Deloitte Haskins & Sells LLP

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INDEPENDENT AUDITOR'S REPORT

To The Members of PayU Payments Private Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of PayU Payments Private Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive loss), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

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

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

  The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Board's report is expected to be made available to us after the date of this auditor's report.

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- Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- When we read the Board's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive loss, consolidated cash flows and consolidated changes in equity of the Group The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such branches or entities or business activities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

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

Other Matters

(a) We did not audit the financial information of one subsidiary, whose financial information reflect total assets of Rs. 865.05 millions as at March 31, 2024, total revenues of Rs. 807.66 millions and net cash inflows amounting to Rs. 274.09 millions for the year ended on that date, as considered in the consolidated financial statements. These financial information and comparative financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

(b) As explained in more detail in Note 2.1, during the year ended March 31, 2024, the Parent Company, directly or through its subsidiaries, acquired businesses from entities which were ultimately controlled by the same parties who control it, both before and after the acquisition. These transactions were accounted as common control transaction as per Appendix C of Ind AS 103. The Consolidated Financial Statements have been prepared to include the effect of accounting for aforesaid business combinations as mentioned in Note 46 to Consolidated Financial Statements as if such entities were wholly owned subsidiaries of the Parent Company for the year ended March 31, 2024 and March 31, 2023 and business restructuring had taken place at the beginning of earliest of the periods presented, i.e. April 1, 2022. The standalone financial statements of the Parent Company and its subsidiary for the year ended March 31, 2023 have been audited by its respective predecessor auditors on which they have expressed an unmodified opinion. The consolidated comparative period financial information for year ended March 31, 2023 have been prepared by management by combining the previously audited financial statements for the year ended March 31, 2023 and making suitable adjustments for accounting policy alignment and other consolidation adjustments as required by Ind AS.

As part of our audit of the financial statements for the year ended March 31, 2024, we also audited the adjustments for accounting policy alignment and other consolidation adjustments as required by Ind AS that were applied to prepared the comparative financial information for March 31, 2023. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the financial statements for the year ended March 31, 2023 of the company other than with respect to the adjustments and accordingly, we do not express an opinion or any other form of assurance on the comparative information for the year ended March 31, 2023 taken as a whole.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

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b) In our opinion, proper books of account as required by law maintained by the Group including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, except in relation to accounting software mentioned in Note 59 of Financial Statements. In relation to compliance with the requirements of audit trail, refer paragraph (h)(vi) below.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

g) In our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiaries companies incorporated in India, the Parent and said subsidiary companies, being private companies, section 197 of the Act related to the managerial remuneration is not applicable.

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

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note 39 to the consolidated financial statements;

   ii) The Group did not have material foreseeable losses on long-term contracts including derivative contracts - Refer Note 52 to the consolidated financial statements;

   iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

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iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, other than as disclosed in the Note 60 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries that, to the best of their knowledge and belief, other than as disclosed in the Note 60 to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries 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.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have not declared or paid any dividend during the year and have not proposed final dividend for the year.

vi) Based on our examination which included test checks, except for the instances mentioned below, the Parent Company and its subsidiary companies, incorporated in India have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2024, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

In respect of Parent Company:

a) Certain accounting software used for maintaining accounting records of revenue and cost did not have the audit trail feature enabled throughout the year,

b) The accounting software used April 1, 2023 till September 30, 2023 for maintaining accounting records related to all general ledgers, did not have the audit trail feature enabled for the said period,

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c) The accounting software used from October 1, 2023 for maintaining accounting records related to all general ledgers, did not have the audit trail feature enabled for the said period at the application level.

In respect of one subsidiary, the accounting software used by the Company for maintaining its books of account for the year ended March 31, 2024 did not have a feature of recording audit trail (edit log) facility.

In respect of the second subsidiary,

a) The accounting software used for maintaining accounting records of revenue, other financial assets and its impairment, did not have the audit trail feature enabled throughout the year;

b) The accounting software used from April 1, 2023 till February 15, 2024 for maintaining accounting records related to all general ledgers, did not have the audit trail feature enabled for the said period.

c) The accounting software used from February 16, 2024 for maintaining accounting records related to all general ledgers, did not have the audit trail feature enabled for the said period at the application level.

In respect of the third subsidiary,

a) The accounting software used from April 1, 2023 till February 15, 2024 for maintaining accounting records related to all general ledgers, did not have the audit trail feature enabled for the said period.

b) The accounting software used from February 16, 2024 for maintaining accounting records related to all general ledgers, did not have the audit trail feature enabled for the said period at the application level.

In respect of the fourth subsidiary,

a) The accounting software used for maintaining accounting records of revenue, did not have the audit trail feature enabled throughout the year;

b) The accounting software used from April 1, 2023 till June 30, 2023 for maintaining accounting records related to all general ledgers, did not have the audit trail feature enabled for the said period.

c) The accounting software used from July 1, 2023 till March 31, 2024 for maintaining accounting records related to all general ledgers, did not have the audit trail feature enabled for the said period at the application level.

In respect of the fifth subsidiary,

a) The accounting software used for maintaining accounting records of revenue, did not have the audit trail feature enabled throughout the year;

b) The accounting software used from April 1, 2023 till September 30, 2023 for maintaining accounting records related to all general ledgers, did not have the audit trail feature enabled for the said period.

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c) The accounting software used from October 1, 2023 for maintaining accounting records related to all general ledgers, did not have the audit trail feature enabled for the said period at the application level.

Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of the accounting software for the period for which the audit trail feature was operating.

(Refer Note 58 of the Financial Statements)

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Deloitte Haskins & Sells LLP
Chartered Accountants

Vikas Bagaria
(Partner)
(Membership No. 060408)
(UDIN: 24060408BKFSLY9681)

Place: Chennai
Date: June 21, 2024

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as at and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of PayU Payments Private Limited (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies which are companies incorporated in India.

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Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Opinion

In our opinion to the best of our information and according to the explanations given to us the Parent and its subsidiaries companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Deloitte Haskins & Sells LLP Chartered Accountants

Vikas Bagaria
(Partner)
(Membership No. 060408)
(UDIN: 24060408BKFSLY9681)

Place: Chennai
Date: June 21, 2024

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PayU Payments Private Limited
CIN: U72400MH2006PTC293037
Consolidated Balance Sheet as at March 31, 2024
Amounts in INR millions, unless otherwise stated

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	146.61	72.93
Right of use assets	4	906.50	678.55
Goodwill	5	7,514.17	7,514.17
Other intangible assets	5	223.20	265.27
Intangible assets under development	5	-	40.03
Financial assets			
(i) Investments	6	77.04	77.04
(ii) Loans	7	12,882.10	5,992.67
(iii) Other financial assets	8	892.87	163.62
Deferred tax assets (net)	9	-	147.32
Tax assets (net)	10	1,275.63	1,231.57
Other non-current assets	11	1,085.79	784.26
Total non-current assets		25,003.91	16,967.43
Current assets			
Financial assets:			
(i) Trade receivables	12	1,664.57	2,651.70
(ii) Cash and cash equivalents	13	10,777.17	11,974.73
(iii) Bank balance other than (ii) above	14	4,231.42	4,313.90
(iv) Loans	7	18,670.05	10,490.00
(v) Other financial assets	8	3,890.42	1,470.98
Contract assets	15	173.25	359.13
Other current assets	11	1,462.70	1,149.13
Total current assets		40,869.58	32,409.57
TOTAL ASSETS		65,873.49	49,377.00
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	30,153.18	20,468.29
Other equity	17	(5,234.04)	(1,491.33)
Equity Attributable to owners		24,919.14	18,976.96
Non controlling interest	18	-	3,928.19
Total equity		24,919.14	22,905.15
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	12,637.75	6,064.27
(ii) Lease liabilities	20	764.62	542.15
(iii) Other financial liabilities	24	366.72	778.63
Contract liabilities	15	-	2.79
Provisions	21	258.97	386.63
Other non current liabilities	22	397.74	239.18
Total non-current liabilities		14,425.80	8,013.65
Current liabilities			
Financial liabilities			
(i) Borrowings	19	18,325.35	10,099.08
(ii) Lease liabilities	20	202.24	159.82
(iii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises and	23	13.12	27.15
- Total outstanding dues of creditors other than micro enterprises and small enterprises	23	1,932.45	1,794.80
(iv) Other financial liabilities	24	4,611.69	5,082.48
Contract liabilities	15	109.28	164.88
Other current liabilities	22	1,134.43	1,016.83
Provisions	21	199.99	112.02
Current tax liabilities (Net)	10.1	-	1.14
Total current liabilities		26,528.55	18,458.20
Total liabilities		40,954.35	26,471.85
TOTAL EQUITY AND LIABILITIES		65,873.49	49,377.00

