 31 March 2020, PayU Finance India Private Limited (formerly known as Subik Leasing Private Limited) was classified as a disposal group held for sale and as a discontinued operation. The sale of PayU Finance India Private Limited (formerly known as Subik Leasing Private Limited) is completed during the year 1st to 2nd July 2022 as the approval from RBI is received. The disposal has resulted into loss of control to the group.

(b) Financial performance and cash flow information

The financial performance and cash flow information of PayU Finance India Private Limited for the period under control are presented below:

	31 March 2022	31 March 2021
	INR lakhs	INR lakhs
Revenue from operations	1,164.71	4,394.56
Other Income	-	659.73
Finance Costs	(831.68)	(339.92)
Fees and commission expense	-	-
Employee benefits expense	(4,500.73)	(6,317.71)
Depreciation and amortisation expense	(10.89)	(72.11)
Impairment on financial instruments	-	(3,052.04)
Other expenses	(867.51)	(4,474.12)
Profit before tax	(12,196.02)	(9,622.84)
Income tax expense	-	-
Profit after tax	(12,196.02)	(9,622.84)
Loss on sale of the subsidiary after income tax	-	-
Profit/(loss) from discontinued operation	(12,196.02)	(9,622.84)
Other Comprehensive Income	-	0.60
Total Comprehensive Income	(12,196.02)	(9,622.24)

The net cash flows generated by PayU Finance India Private Limited are as follows:

	31 March 2022	31 March 2021
	INR lakhs	INR lakhs
Operating activities	(1,120.71)	(22,766.13)
Investing activities	(3,740.03)	(3,117.79)
Financing activities	(2,183.92)	6,733.53
Net cash inflow/(outflow)	(7,044.66)	(19,150.39)

(c) Assets and liabilities of disposal group classified as held for sale

	31 March 2022	31 March 2021
	INR lakhs	INR lakhs
Assets classified as held for sale		
Property, plant and equipment	-	112.97
Intangible assets	-	71.97
Other intangible assets	-	-
Leases	-	23,371.10
Receivables	-	11.21
Other financial assets	-	2,736.18
Cash and cash equivalents	-	9,525.90
Other bank balances	-	9,611.78
Other current assets	-	1,493.74
Current tax assets (liability)	-	160.28
Investments	-	2,995.06
Total Assets held for sale	-	55,413.85
Liabilities classified as held for sale		
Borrowings	-	(15,500.98)
Trade payables	-	(1,171.88)
Provisions	-	(1,319.38)
Other financial liabilities	-	(1,823.04)
Other current liabilities	-	(272.22)
Liabilities directly associated with assets held for sale	-	(19,587.50)
Net assets directly associated with disposal group	-	35,826.35

(d) Goodwill on disposal to group

	Amount
Proportionate contribution	39261.83
Less: consolidated carrying amount at the date of disposal	0.00
Net Goodwill (March 31, 2021)	39261.83
Less: Goodwill (March 31, 2021)	(71.97)
Less: NCI (March 31, 2021)	2441.99
Less: Loss of subsidiary (April 2022-May 2022)	2642.78
Restatement of Asset Company Elimination of March 31, 2021	0.00
Impairment - ICP & Depreciated Intangible	(40035.40)
Trade receivables - ICP restatement	(403.93)
Borrowings - ICP restatement	(300.06)
Capital reserves - ICP restatement	0.00
Statutory Reserves - ICP restatement	0.00
Other financial liabilities - ICP restatement	(259.18)
Net gain	15,714.45



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42 Leases

a) Transition to Ind AS 116

Effective 01 April, 2019, the Company has adopted Ind AS 116 - 'Leases' (Ind AS 116) to its leases, which had previously been classified as 'operating leases' under the principles of Ind AS 17 - Leases using the modified retrospective approach with the option to measure the right to use assets at an amount equal to the lease liabilities as permitted under Ind AS 116, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Company's weighted average discount rate of 8.85% as of 01 April 2019.