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

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

For Deloitte Haskins & Sells LLP
Firm Registration Number: 117366W/W-100018

Vikas Bagaria
Partner
Membership Number: 060408
Place: Chennai
Date: 21 June 2024

Deloitte Haskins & Sells LLP
Chartered Accountants

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

Anirban Mukherjee
Chief Executive Officer and Director
DIN: 07157585
Place: Mumbai
Date: June 21, 2024

Arvind Agarwal
Chief Financial Officer and Director
DIN: 02175753
Place: Mumbai
Date: June 21, 2024

Anuradha Aggarwal
Company Secretary
Place: Mumbai
Date: June 21, 2024

PayU Payments Private Limited
CIN: U72400MH2006PTC293037
Consolidated Statement of Profit and Loss for the year ended March 31, 2024
Amounts in INR millions, unless otherwise stated

Particulars	Notes	For the Year ended March 31, 2024	For the year ended March 31, 2023
I. Income			
Revenue from operations	25	44,609.87	38,422.08
Other income	26	693.53	487.18
Total		45,303.40	38,909.26
II. Expenses			
Cost of services	27	33,977.95	27,693.34
Employee benefits expense	28	7,108.72	8,205.79
Finance costs	29	108.95	88.20
Depreciation and amortisation expense	30	335.18	246.39
Impairment allowance and write-off of financial assets	31	2,417.57	1,735.32
Other expenses	32	4,053.06	3,507.28
Total		48,001.43	41,476.32
III. Loss before exceptional items and tax		(2,698.03)	(2,567.06)
IV. Exceptional item:	33	(36.54)	(323.84)
V. Loss before tax		(2,734.57)	(2,890.90)
VI. Tax expense			
Current tax expense	34	1,412.16	1.08
Deferred tax (credit)/expense	34	148.38	(143.80)
Total tax expense		1,560.54	(142.72)
VII. Loss after tax		(4,295.11)	(2,748.18)
VIII. Other comprehensive income/(loss):	35		
Items that will be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		(23.89)	2.69
- Income tax relating to these items		-	-
Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		21.38	20.38
- Fair value changes on Equity Instruments through other comprehensive income		-	-
- Income tax relating to these items		-	-
Total other comprehensive income/(loss) for the year		(2.51)	23.07
VII. Total comprehensive loss for the year		(4,297.62)	(2,725.11)
VIII. Earnings per Equity Share of Face Value of ₹ 10 Each	36		
Basic EPS (in ₹)		(1.51)	(0.97)
Diluted EPS (in ₹)		(1.51)	(0.97)

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Deloitte Haskins & Sells LLP
Firm Registration Number: 117366W/W- 100018

Vikas Bagaria
Partner
Membership Number: 060408
Place: Chennai
Date: 21 June 2024

Deloitte Haskins & Sells LLP
Chartered Accountants

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

Anirban Mukherjee
Chief Executive Officer and Director
DIN: 07157585
Place: Mumbai
Date: June 21, 2024

[illegible] Aggarwal
Chief Financial Officer and Director
DIN: 02175753
Place: Mumbai
Date: June 21, 2024

Anuradha Aggarwal
Company Secretary

Place: Mumbai
Date: June 21, 2024

PayU Payments Private Limited
CIN: U72400MH2006PTC293037
Consolidated Cash flow statement For the year ended March 31, 2024
Amounts in INR millions, unless otherwise stated

Particulars	For the Year ended March 31, 2024	For the year ended March 31, 2023
Cash flow from operating activities		
Loss before tax after exceptional items	**(2,734.57)**	**(2,890.90)**
Adjustments for		
Depreciation and amortisation expenses	335.18	246.39
Impairment loss on Loans	2,193.95	1,510.19
Impairment loss on financial assets	223.62	225.13
Interest income on bank deposits	(322.79)	(181.14)
Interest income on security deposits	(6.62)	(3.52)
Interest income on Income tax refund	(56.83)	(11.32)
Intangible written off	173.03	-
ESOP expense (RSU)	370.13	592.20
Finance cost	108.95	88.20
Loss on account of early termination of leases	(1.68)	5.73
(Profit) / Loss on sale of property, plant and equipment (net)	(1.32)	1.90
Provision for chargeback	134.96	48.78
Provision no longer required/ credit balance written back	(3.22)	(91.31)
Unrealised Gain on foreign currency transactions and translations (net)	(19.18)	(112.41)
Profit on sale of CCPS	-	(619.24)
Business combination adjustment	3,235.25	8,670.87
Operating profit before working capital changes	**3,628.86**	**7,479.55**
Working capital adjustments:		
Decrease/(increase) in trade receivables	766.11	(872.85)
Increase in other financial assets	(3,950.11)	(594.36)
Increase in other assets and contract assets	(476.93)	(2,933.04)
Increase in loan at amortised cost	(17,263.43)	(9,986.50)
Increase/(decrease) in trade payable	117.69	(106.96)
Increase/(decrease) in provisions	(18.31)	27.50
Increase/(decrease) in other financial liabilities	(882.77)	2,027.43
Increase in other liabilities and contract liabilities	217.78	320.71
Cash generated from/ (used in) operations	**(17,861.09)**	**(4,638.52)**
Income taxes paid (net of refund)	(1,400.53)	(608.08)
Net cash outflow from operating activities (A)	**(19,261.62)**	**(5,246.60)**
Cash flows from investing activities		
Purchase of property, plant and equipment's	(122.71)	(48.35)
Purchase of intangible assets	(142.31)	(78.98)
Proceeds from sale of property, plant & equipment	3.26	1.76
(Investment) / Maturity in bank deposits (net)	724.35	(332.13)
Proceeds from sale of CCPS	-	4,547.43
Interest received on bank deposits	322.79	181.14
Net cash inflow/ (outflow) from investing activities (B)	**785.38**	**4,270.87**
Cash flows from financing activities		
Proceeds from issue of share capital (including premium and issue expenses)	2,173.59	1,270.52
Proceeds from borrowings	15,504.38	9,195.53
Repayment of borrowings	(65.91)	(3,050.09)
Interest paid on borrowings	(8.42)	(50.10)
Principal element of lease payments	(169.46)	(141.64)
Interest element of lease payments	(97.17)	(37.43)
Net cash inflow from financing activities (C)	**17,337.01**	**7,186.79**
D. Net changes in cash and cash equivalents (A+B+C)	(1,139.22)	6,211.05
E. Opening cash and cash equivalents	9,767.09	3,556.04
F. Closing cash and cash equivalents	**8,627.87**	**9,767.09**

Non-cash financing and investing activities
- Issuance of equity shares to acquire ABC Limited
- Acquisition of Right-of-use assets

Cash and cash equivalents as per above comprise of the following

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks	3,332.76	3,049.49
Deposits with original maturity of less than three months	7,444.41	8,925.24
Borrowings		
Bank overdraft	(2,149.30)	(2,207.63)
Balances per statement of cash flows	**8,627.87**	**9,767.09**

Deloitte Haskins & Sells LLP
Chartered Accountants

PayU Payments Private Limited
CIN: U72400MH2006PTC293037
Consolidated Cash flow statement For the year ended March 31, 2024
Amounts in INR millions, unless otherwise stated

Notes:

1. The above Cash flow statement has been prepared under the 'Indirect Method' as set out in Ind AS 7 - 'Cash Flow Statements'
2. Figures in brackets indicate cash outgo except for items considered separately.

3) Changes in liabilities arising from financing activities:

Particulars	Opening	Cash flow (net)	Addition	Others**	Closing
For the year 2022 - 23					
Lease liability	322.01	(179.07)	521.60	37.43	701.96
Borrowings	8,880.52	(3,100.20)	9,195.53	1,187.51	16,163.35
For the year 2023 - 24					
Lease liability	701.96	(266.64)	452.06	79.47	966.86
Borrowings	16,163.35	(74.33)	15,504.38	(630.31)	30,963.09

The above Cash flow statement should be read in conjunction with the accompanying notes.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For Deloitte Haskins & Sells LLP
Firm Registration Number: 117366W/W-100018

Vikas Bagaria
Partner

Membership Number: 060408
Place: Chennai
Date: 21 June 2024

Deloitte Haskins & Sells LLP
Chartered Accountants

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

Anirban Mukherjee	**Arvind Agarwal**	**Anuradha Aggarwal**
Chief Executive Officer and Director	**Chief Financial Officer and Director**	**Company Secretary**
DIN: 07157585	**DIN: 02175753**	
Place: Mumbai	**Place: Mumbai**	**Place: Mumbai**
Date: June 21, 2024	**Date: June 21, 2024**	**Date: June 21, 2024**

PayU Payments Private Limited
CIN: U72400MH2006PTC293037
Consolidated Statement of Changes in Equity for the year ended March 31, 2024
Amounts in INR millions, unless otherwise stated

A Equity share capital

Particulars	Amount
Balance as at April 01, 2022	20,340.25
Equity shares issued during the year	128.04
Balance as at March 31, 2023	20,468.29
Conversion of compulsory convertible debenture into equity shares	68.64
Equity shares issued during the year	9,616.25
Balance as at March 31, 2024	30,153.18

B Other equity

Particulars	Reserves and surplus						Other comprehensive Income	Share application money pending allotment	Total	Non Controlling Interest
	Securities premium	Capital reserve	Statutory reserve	Share based compensation reserve	Retained earnings	Additional paid in capital	Foreign currency Translation Reserve			
As at April 01, 2022	15,405.62	(7,792.44)	1.05	(684.78)	(22,210.67)	-	5.57	7,969.11	(7,306.55)	-
Loss for the year	-	-	-	-	(2,748.18)	-	-	-	(2,748.18)	-
Remeasurement of defined benefit plans					20.38	-	-	-	20.38	
Exchange differences on translation of foreign operations	-	-	-	-	-	-	2.69	-	2.69	-
Total cumulative comprehensive income/(loss) for the year	15,405.62	(7,792.44)	1.05	(684.78)	(24,938.47)	-	8.26	7,969.11	(10,031.64)	-
Transfer of compulsory convertible preference shares (Refer note 18)								-	-	3,928.19
Issue of share capital	10,060.18	-	-	-	-	-	-	-	10,060.18	-
Adjustment on account of business combination	-	(246.83)	-	-	-	-	-	-	(246.83)	-
Additions/extinguishment during the year	-	-	-	592.20	-	-	-	-	592.20	-
Contribution made to Group trust	-	-	-	(1,865.22)	-	-	-	-	(1,865.22)	-
As at March 31, 2023	25,465.80	(8,039.27)	1.05	(1,957.80)	(24,938.47)	-	8.26	7,969.11	(1,491.32)	3,928.19
Loss for the year	-	-	-	-	(4,295.11)	-	-	-	(4,295.11)	-
Remeasurement of defined benefit plans	-	-	-	-	21.38	-	-	-	21.38	-
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(23.89)	-	(23.89)	-
Total cumulative comprehensive income/(loss) for the year	25,465.80	(8,039.27)	1.05	(1,957.80)	(29,212.20)	-	(15.63)	7,969.11	(5,788.94)	3,928.19
Issue of share capital	15,524.39	-	-	-	-	-	-	-	15,524.39	-
Share issue expenses	(3.80)	-	-	-	-	-	-	-	(3.80)	-
Loss on acquisition of Non controlling interest	-	-	-	-	(7,321.68)	-	-	-	(7,321.68)	(3,928.19)
Adjustment on account of business combination	-	3.32	-	-	-	-	-	(7,969.11)	(7,965.79)	-
Additional paid in capital	-	-	-	-	-	(0.64)	-	-	(0.64)	-
Addition in statutory reserve			8.65		(8.65)					
Additions/extinguishment during the year	-	-	-	370.13	-	-	-	-	370.13	-
Contribution made to Group trust	-	-	-	(47.71)	-	-	-	-	(47.71)	-
As at March 31, 2024	40,986.39	(8,035.95)	9.70	(1,635.38)	(36,542.53)	(0.64)	(15.63)	-	(5,234.04)	-

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

For Deloitte Haskins & Sells LLP
Firm Registration Number: 117366W/W- 100018

Deloitte Haskins & Sells LLP Chartered Accountants

Vikas Bagaria
Partner
Membership Number: 060408
Place: Chennai
Date: 21 June 2024

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

Anirban Mukherjee
Chief Executive Officer and Director
DIN: 07157585
Place: Mumbai
Date: June 21, 2024

Arvind Agarwal
Chief Financial Officer and Director
DIN: 02175753
Place: Mumbai
Date: June 21, 2024

Anuradha Aggarwal
Company Secretary
Place: Mumbai
Date: June 21, 2024

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1. General information

PayU Payments Private Limited ("the Company or the Holding Company") was incorporated in India on May 24, 2006 and is domiciled in India. The Company is a subsidiary of MIH Payments Holding B.V. The Company is incorporated and domiciled in India under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Shiv Building, First Floor, Crossing of Sahar Road, Vile parle (East), Mumbai, Maharashtra, India, 400057.The Holding Company together with its subsidiaries are hereinafter referred to as "The Group".

The Group is primarily engaged in the business of:

a) Digital payment services i.e., Payment gateway services for e-commerce transaction, risk-based authentication and payment security service. It also provides solutions ranging from mobile payments, fraud and risk management, prepaid solutions, and a host of merchant services.

b) Digital financial services i.e., business lending credit by way of personal loan and deferred credit facility for short term duration. It also innovative payment and financing related services to Indian consumers and deals in Information Technology enabled Services.

2. Summary of material accounting policies

2.1 Basis of preparation

The Consolidated Financial Statements of the Group comprises of Consolidated Balance Sheet as at March 31, 2024, and March 31, 2023 and the related Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement for the year ended March 31, 2024 and March 31, 2023 and material accounting policies and explanatory notes (hereinafter collectively referred to as ("Consolidated Financial Statements").

The Consolidated Financial Statements have been prepared by the management of the Holding Company in accordance with Indian Accounting Standards (Ind AS) specified under the Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III to the Companies Act, 2013 which have been approved by the Board of Directors of the Holding group at their meetings held on June 21, 2024.

Business Combination

During the year ended March 31, 2024, the Holding Company, directly or through its subsidiaries, acquired businesses from entities which were ultimately controlled by the same parties who control it, both before and after the business acquisition, as mentioned in Note 46 to the Consolidated Financial Statements. These transactions were accounted as common control transaction as per Appendix C of Ind AS 103.