The Company recognised lease liabilities measured at the present value of the remaining lease payments. The right-of-use assets are recognised at cost, which comprises the amount of the measurement of the lease liabilities adjusted for any lease payments made at or before the inception date of the lease. Accordingly, right-of-use assets and corresponding lease liabilities of ₹ 3,217.72 have been recognised. There has been no impact on the retained earnings due to application of Ind AS 116.

Extension and termination options are included in property leases of the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The extension and termination options held are generally exercisable only by the Company and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercising a termination option (extension options for periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). For leases of office premises, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

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.

Under the new standard, all lease contracts, with limited exceptions, are recognised in the financial statements by way of right-of-use assets and corresponding lease liabilities.

The application of Ind AS 116 impacts the classification of expenditure and its presentation in the cash flow statement. It has impacted the timing of expenses recognised in the Statement of Profit and Loss. Lease expenses were previously recognised as rent which is now being replaced by depreciation on right-of-use assets and finance cost on lease liabilities outstanding.

Accordingly, during the year, the Company has recognised depreciation on right-of-use assets amounting to ₹ 660.43 (2021 ₹ 664.1) and finance cost on lease liabilities amounting to ₹ 261.07 (2021 ₹ 280.89), as against lease rent of ₹ 825.72 (2021 ₹ 763.76), which would have otherwise been recognised under the erstwhile standard Ind AS 17 as rent expense in the current year. Consequently, the profit before tax for the year is lower by ₹ 95.78 (2021 ₹ 181.23).

The Company has cash outflows for lease payments of underlying assets amounting to ₹ 917.84 (2021 ₹ 786.71) out of which rent expense amounting to ₹ 92.12 (2021 ₹ 22.93) towards rent for short term leases.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Company has relied on its assessment made by applying Ind AS 17 and Appendix C to Ind AS 17, determining whether an arrangement contains a lease.

During the year the company has received concession on various lease arrangement, most of them were for the short tenure and same have not been considered for any revaluation of any liability.

Apart from above a long term concession was negotiated in the Beitech lease and same has been considered for revaluation of ROU and Lease liability in last year.

a) Measurement of Lease liabilities

Lease liabilities recognised at the beginning of the year

These comprise

Current lease liabilities

Non-current lease liabilities

	31 March 2022	31 March 2021
Lease liabilities recognised at the beginning of the year	2,463.26	3,432.91
These comprise		
Current lease liabilities	617.54	612.92
Non-current lease liabilities	1,845.72	2,819.99
	<u>2,463.26</u>	<u>3,432.91</u>

iii) Amounts recognised in the Statement of Profit and Loss

Depreciation of right-of-use assets (Refer note 3B)

Interest on lease liabilities

Short term lease expenses

Depreciation of right-of-use assets (Refer note 3B)	660.43	664.10
Interest on lease liabilities	261.07	280.89
Short term lease expenses	92.12	22.95
	<u>1,013.62</u>	<u>967.94</u>

iv) Changes in the carrying value of right-of-use assets

Balance at the beginning of the year

Additions during the year

Additions (deletions)

Depreciation

Balance as at the end of the year

Balance at the beginning of the year	2,233.25	3,216.46
Additions during the year	579.90	171.34
Additions (deletions)	(82.42)	(190.45)
Depreciation	660.43	664.10
Balance as at the end of the year	<u>2,078.30</u>	<u>3,233.25</u>

The depreciation expense on right-of-use assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.



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(₹ in Lakh, unless stated otherwise)

42 Leases (Contd.)

x) Changes in the lease liabilities during the year

	31 March 2022	31 March 2021
Balance at the beginning of the year	2,530.43	3,432.91
Additions (deletions)	497.48	(419.61)
Finance cost for the year	261.07	280.89
Payment of lease rentals	825.72	763.76
Balance as at the end of the year	2,463.26	2,530.43

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2022 on an undiscounted basis:

Less than one year	827.97	682.90
One to two years	854.16	630.28
Two to five years	1,211.84	1,736.11
More than five years	-	13.19
Balance as on 31 March 2022	2,893.97	3,062.48