The Consolidated Financial Statements have been prepared to include the effect of accounting for aforesaid business combinations as mentioned in Note 46 to Consolidated Financial Statements as if such entities were wholly owned subsidiaries of the Holding Company for the year ended March 31, 2024 and March 31, 2023 and business restructuring had taken place beginning of the earliest period presented, i.e. April 1, 2022.

Historical convention

The Consolidated Financial Statements has been prepared on a going concern basis, historical cost basis and on an accrual basis, except for following assets and liabilities which have been measured at fair value:

i) Certain financial assets and liabilities

ii) Defined benefit plans – Plan assets and

iii) Cash settled share based payments

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PayU Payments Private Limited

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Functional currency is the currency of the primary economic environment in which the entity operates and is normally the currency in which the entity generates and spends cash. The Consolidated Financial Statements are presented in Indian Rupees " ₹ " which is also the functional currency of parent entity.

Certain notes and disclosures in the Ind AS financials have been represented as Zero ("0"), where the absolute amount is below the rounding off norms adopted by the Group.

The preparation of these Consolidated Financial Statements requires the use of certain critical accounting judgements and estimates. It also requires the management to exercise judgement in the process of applying the Group's accounting policies. The areas where estimates are significant to the Consolidated Financial Statements, or areas involving a higher degree of judgement or complexity, are disclosed in Note 2.27.

Rounding of amounts

All amounts disclosed in the consolidated financial statements and the accompanied notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

2.2 Basis of consolidation

The Group's Consolidated Financial Statements comprise the financial statements of Holding Company and all of its subsidiaries as at March 31, 2024. The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company.

Subsidiaries are all entities over which, Holding Company exercises control. Holding Company exercises control if and only if it has the following:

a) power over the entity
b) exposure, or rights, to variable returns from its involvement with the entity; and
c) the ability to use its power over the entity to affect the amount of its returns.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The difference between the cost of investment in subsidiaries (investee company) to the Group and the proportionate share in the equity of the investee Company as at the date of acquisition of stake is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve, as the case may be. Goodwill arising on consolidation is tested for impairment at the Balance Sheet date. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Group, are excluded.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Deloitte Haskins & Sells LLP Chartered Accountants

PayU Payments Private Limited

Amounts in INR millions unless stated otherwise

The Consolidated Financial Statements of the Group include subsidiaries listed in the table below:

#	Name of Subsidiary	Principal activities	Nature of relationship	Country of Incorporation	% of Equity Interest*		
					March 31, 2024	March 31, 2023	April 01, 2022
1	PayU Innovations Private Limited (formerly known as PayU India Settlement and Processing Private Limited)	Web technology and consultancy services	Wholly owned subsidiary	India	100%	100%	NA
2	PayU Finance India Private Limited	NBFC: Lending and Investment	Step down subsidiary	India	100%	100%	100%
3	PaySense Services India Private Limited	Provide innovative payment and payment security services	Wholly owned subsidiary	India	100%	100%	100%
4	Lazypay Private Limited (formerly known as Paysense Consultancy Services India Private Limited)	Provide management, technical, marketing, administrative, commercial, financial & other consultancy services	Wholly owned subsidiary	India	100%	100%	100%
5	Enstage Software Private Limited	Providing risk based authentication and payment security services	Wholly owned subsidiary	India	100%	100%	100%
6	Wibmo Incorporation	Provide innovative payment and payment security services	Wholly owned subsidiary	USA	100%	100%	100%

*Includes 1 share held by a nominee except for Wibmo entity.

In addition to the equity interest, Holding Company through its subsidiary also hold interest in 10.4% Compulsory convertible preference shares in the step-down subsidiary:

#	Name of subsidiary	Name of step down subsidiary	% of Interest		
			March 31, 2024	March 31, 2023	April 01, 2022
1	Paysense India Private Limited	PayU Finance India Private Limited	100%	10.4%	100%

2.3 Classification of assets and liabilities

The Group presents assets and liabilities in the consolidated balance sheet based on current / non-current classification. An asset is treated as current when:

a) it is expected to be realized, or intended to be sold or consumed in normal operating cycle;
b) it is held primarily for the purpose of trading;
c) it is expected to be realized within twelve months after the reporting period; or
d) it is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

a) it is expected to be settled in its normal operating cycle;
b) it is held primarily for the purpose of trading;
c) it is due to be settled within twelve months after the reporting period; or

d) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Group has identified twelve months as its operating cycle for the purposes of classification of its assets and liabilities.

2.4 Business combination

Common control transactions

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities or businesses are reflected at their carrying amounts after making adjustments necessary to harmonise the accounting policies. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. The identity of the reserves is preserved in the same form in which they appeared in the financial statements of the transferor and the difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve. The consideration for the business combination may consist of securities, cash or other assets. Securities shall be recorded at nominal value. In determining the value of the consideration, assets other than cash shall be considered at their fair values.

2.5 Foreign currency transactions

(i) Functional and presentation currency

Items included in the Consolidated Financial Statements of the Group's entities are measured using the currency of the primary economic environment in which it operates i.e. the "functional currency". The Group's consolidated financial statements are presented in INR, which is the functional currency of all entities in the Group (except for Wibmo Inc.) The functional currency for Wibmo Inc. (foreign subsidiary) is its respective local currency (i.e., US Dollars or "USD"). USD is the currency of the primary economic environment in Wibmo Inc. operates. The transactions and balances of Wibmo Inc. have been converted in INR.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively). In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognised. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Deloitte Haskins & Sells LLP Chartered Accountants

PayU Payments Private Limited

a) assets and liabilities are translated at the closing rate at the date of that balance sheet

b) income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

c) All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities is recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

2.6 Revenue recognition

I. Revenue from contracts with customers

The Group exercises judgement in identification of performance obligations in a contract. The Group's contracts with customers could include promises to transfer product / services to a customer. The Group assesses the product / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

The group's contracts with customers may include multiple performance obligations. For such arrangements, the group allocate revenue to each performance obligation based on its relative standalone selling price. The group generally determine standalone selling prices based on the prices charged to customers or using expected cost-plus margin.

Revenue is measured based on the transaction price, which is the consideration, adjusted for price concessions and incentives, if any, as specified in the contract with the customer.

Variable consideration such as discounts, volume-based incentives, any payments made to a customer (unless the payment is for a distinct good or service received from the customer) is estimated using the expected value method or most likely amount as appropriate in a given circumstance. An entity includes estimates of variable consideration in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

The group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

The billing schedules agreed with customers include periodic performance-based payments. Invoices are payable within contractually agreed credit period.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

The Group disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

a. Digital payment services

Revenue from Digital payment services is recognized as and when the performance obligation, as defined in Ind AS 115 – 'Revenue from Contracts with Customers', is complete. Revenue is recognized net of Goods and Service tax.

Revenue from software development and support service, transaction fees, commission income and contractual fees and charges are recognized as & when services are rendered by the Group.

Deloitte Haskins & Sells LLP
Chartered Accountants

PayU Payments Private Limited

b. Digital financial services

(i) Information Technology services

Revenue related to fixed price services contracts in relation to loan servicing services where the Group is standing ready to provide services is recognized over a period of time and revenue is straight lined over the period of performance.

(ii) Service fee income

Service fee income in relation to sourcing and origination are recognized at the point in time when the group satisfies the performance obligation i.e. booking of loan by the Customer.

Revenues from support service, contractual fees and charges are recognized as and when services are provided by the Group.

(iii) Interest income on loan

Interest income revenue is 6ecognized using the effective interest rate method applied to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL, taking into account the expected timing and amount of cash flows.

(iv) Commission income

Commissions are recognized when the group satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out in Ind AS 115, unless included in the effective interest calculation.

(v) Fee Income

Fee income (delayed payment and other charges) levied on customers for delay in repayments/ nonpayment of contractual cashflow, foreclosure and other charges as per agreement are recognized on realization basis.