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The following is the break-up of current and non-current lease liabilities

Current lease liabilities	617.54	612.92
Non-current lease liabilities	1,845.72	2,819.99

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PayU Payments Private Limited

Notes to consolidated financial statements for the period ended 31 March 2022

(All amount in ₹ Lakhs unless otherwise stated)

43. Segment information

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Board of directors of the Group. The Board of Directors of the Group, which has been identified as being the Chief Operating Decision Maker (CODM) (as defined in Ind AS 108 - 'Operating Segments'), evaluates the Group's performance, allocates resources based on the analysis of the various performance indicators of the Group as a single unit.

The Group has two principal operating and reporting segments; viz.

- i. Payment gateway services; and
- ii. NBFC Lending business.

43.1 Primary Segment Information: Segment profit and loss

For year ended 31 March 2022 and 31 March 2021

The Group's loss from continuing operations represents single segment being payment gateway services. The segment namely "NBFC Lending business has been classified as a discontinued operation held for sale and the same has been sold during the year. For details of loss from discontinuing operations, please refer note 41.

43.2 Other Information: Operating segment assets and liabilities

As at 31 March 2022

The Group's assets and liabilities as at 31 March 2021 represents single segment being payment gateway services since Group's other segment namely "NBFC Lending business has been classified as a discontinued operation held for sale. Accordingly, all related assets and liabilities have been disclosed as Assets and Liabilities held for sale. For details, please refer note 41.

43.3 Geographic information

(i) Revenue from external customers

All the revenue recognised during the year is domestic, i.e. from within India only.

(ii) Non-current operating assets:

All the non current operating assets are located in India only.

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets and intangible assets.

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PayU Payments Private Limited

Notes to Consolidated Financial Statements for the year ended 31 March 2022

44. Relationship with struck off companies

Name of struck off company	Nature of transactions	Transactions during the current year	Balance outstanding as at 31 March 2022	Relationship with struck off company
Shikhar Coaching Classes Private Limited	Receivables	4.17	-	Merchant
Swastim Naturscience Limited	Receivables	2.29	-	Merchant
Hifree Technologies Private Limited	Receivables	4.62	-	Merchant
Golf View Club And Resorts Private Limited	Receivables	2.25	-	Merchant
Age Com Private Limited	Receivables	0.47	-	Merchant
Analytics Vidhya Edison Private Limited	Receivables	1.67	-	Merchant
Hakerson India Private Limited	Receivables	0.92	-	Merchant
The Basics Digital Solutions Private Limited	Receivables	0.46	-	Merchant
Si Online Technomart Private Limited	Receivables	0.52	-	Merchant
Neurosoft Solutions Private Limited	Receivables	0.24	-	Merchant
Campos Mall Private Limited	Receivables	0.54	-	Merchant
Ara Techno Legal Solutions Private Limited	Receivables	0.45	-	Merchant
Sawariya Agrotech Private Limited	Receivables	0.11	-	Merchant
Neurosoft Solutions Private Limited*	Receivables	0.00	-	Merchant
Rose Agro India Private Limited	Receivables	0.06	-	Merchant
Hriday Automobiles Private Limited	Receivables	0.03	-	Merchant
Traces Retail Private Limited	Receivables	0.06	-	Merchant
Udix Technologies Private Limited	Receivables	0.06	-	Merchant
Ithuzon Private Limited*	Receivables	0.00	-	Merchant
Adidev Herbs Private Limited*	Receivables	0.00	-	Merchant
Uave Masala Private Limited	Receivables	0.04	-	Merchant
Alpcon Limited*	Receivables	0.00	-	Merchant
Neces Infostore Private Limited	Receivables	0.01	-	Merchant
Hifree Technologies Private Limited	Receivables	0.03	-	Merchant
Aspire Media Private Limited	Receivables	0.02	-	Merchant
Sk Spware Solutions Private Limited	Receivables	0.02	-	Merchant
Harbide Chemicals Private Limited	Receivables	0.01	-	Merchant
Surewin Quality Certification Private Limited	Receivables	0.01	-	Merchant
South Sense Marketing Private Limited	Receivables	0.02	-	Merchant
Catalyser Eduventures (India) Private Limited	Receivables	0.01	-	Merchant
Edplanet Infomedia India Private Limited*	Receivables	0.00	-	Merchant
Si Online Technomart Private Limited*	Receivables	0.00	-	Merchant
Cherice Infomedia Private Limited	Receivables	0.01	-	Merchant
Rajesh Patel Net Services Private Limited*	Receivables	0.00	-	Merchant
Sarda Agrotech Private Limited	Receivables	0.01	-	Merchant
Colorful Travel Price Private Limited	Receivables	0.01	-	Merchant
Inert It Private Limited*	Receivables	0.00	-	Merchant
Panjan Limited*	Receivables	0.00	-	Merchant
Om Shree Trade Mart Private Limited*	Receivables	0.00	-	Merchant
Investor Journals Private Limited*	Receivables	0.00	-	Merchant
Santeteka Technologies Private Limited*	Receivables	0.00	-	Merchant
Trimbakshwar Agro Industries Private Limited*	Receivables	0.00	-	Merchant
Access Edutech Private Limited*	Receivables	0.00	-	Merchant
Tan-15 Technologies Private Limited*	Receivables	0.00	-	Merchant
Sk Spware Solutions Private Limited*	Receivables	0.00	-	Merchant

* Transaction amount is appearing to be Rs 0.00 lakhs due to rounding off threshold.



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Name of struck off company	Nature of transactions	Transactions during the previous year	Balance outstanding as at 31 March 2021	Relationship with struck off company
Shukhar Coaching Classes Private Limited	Receivables	4.17	-	Merchant
Swarnam Nanoscience Limited	Receivables	2.56	-	Merchant
Golf View Club And Resorts Private Limited	Receivables	1.27	-	Merchant
Aec Com Private Limited	Receivables	2.46	-	Merchant
Analytics Vaidya Educon Private Limited	Receivables	0.60	-	Merchant
Hikersville India Private Limited	Receivables	0.53	-	Merchant
The Basics Digital Solutions Private Limited	Receivables	0.81	-	Merchant
Si Online Technomart Private Limited	Receivables	0.48	-	Merchant
Scrosoft Solutions Private Limited	Receivables	0.61	-	Merchant
Campus Mall Private Limited	Receivables	0.20	-	Merchant
Ara Technolegal Solutions Private Limited	Receivables	0.24	-	Merchant
Walkover Web Solutions Private Limited	Receivables	0.45	-	Merchant
Sawariya Agritech Private Limited	Receivables	0.17	-	Merchant
Scrosoft Solutions Private Limited	Receivables	0.27	-	Merchant
Rise Agro Infra Private Limited	Receivables	0.11	-	Merchant
Indax Automobiles Private Limited	Receivables	0.07	-	Merchant
Analytics Vaidya Educon Private Limited	Receivables	0.09	-	Merchant
Trees Retail Private Limited	Receivables	0.02	-	Merchant
Enkes Technologies Private Limited*	Receivables	0.00	-	Merchant
Innozon Private Limited	Receivables	0.05	-	Merchant
Adhiv Herbals Private Limited	Receivables	0.05	-	Merchant
Dave Masala Private Limited	Receivables	0.01	-	Merchant
Aartech Solutions Limited	Receivables	0.04	-	Merchant
Infogravity Solutions Private Limited	Receivables	0.04	-	Merchant
Itokri Enterprises Private Limited	Receivables	0.03	-	Merchant
Mpeon Limited	Receivables	0.03	-	Merchant
Xcess Infotone Private Limited	Receivables	0.01	-	Merchant
Analytics Vaidya Educon Private Limited	Receivables	0.03	-	Merchant
Master Mind Tutorials Private Limited	Receivables	0.02	-	Merchant
Haylake Chemicals Private Limited	Receivables	0.01	-	Merchant
Surewin Quality Certification Private Limited	Receivables	0.01	-	Merchant
Aec Com Private Limited	Receivables	0.01	-	Merchant
Catalyser Edaventures (India) Private Limited*	Receivables	0.00	-	Merchant
1-Planet Infomedia India Private Limited	Receivables	0.01	-	Merchant
S. Online Technomart Private Limited	Receivables	0.01	-	Merchant
Choree Infomedia Private Limited*	Receivables	0.00	-	Merchant
Rajesh Patel Net Services Private Limited	Receivables	0.01	-	Merchant
Sarda Agritech Private Limited*	Receivables	0.00	-	Merchant
Marvelous Tech Solutions Private Limited	Receivables	0.01	-	Merchant
Colorful Travel Price Private Limited*	Receivables	0.00	-	Merchant
Mastohika Insellays Private Limited	Receivables	0.01	-	Merchant
Inert It Private Limited	Receivables	0.01	-	Merchant
Pangon Limited	Receivables	0.01	-	Merchant
Om Shree Trade Mart Private Limited*	Receivables	0.00	-	Merchant
Invento Journals Private Limited*	Receivables	0.00	-	Merchant
Somnureka Technologies Private Limited*	Receivables	0.00	-	Merchant
Capnistas Financial Research Private Limited*	Receivables	0.00	-	Merchant
Vastu Tectomes Private Limited*	Receivables	0.00	-	Merchant
Levant Service Private Limited*	Receivables	0.00	-	Merchant
Access Edutech Private Limited*	Receivables	0.00	-	Merchant
Lakshmi City Transport Services Limited*	Receivables	0.00	-	Merchant
Easy Media Network Private Limited*	Receivables	0.00	-	Merchant
Ton45 Technologies Private Limited*	Receivables	0.00	-	Merchant
A 2 Z Packaging Bazar Private Limited*	Receivables	0.00	-	Merchant
Velocity Brand Server Private Limited*	Receivables	0.00	-	Merchant