(vi) Income from direct assignment

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the consolidated statement of profit and loss.

(vii) Support services and referral income

Support services income comprises of contractual fees and charges. Revenue is recognized when services are rendered.

Referral fees is received by the Group from the partner bank for referring the customers for availing its services. The Group recognize the fees when the services are provided by the Group.

(viii) Co-branding fee

Co-branding fees is received by the Group from the partner bank for issuance of the Co branded cards. The Group recognize the fees when the control in services have been transferred by the Group i.e. as and when services have been provided by the Group.

(ix) Inter-change revenue

Inter-change revenue comprises the income earned by the Group on the transactions done by the customers through Lazycard. The Group recognize revenue as and when services are provided by the Group.

II. Other operating revenue

Income from set up fees and payment gateway support service are recognized as and when services are rendered and invoiced as per the terms of the agreement.

Deloitte Haskins & Sells LLP Chartered Accountants

PayU Payments Private Limited

III. Other income

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.

Other incomes are recognized on accrual basis, except when there is uncertainty of collection.

IV. Contract assets and liabilities

Contract asset

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Customer acquisition cost

Customer acquisition cost paid for every successful disbursement of loan application are incremental cost to obtain a contract and are capitalized and is subsequently amortised over the average customer life.

Contract liability

Contract liability (unearned and deferred revenue) is recognized when there is billings in excess of revenues.

Advance from customer is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is received.

Advance from customer and deferred revenue are recognised as revenue when the Group fulfils its performance obligations under the contract (i.e., transfers control of the related goods or render services to the customer).

2.7 Property, plant and equipment ("PPE")

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 items.

Subsequent costs are included in the asset's carrying amount or recognized 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. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to consolidated statement of profit and loss during the reporting period in which they are incurred.

The cost of assets in construction phase which not ready to use before reporting date are disclosed under 'Capital work in progress'. These assets are carried at cost less impairment if any and are not depreciated. Depreciation commences once the assets are available for use as intended by management. When significant parts of property, plant and equipment are required to be replaced at intervals, the group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All other repairs and maintenance are charged to the consolidated statement of profit and loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method (except for Enstage whose depreciation has been calculated using written down value method till the FY 2022) to allocate the cost of the assets, net of their residual values, over their estimated useful lives as follows:

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Particulars	Useful life as per schedule II of Companies Act	Useful life as per management estimate
Furniture and fixtures	10 years	5 to 10 years
Office equipment	5 years	3 to 5 years
Computers, data processing units and communication equipment	3 years	3 years
Servers	6 years	6 years
Vehicles	8 Years	8 years

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

The useful lives have been determined based on lives specified in Part "C" of Schedule II of the Companies Act 2013 except for furniture and fixtures and office equipment which are depreciated based on the internal assessment of the management, in order to reflect the actual usage of the assets.

Individual assets costing less than INR 5,000 are depreciated in full in the year of purchase.

The asset's residual values, useful lives and depreciation method are reviewed and adjusted prospectively if appropriate.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying value is greater than its estimated recoverable amount.

De-recognition

An item of PPE is derecognized 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 recognized in the consolidated statement of profit and loss.

2.8 Intangible assets

Goodwill

Goodwill on acquisitions of business 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. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

Internally generated intangible assets

Research and development cost

Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in consolidated statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Capitalized development cost

Development costs that are directly attributable to the design and testing of identifiable and unique assets controlled by the group are recognised as intangible assets where the following criteria are met:

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- it is technically feasible to complete the asset so that it will be available for use
- management intends to complete the asset and use or sell it
- there is an ability to use or sell the asset
- it can be demonstrated how the asset will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the asset are available, and
- the expenditure attributable to the asset during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the asset include employee costs and an appropriate portion of relevant overheads.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Research expenditure and development expenditure that do not meet the criteria given above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Other intangible assets

Intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities) and any directly attributable expenditure on making 'the asset ready for its intended use and net of any trade discounts and rebates.

Subsequent expenditure on an intangible asset after its purchase/completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Amortization is recognized on a straight-line basis over their estimated useful lives except for Enstage whose amortization has been calculated using written down value method till the FY 2022. The estimated useful life and amortization 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.

Amortisation method and period

The group amortises intangible assets with a finite useful life based on management internal assessment, using the straight-line method (except for Enstage" which is recognizing depreciation on written down value till FY 2021-22), over the following periods:

Name of Intangible	Useful Life
Computer software & software development cost	3 to 5 years
Trademark & technology	10 years
Customer relationship	12 years
Customer contracts	10 years

De-recognition

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

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2.9 Impairment

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated 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 recognized immediately in profit or loss.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. The reversal of such an impairment loss is recognized in "Other (losses)/gains– net" in the consolidated statement of profit and loss.

2.10 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 consolidated balance sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the consolidated 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 consolidated statement of profit and loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held such that it best reflects the way the business is managed and is consistent with the information provided to management The information considered includes:

a. the objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through die sale of the assets;

b. the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realized.

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c. the risks that affect the performance of the business model, the financial assets held within that business model and how those risks are managed.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

a. reset terms
b. contingent events that would change the amount and liming of cash flows;
c. prepayment and extension terms; and
d. features that modify consideration of the time value of money – e.g. periodical reset of interest rates

Subsequent measurement

For subsequent measurement, the Group classifies a financial asset in accordance with (i) the Group's business model for managing the financial asset; and (ii) the contractual cash flow characteristics of the financial asset. Accordingly, the Group classifies its financial assets into the following categories:

a. Financial assets measured at amortised cost

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

(i) the Group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

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

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Group including the loans which are sold by the entities engaged in credit business through direct assignment to third parties. Such financial assets are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset (or group of financial assets) and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, foreclosure, call and similar options) but shall not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

b. Financial assets measured at fair value through other comprehensive income (FVTOCI)

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

(i) The Group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

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

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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 interest income and impairment losses and its reversals in the consolidated statement of profit and loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to the consolidated statement of profit and loss.

c. **Financial assets measured at Fair value through profit and loss (FVTPL)**

A financial asset is measured at FVTPL unless it is measured at amortised cost or at FVTOCI as explained above.

Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the consolidated statement of profit and loss.

Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Consolidated Statement of Profit and Loss, except for those equity investments for which the Group has elected to present the value changes in 'Other Comprehensive Income'. However, dividend on such equity investments is recognised in Statement of Profit and Loss when the Company's right to receive payment is established.

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 consolidated balance sheet when any of the following occurs:

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

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

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

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material lay to a third party under a 'pass-through' arrangement; and either

a. the Group has transferred substantially all the risks and rewards of the asset, or

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

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

On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognized in the consolidated statement of profit and loss.

Impairment of financial assets:

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

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a. ***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 cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL 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 consolidated statement of profit and loss under the head 'Other expenses'.

b. ***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 at 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 undisbursed amounts in respect of Letters of Comfort.

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.

Group writes off personal loans when the dues from such loans are outstanding for more than 180 days and consumer receivables are written off when the dues from such loans are outstanding for more than 90 days. While the amounts are written off, the Group does not relinquish its rights to the sums due and continues its collections efforts, including, but not limited to appropriate recourse under various provisions of the law. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in consolidated statement of profit and loss. However, financial

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assets that are written off may be subject to enforcement activities to comply with the Group's procedures for recovery of amounts due.

Financial liabilities and equity instruments

i. Financial liabilities

Initial recognition and measurement:

The Group recognizes a financial liability in its consolidated balance sheet when it becomes party to the contractual provisions of the instrument. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

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 Consolidated 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 Consolidated 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:

For purposes of subsequent measurement, financial liabilities are classified in two categories:

• Financial liabilities at fair value through profit or loss

• Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statement of profit and loss when the liabilities are derecognized as well as through the EIR amortisation process.

The cumulative amortisation 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 amortised cost at each reporting date. The corresponding effect of the amortisation 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 consolidated statement of profit and loss.

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

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Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

Derecognition

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 consolidated statement of profit and loss.

2.11 Fair value

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

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

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

Level 3 — inputs that are unobservable for the asset or liability.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period with relevant disclosures.

2.12 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.13 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cash at bank, other short-term deposits including highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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Bank overdrafts are shown within borrowings in current liabilities in the consolidated balance sheet.

2.14 Restricted cash

The Group's restricted cash mainly represents amounts received from customer and payable to merchants held in escrow bank account.

Cash that is restricted as to withdrawal for use is reported separately under other assets, and is not included in the total cash and cash equivalents in the statements of cash flows and cash and cash equivalents in the consolidated balance sheet.

2.15 Provisions and contingencies

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A disclosure for contingent liability is made when there is a possible obligation or present obligation that may, but possibly will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

2.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the PayU India Executive committee (comprising of CEO and CFO) who make strategic decisions. See note 42 for segment information presented.

The reportable segments of the Group comprise of the following:

I. Digital Payment:

a. Business of payment gateway services for e-commerce transactions, predominantly in India

b. Risk-based authentication and payment security related services

II. Digital Financing:

a. Business of lending credit by way of personal loan and short term deferred credit facility

b. Lending related technology services to the third party customers

c. Lending through Buy now pay later (BNPL) services

Geographical segments are categorized as 'India' and 'Outside India' and are based on the domicile of the customers.

CODM reviews results of subsidiaries of the Group on consolidated basis and considering the nature of business operations and geographical location.

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2.17 Employee benefits

i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

ii) Other employee benefits

Compensated absences

The employees of the Group are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for unutilized accrued compensated absence.

The group also has liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These are, therefore, measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period based on actuarial valuation using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the consolidated statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates:

(a) when the group can no longer withdraw the offer of those benefits; and

(b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Car lease allowance

The Group enters into an agreement with a lessor to provide vehicles for use. As per this arrangement, the Group pays lease installments to the lessor. The car lease expense payable by the group companies is shown as employee benefit expense (net of payments recovered from employees) in the consolidated statement of profit and loss.

iii) Post employment benefits

Defined contribution plans (Provident Fund)

The Group pays provident fund contributions to the Regional Provident Fund Commissioner as per 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 the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

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Defined benefit plans (Gratuity)

The liability or asset recognized in the consolidated balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. Contributions in respect of gratuity is made to a fund administered by the Life Insurance Corporation of India.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments are discounted using market yields determined by reference to high-quality corporate bonds.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the consolidated balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

2.18 Share-based payments

The ultimate holding company of the Group operates share option schemes (SAR and RSU) under certain equity compensation plans, for the purpose of providing incentives and rewards to eligible participants of the Group companies. Employees of the group companies receive remuneration in the form of share-based payments, whereby employees render services as consideration either for equity instruments ("equity settled transactions") or cash equivalent of the equity instrument ("cash settled transactions"). These share based payment plans are accounted for in the consolidated financial statements of the group companies in accordance with the "Ind AS 102 Accounting for Share-based Payments".

Employee restricted stock units ("RSUs") - Equity settled

Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognized as 'employee benefit expenses' with a corresponding increase in equity over the vesting period net of advances paid by the group companies for such RSU's. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the employees receives the shares of the Holding Company which are purchased by trust from market by utilizing the advance received from the group.

Stock appreciation rights ("SARs") - Cash settled

For cash-settled share-based payments, the fair value of the amount payable to employees is recognized as 'employee benefit expenses' with a corresponding increase in liabilities, over the period of non-market vesting conditions getting fulfilled. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognized in employee benefits expenses.

2.19 Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

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Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

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

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs.

The right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line method basis If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases for office premises that have a lease term of less than 12 months. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. The lease payments associated with these leases is recognized as an expense on a straight-line basis over the lease term.

2.20 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled

Deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unabsorbed depreciation allowance only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.21 Earnings per share (EPS)

Basic earnings per share

Basic earnings per share is calculated by dividing the profit/losses 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

Diluted earnings per share adjusts the figures 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
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Potential 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 actually 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.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction against share premium.

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2.22 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

2.23 Cash flow statements

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.24 Critical estimates and judgements

The preparation of the Group's consolidated financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgements are:

a. Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Refer Note 2.12

b. Impairment of non-financial assets: Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine

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the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 2.11.

c. **Determining the lease term of contracts with renewal and termination options - Group as lessee:** The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

   The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

   The Group included the renewal period as part of the lease term only when they are reasonably certain not to be exercised.

d. **Share-based payments:** The Group initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses a binomial model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 2.20.

e. **Deferred tax:** Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

f. **Defined benefit plans (gratuity benefits):** The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

   The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the market yield on government bonds that have terms approximating to the terms of related obligation.

   The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 37.

g. **Fair value measurement of financial instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 2.12 and 43 for further disclosure

h. **Intangible asset under development:** The Group capitalizes intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

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i. **Leases** - Estimating the incremental borrowing rate: The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency).

The Group estimates the IBR using observable inputs (such as market interest rates) when available.

j. **Useful life of intangible assets:** The group has intangible assets which includes trademark, customer relationships, software, brand name and title rights and customer relationship. The group estimates the useful life of its intangible assets based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than expected by management, depending on technical innovations and competitor actions.

k. **Useful life of property, plant and equipment:** The group has furniture fixtures and office equipment as property plant and equipment. The useful lives of these items of PPE have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The asset's residual values, useful lives are reviewed, and adjusted at each financial year-end and adjusted prospectively, if appropriate.

l. **Identification of performance obligation in revenue from contract with customers:** The Group exercises judgement in identification of performance obligations in a contract. The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Estimates and judgements are continually evaluated by the management. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

New and amended standards adopted by the group.

a) The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023 as below:

Ind AS 1 – Presentation of financial statements: The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Group has revisited their accounting policy information disclosures and ensured consistency with the amended requirements.

Ind AS 8 - Accounting policies, changes in accounting estimates and errors: The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The Group does not have any significant impact in its Consolidated Financial Statements due to this amendment.

Ind AS 12 - Income taxes:

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendment is applicable to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

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Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

b) Standards issued/notified but not yet effective.

There are no standards that are notified and not yet effective as on date.

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Amounts in INR millions, unless otherwise stated

3 Property, plant and equipment (at cost)

Disclosures regarding gross block of Property, Plant and Equipment, depreciation expenses thereon and net block are as given below

Particulars	Leasehold improvements (building)	Furniture and fixtures	Office equipment	Computers, data processing units and communication equipment	Total
Gross carrying value					
As at April 01, 2022 (includes balances of acquired entities)	78.15	14.38	71.00	222.63	386.16
Additions	0.90	0.83	3.73	42.89	48.35
Disposals/adjustments	(6.55)	(0.14)	-	(1.33)	(8.02)
As at March 31, 2023	72.50	15.07	74.73	264.19	426.49
Additions	8.84	14.31	19.79	79.77	122.71
Disposals/adjustments	-	(0.09)	0.48	(3.35)	(2.96)
As at March 31, 2024	81.34	29.29	95.00	340.61	546.24
Accumulated depreciation					
As at April 01, 2022	70.31	7.04	66.42	180.07	323.84
Depreciation charge for the year (refer note 30)	4.49	1.81	2.32	25.46	34.08
Disposals/adjustments	(4.02)	(0.01)	-	(0.33)	(4.36)
As at March 31, 2023	70.78	8.84	68.74	205.20	353.56
Depreciation charge for the year (refer note 30)	1.89	2.57	5.39	37.24	47.09
Disposals/adjustments	-	(0.03)	0.10	(1.09)	(1.02)
As at March 31, 2024	72.67	11.38	74.23	241.35	399.63
Net carrying value					
As at March 31, 2023	1.72	6.24	5.99	58.99	72.93
As at March 31, 2024	8.67	17.91	20.77	99.27	146.61

Notes:

(i) The Group does not have any capital work-in-progress, hence the requisite disclosures has not been given.