* Transaction amount is appearing to be Rs 0.00 lakhs due to rounding off threshold.



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45. Ratios to disclosed as per requirement of Schedule III to the Act

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a. Current ratio		
Current assets (Numerator)	32,932.68	77,571.28
Current liabilities (Denominator)	37,060.94	61,655.70
Current ratio	0.9	1.3
% Change as compared to the preceding year	-29.37%	-
Explanation for change in the ratio by more than 25% as compared to the preceding year: Reduction in current liability due to execution of sale of equity shares of PayU Finance India Private Limited and reduction in current assets due to disposal of non current assets held for sale		
b. Debt-equity ratio		
Total debt (Numerator)	6,746.65	6,813.82
Shareholder's equity (Denominator)	115,086.62	71,310.37
Debt-equity ratio	6%	10%
% Change as compared to the preceding year	38.65%	-
Explanation for change in the ratio by more than 25% as compared to the preceding year: Reduction in debt due to repayment of inter-corporate deposit received from PayU Finance India Private Limited and issue of fresh equity share capital during the year		
c. Debt service coverage ratio		
Earnings available for debt service (Numerator) *	34,751.77	(12,248.72)
Debt service (Denominator) #	437.07	413.74
Debt service coverage ratio	79.5	(29.6)
% Change as compared to the preceding year	368.58%	-
Explanation for change in the ratio by more than 25% as compared to the preceding year: Coverage ratio has improved a lot due to profits during the year from sale of investment.		
* Earnings for Debt Service = Net Profit after taxes + Finance Cost + Depreciation		
# Debt service = Interest and Lease payments + Principal repayments		
d. Return on equity ratio		
Profit / (loss) for the period/year (Numerator)	35,188.83	(11,834.98)
Shareholder's equity (Denominator)	93,198.49	79,463.15
Return on equity	38%	-15%
% Change as compared to the preceding year	353.51%	-
Explanation for change in the ratio by more than 25% as compared to the preceding year: Return on equity has improved a lot due to profits during the year from sale of investment.		
e. Trade receivables turnover ratio		
Net sales (Numerator)	209,480.65	139,371.05
Average trade receivable (Denominator) *	9,052.65	6,726.66
Trade receivables turnover ratio	23.1	20.7
% Change as compared to the preceding year	11.69%	-

* Average trade receivables = {(Opening balance + Closing balance) / 2}



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i. Trade payables turnover ratio		
Purchases of services and other expenses	191,752.43	125,136.03
Average trade payable (Denominator) *	2,969.40	2,058.59
Trade payables turnover ratio	64.6	60.8
% Variance	6.23%	

* Average trade payables = [(Opening balance + Closing balance) / 2]

g. Net capital turnover ratio		
Net sales (Numerator)	209,480.65	139,371.05
Working capital (Denominator)	(4,128.26)	15,915.58
Net capital turnover ratio	(50.7)	8.8
% Change as compared to the preceding year	679.46%	-

Explanation for change in the ratio by more than 25% as compared to the preceding year:
Revenue growth along with higher efficiency on working capital improvement has resulted in an improvement in the ratio.

h. Net profit ratio		
Profit - (loss) for the period/year (Numerator)	35,188.83	(11,834.98)
Net sales (Denominator)	209,480.65	139,371.05
Net profit ratio	14%	-8%
% Change as compared to the preceding year	262.51%	-

Explanation for change in the ratio by more than 25% as compared to the preceding year:
Net profit has improved a lot due to profits during the year from sale of investment.

i. Return on capital employed		
Earning before interest and taxes (Numerator)	35,188.83	(11,834.98)
Capital employed (Denominator)*	126,606.77	101,898.69
Return on capital employed	28%	-12%
% Change as compared to the preceding year	339.30%	-

Explanation for change in the ratio by more than 25% as compared to the preceding year:
Earnings has increased due to an exceptional item of profits from sale of investments during the year.

* Capital Employed = Total equity + Total debt

j. Return on investment		
Earning before interest and taxes (Numerator)	35,188.83	(11,834.98)
Closing total assets	163,667.71	163,554.39
Return on investment	21.50%	-7.24%
% Change as compared to the preceding year	397.12%	

Earnings has increased due to an exceptional item of profits from sale of investments during the year.

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PayU Payments Private Limited

Notes to Consolidated Financial Statements for the year ended 31 March 2022

4b. Investment in Associate

A. The Group has a retained interest of 47% interest in PayU Finance as at May 31, 2021 after sale of equity shares in Paysonse services (refer note 41). During the year, PayU Finance has raised additional equity in Paysonse services in two tranches i.e August 11, 2021 and March 03, 2022. As a result of the said infusion, the interest in PayU Finance has diluted from 47% as at May 31, 2021 to 37% as at March 31, 2022. The Group's interest in PayU Finance is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarized financial information of the Group's investment in Associate.

As at March 31, 2022

Particulars	March 31, 2022
Financial assets	148,304.78
Non-financial assets	3,047.75
Non-financial liabilities	(3,689.43)
Equity	50,690.22
Proportion of the Group's ownership (after dilution)	37%
Group share in Equity	22,399.21
Goodwill (refer note below)	15,719.23
Total carrying amount of the investment	38,118.44

For the year ended March 31, 2022

Particulars	June 01, 2021 - March 31, 2022
Revenue from operations	23,478.89
Other Income	1,261.05
Finance Costs	(1,118.50)
Taxes and commissions expense	(6,699.02)
Employee benefits expense	(9,402.48)
Depreciation and amortisation expense	(148.47)
Impairment on financial instruments	(4,133.94)
Other expenses	(7,519.00)
Profit before tax	(4,329.47)
Income tax expense	-
Profit after tax	(4,329.47)
Other comprehensive income	(3.57)
Total comprehensive income for the year	(4,333.04)
Group's share of profit for the year	(1,761.13)