(ii) The Group does not have any immovable properties.

(iii) See note 40 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

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Amounts in INR millions, unless otherwise stated

4 Right-of-use assets (at cost)

Disclosures regarding gross block of Right-of-use Assets, accumulated depreciation thereon and net block are as given below:

Description	Buildings	Computer	Total
Gross carrying value			
As at April 01, 2022 (includes balances of acquired entities)	386.17	125.83	512.00
Additions	491.57	61.74	553.31
Disposals/adjustments	(17.71)	-	(17.71)
As at March 31, 2023	860.03	187.57	1,047.60
Additions	480.67	-	480.67
Disposals/adjustments	(27.47)	-	(27.47)
As at March 31, 2024	1,313.23	187.57	1,500.80
Accumulated depreciation			
As at April 01, 2022 (includes balances of acquired entities)	182.90	45.23	228.13
Depreciation charge for the year (refer note 30)	89.39	63.51	152.90
Disposals/adjustments	(11.98)	-	(11.98)
As at March 31, 2023	260.31	108.74	369.05
Depreciation charge for the year (refer note 30)	187.79	48.91	236.70
Disposals/adjustments	(11.44)	-	(11.44)
As at March 31, 2024	436.65	157.65	594.30
Net carrying value			
As at March 31, 2023	599.72	78.83	678.55
As at March 31, 2024	876.58	29.92	906.50

Notes:

A. The Right of use assets represents office building, laptops/computers are taken by Group on lease which is accounted in accordance with the principles of Ind AS 116 'Leases'.

B. **The following are the amounts recognised in the statement of profit and loss:**

Particular	For the Year ended March 31, 2024	For the year ended March 31, 2023
Depreciation expense of right-of-use assets	236.70	152.90
Interest expense on lease liabilities	97.17	37.43
Expense relating to short-term and low-value leases (included in other expenses)*	170.35	190.89
Total	504.22	381.22

* This includes the amount paid for leased line and Data centre server charges.

C. The effective interest rate for lease liabilities of the group is ranging from 8.85% to 12% p.a. The Group has applied a single discount rate to a portfolio of leases of a similar assets in similar economic environment with similar end date.

D. The Group 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. Refer note 44 for maturity profile

E. Extension and termination options are included in a number of property and equipment leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

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Notes to Consolidated Financial Statements for the year ended March 31, 2024
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5 Other Intangible Assets (at cost)

Disclosures regarding gross block of Intangible assets, amortisation expenses thereon and net block are as given below

Particulars	Software Development cost*	Computer Software's	Trademark and Technology	Customer relationship	Total	Goodwill	Intangible asset under development
Gross carrying value							
As at April 01, 2022 (includes balances of acquired entities)	-	433.72	172.70	478.00	1,084.42	7,514.17	14.31
Additions	17.05	32.17	4.03	-	53.25	-	40.03
Disposals/adjustments	-	(1.62)	-	-	(1.62)	-	(14.31)
As at March 31, 2023	17.05	464.27	176.73	478.00	1,136.05	7,514.17	40.03
Additions	-	-	9.31	-	9.31	-	133.00
Disposals/adjustments	-	-	-	-	-	-	(173.03)
As at March 31, 2024	17.05	464.27	186.04	478.00	1,145.36	7,514.17	-
Accumulated amortisation							
As at April 01, 2022 (includes balances of acquired entities)	-	406.34	135.39	271.24	812.98	-	-
Amortisation charge for the year (refer note 30)	1.90	22.38	7.26	27.88	59.42	-	-
Disposals/adjustments	-	(1.62)	-	-	(1.62)	-	-
As at March 31, 2023	1.90	427.10	142.65	299.12	870.78	-	-
Amortisation charge for the year (refer note 30)	5.68	9.04	8.78	27.88	51.38	-	-
Disposals/adjustments	-	-	-	-	-	-	-
As at March 31, 2024	7.58	436.14	151.43	327.00	922.16	-	-
Net carrying value							
As at March 31, 2023	15.15	37.17	34.08	178.88	265.27	7,514.17	40.03
As at March 31, 2024	9.47	28.13	34.61	151.00	223.20	7,514.17	-

* It represents of capitalised development cost of an internally generated intangible assets.
The capitalized costs include direct expenses incurred for the development of the "Co-Branding Card Interface" within the software/technology owned by the Group's affiliate entity and licensed to the group. These direct expenses primarily consist of costs related to external consultants. The Group has chosen to capitalize these costs due to the fact that the said developed interface is the proprietary property of the group and any economic benefits derived from it will exclusively benefit the group.

A. Intangible asset under development ageing schedule

Particulars	Amount in intangibles under development for a period of				
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
As at March 31, 2024					
Project in progress	-	-	-	-	-
Project temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Particulars	Amount in intangibles under development for a period of				
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
As at March 31, 2023					
Project in progress	40.03	-	-	-	40.03
Project temporarily suspended	-	-	-	-	-
Total	40.03	-	-	-	40.03

B. Impairment of Goodwill with indefinite useful life

As required by Ind AS 36 – 'Impairment of Assets', the Group performs impairment tests on goodwill on an annual basis by computing value-in-use amount for the cash-generating unit ("CGU"). The recoverable amount of CGU of ₹ 16,497.70 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a ten-year period. The group performed its annual impairment test for years ended 31 March 2024 and 31 March 2023 on 30 September 2023 and 30 September 2022, respectively (hereinafter reference date is generally based on year-end). In earlier years, the group recognised goodwill from its acquisition of Citrus Payment Solutions Private Limited. The goodwill was allocated to the business as a whole since the CGU carries out only business activity, i.e., payment processing services. For the current financial year, the recoverable amount of goodwill was tested for impairment based on a Discounted Cash Flow ("DCF") method which requires the use of certain key assumptions, which are based on financial budgets approved by management. Basis this, management has concluded that no impairment of goodwill exists. Key considerations pertaining to computation of recoverable amount are listed below:

Carrying amount of goodwill as at March 31, 2024	INR 7,506.97 (March 31, 2023: INR 7,506.97)
Basis on which the recoverable amount has been determined	DCF method with observable market data
Growth rate used for computing value in use	Year 1- 30% Year 2- 25% Year 3- 24% Year 4- 23% Year 5- 21.5% Year 6 to 9 – 20% to 17% Terminal growth rate of 5%
Discount rate (Pre tax)	14.80%
Management's approach to determining the value assigned to each key assumption	Valuation is as per forecasted business plan, which is backed up by internal and external information available with the management.
Impact of possible changes in key assumptions	If the pre-tax discount rate and terminal growth rate applied to the cash flow projections of this CGU had been 5% higher than management's estimates (15.3% instead of 14.8%) and (5.5% instead of 5%) respectively, the group would not have had to recognise any additional impairment against the carrying amount of goodwill of INR 7,506.97.

C. Other notes:
(i) The Group does not have intangibles under development, whose completion is overdue or has exceeded its cost compared to its original plan, hence the requisite disclosures has not been given.
(ii) See note 40 for disclosure of contractual commitments for the acquisition/development of intangible assets.

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6 Investment

Particulars	As at March 31, 2024	As at March 31, 2023
Unquoted equity shares carried at fair value through other comprehensive income		
Fully paid equity shares 61,320 (March 31,2023: 61,320) of INR10 each in National Payment Corporation of India	77.01	77.01
Fully paid equity shares 2,510 (March 31, 2023: 2,510) of INR10 each in Ferbine Private Limited	0.03	0.03
Total	77.04	77.04
Aggregate value of un-quoted investments	77.04	77.04
Aggregate amount of impairment in value of investments	-	-

Investments at fair value through OCI (fully paid) reflect investment in unquoted equity securities. These equity shares are designated as FVTOCI as they are not held for trading purpose and are not in similar line of business as the Group. Thus, disclosing their fair value fluctuation in profit or loss (FVTPL) will not reflect the purpose of holding.