Notes:1 Calculation of Goodwill as at May 31, 2021

Particulars	May 31, 2021
Fair value of identifiable assets	54,850.70
Fair value of identifiable liabilities	(15,160.00)
Fair value of Net identifiable assets	39,690.70
Proportion of the Group's ownership	47%
Group share in Equity (A)	17,243.45
FV of the investment (B)	39,283.85
Goodwill (B- A)	21,938.08

Notes:2 Calculation of Impact of dilution on Group's share in Equity

Particulars	March 31, 2022
Group's share in equity as at May 31, 2021	17,343.45
Loss during the period (June 01, 2021 to March 31, 2022)	(1,761.13)
Additional share of Group on account of additional equity infusion in associate	10,579.51
Decrease/increase of carrying value on account of dilution	(2,762.64)
Group's share in equity as at March 31, 2022	23,399.21

Particulars	March 31, 2022
Goodwill as at May 31, 2021	21,938.08
Decrease/increase of goodwill on account of dilution	(6,219.17)
Goodwill as at March 31, 2022	15,719.23

Notes:2 Calculation of Impact on Profit & Loss

Particulars	June 01, 2021 - March 31, 2022
Group's share of profit for the year	(1,761.13)
Gain on dilution of stake	1,592.22
Total	(168.41)



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47 (A) Statement of net assets, profit and loss and other comprehensive income attributable to owners and non-controlling interests

Name of the entity	Net Assets		Share in profit and Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net Assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated OCI	Amount	As % of consolidated OCI	Amount
Parent								
Payu Payments Private Limited	100%	1,15,250.03	36%	12,583.44	102%	67.02	38%	12,650.45
Associate								
PayU Finance India Private Limited	35%	40,350.70	0%	-162.10	-2%	-1.31	0%	-163.41

47 (B) Additional regulatory information not disclosed elsewhere in the financials.

- The Holding Company and its associate company does not have any Benami property and no proceedings have been initiated or pending against the Holding Company and its associate company for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- The Holding Company and its associate company does not have any charge which is yet to be registered with ROC beyond the statutory period.
- The Holding Company and its associate company has not traded or invested in Crypto currency or Virtual Currency during the current and previous
- The Holding Company and its associate company has not advanced or provided loan to or invested funds in any entity(ies) including foreign entities (Intermediaries) or to any other person(s), with the understanding 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 Holding Company and its associate company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Holding Company and its associate company has 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 Holding Company and its associate 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 Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- The Holding Company and its associate company has not undertaken any 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).
- The Holding Company and its associate company has not been declared a 'Wilful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- The Holding Company and its associate company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

47 (C) The Holding Company has no did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022. Further, the Associate Company has made provision on long-term contracts as required under applicable laws or accounting standards and didn't have any derivative contracts as at 31 March 2022.



48 Transfer Pricing

The Group has a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. As the law requires existence of such information and documentation to be contemporaneous in nature, the Group appoints independent consultants for conducting a Transfer Pricing Study to determine whether the transactions with associate enterprises are undertaken, during the financial year, on an "arm's length basis". The adjustments, if any, arising from such transfer pricing study shall be accounted for in and when the study is completed for the current financial year. However, the management is of the opinion that its international transactions are at arms' length and the aforesaid legislation will not have any material impact on the financial statements.

49 The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

50 The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

51 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

52 Previous year's amounts have been regrouped and reclassified to make them comparable with current year's amounts, where necessary.

For Walker Chandika & Co LLP
Chartered Accountants
Firm Registration No.: 001026N/M500013



Naveen
Partner
Membership No. 099514

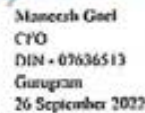
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Date: 26 September 2022



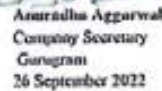
For and on behalf of board of directors
PayU Payments Private Limited
CIN: U72400MH12006PTC293037



Anirban Mukherjee
CEO & Director
DIN - 07157585
Mumbai
26 September 2022


Manish Goel
CFO
DIN - 07636513
Gurugram
26 September 2022

Aakash Moondhra
Director
DIN - 02654599
Delhi
26 September 2022


Anuradha Aggarwal
Company Secretary
Gurugram
26 September 2022




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