The shares of Ferbine Private Limited and National Payment Corporation of India are unquoted and the Group being minority shareholder, does not have any other alternate source to determine the fair value of such investments as at March 31, 2024. 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.

7 Loans

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
At Amortised cost		
Term Loans		
- Personal loan	13,663.43	6,393.99
- Consumer receivables	-	3.52
	13,663.43	6,397.51
Less : Impairment allowance (refer note 31)	(781.33)	(404.84)
Total (A)	12,882.10	5,992.67
Current		
At Amortised cost		
Term Loans		
- Personal loan	18,651.12	8,813.52
- Consumer receivables (refer note i below)	1,208.41	2,604.59
	19,859.53	11,418.11
Less : Impairment allowance (refer note 31)	(1,189.48)	(928.11)
Total (B)	18,670.05	10,490.00
Total (A+B)	31,552.15	16,482.67
Break up of security details		
Loans considered good - secured	-	-
Loans considered good - unsecured	32,321.35	16,706.64
Loans which have significant increase in credit risk	679.87	594.61
Loans credit impaired	521.72	514.38
Total loans	33,522.94	17,815.63
Less : Impairment allowance (refer note 31)	(1,970.81)	(1,332.95)
Net loans	31,552.13	16,482.68
Reconciliation of Impairment allowance on loans		
Impairment allowance as on beginning of the year	1,332.95	-
Add: Increase in impairment allowance recognised in profit or loss during the year	637.86	1,332.95
Less: Loans written off during the year as uncollectible	-	-
Impairment allowance as at end of the year	1,970.81	1,332.95

Notes:

(i) Disclosure pursuant to RBI circular RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 for loans transferred/acquired under the Master Direction - RBI (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 are given below:

a) Details of transfer through assignment in respect of loans not in default during the year ended March 31, 2024 and March 31, 2023

Particulars	As at March 31, 2024	As at March 31, 2023
Count of loan accounts assigned	11,193	6,546
Amount of loan account assigned	2,590.74	1,289.87
Retention of beneficial economic interest (MRR)	10%	10%
Weighted Average residual tenure of the loans transferred	42-43 Months	41-42 Months
Weighted Average holding period	11-12 Months	10-11 Months
Coverage of Tangible security	-	-
Number of Transaction	3.00	2.00
Rating wise distribution of rated loans	Unrated	Unrated

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b) The Group has been transferred/acquired any stressed loan during the year ended March 31, 2024 and March 31, 2023
Detail of transfer of stressed loan during the year ended March 31, 2024 and March 31, 2023

Particulars	As at March 31, 2024	As at March 31, 2023
Count of Cases	90,854	-
Aggregate Principal Outstanding as per Books	272.90	-
Less: Provision	195.31	-
Net Carrying Amount / Net Book Value	77.59	-
Weighted Residual Tenure (in Months)	24.86	-
Net Sale Consideration	161.70	-
Collection remmittance	1.76	
Net Gain on Sale of NPA	82.35	-

In addition to above, the company has disbursed 8 loans post the transfer of stressed loan amounting to Rs. 0.12 millions on which ECL @100% has been provided.

c) The Group has not acquired any loan in default during the year ended March 31, 2024 and March 31, 2023

(ii) Consumer receivables represents balances which are in the nature of buy now pay later (BNPL).

(iii) There are no loans assets which has been classified as fair value through profit & loss and/or fair value through other comprehensive income.

(iv) The Group has not granted any loans or advances in the nature of loans to promoter , directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

8 Other financial assets
(At amortised cost)

Particulars	As at March 31, 2024	As at March 31, 2023
Non current		
(Unsecured, considered good unless otherwise stated))		
Excess interest spread receivables	269.26	91.50
Less: Impairment loss allowance on excess interest spread receivables	(6.46)	(2.11)
	262.80	89.39
Security deposits	95.95	46.45
Deposits with remaining maturity of more than 12 months (*)	534.12	27.78
Total (A)	892.87	163.62

(*) includes amount under lien against bank guarantee.

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
(Unsecured, considered good unless otherwise stated))		
Excess interest spread receivables	192.91	85.84
Less: Provision for loss allowance on excess interest spread receivables	(4.65)	(1.98)
	188.26	83.86
Security deposits	4.36	42.10
Deposit with original maturity for more than 12 months *	138.26	2.73
Commission receivable	1,311.95	750.33
Amount lying in escrow account	656.01	130.84
Receivable on account of DLG	374.28	-
Other receivable #	1,217.30	461.13
Total (B)	3,890.42	1,470.99
Total (A + B)	4,783.29	1,634.61

(*) includes amount under lien against bank guarantee.
(#) Include INR 233.70 (March 31, 2023: INR 69.45) from related parties. (Refer Note 41)

Reconciliation of Impairment allowance on excess interest spread receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Impairment allowance as on beginning of the year	4.10	1.60
Add: Increase in impairment allowance recognised in profit or loss during the year	7.01	2.50
Less: Excess interest spread receivables written off during the year as uncollectible	-	-
Impairment allowance as at end of the year	11.11	4.10

9 Deferred tax assets/ (liability) (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets (net)*	-	147.32
Total	-	147.32

*For details (refer note 34)

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PayU Payments Private Limited

PayU Payments Private Limited
CIN: U72400MH2006PTC293037
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10 Current Tax Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Tax assets (net)	1,275.63	1,231.57
Total	**1,275.63**	**1,231.57**

*Net of current tax liability of INR 18.83 (March 31, 2023: INR Nil)

10.1 Current Tax liability

Particulars	As at March 31, 2024	As at March 31, 2023
Tax Liabilities (net)*	-	1.14
Total	**-**	**1.14**

*Net of Advance tax and TDS of INR Nil (March 31, 2023: INR Nil)

11 Other assets

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
(Unsecured, considered good unless otherwise stated)		
Prepaid expenses	444.88	312.79
Balance lying with government authorities	640.91	471.47
Total (A)	**1,085.79**	**784.26**
Current		
(Unsecured, considered good unless otherwise stated)		
Balance lying with government authorities	604.23	621.11
Prepaid expenses	658.77	409.25
Advance to vendors	157.92	93.85
Advances to employees	22.47	2.24
Others *	19.31	22.68
Total (B)	**1,462.70**	**1,149.13**
Total (A+B)	**2,548.49**	**1,933.39**

* Above figures does not include Loans, Investments, Guarantees, Securities and Advances in nature of loan to promoter , directors, KMPs and the related parties (as defined under Companies Act, 2013.) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

12 Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good:		
Trade receivables	1,752.71	2,765.21
Less: Allowance against expected credit loss	(88.14)	(113.51)
Total	**1,664.57**	**2,651.70**

A. Break-up for security details:

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	1,664.57	2,651.70
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	88.14	113.51
Total (A)	**1,752.71**	**2,765.21**
Impairment allowance		
Secured, considered good	-	-
Unsecured, considered good	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	(88.14)	(113.51)
Total (B)	**(88.14)**	**(113.51)**
Total (A+B)	1,664.57	2,651.70

Notes:

(i) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) Trade receivables are non-interest bearing and are normally settled in 30-60 days.

(iii) Include INR Nil (March 31, 2023: INR 181.73) from related party (Refer Note 41).

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B. Reconciliation of Impairment allowance on trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Impairment allowance as on beginning of the year	113.51	73.25
Add: Increase in impairment allowance recognised in profit or loss during the year	61.65	33.69
Less: Utilized during the year	(2.29)	
Less: Reversal of provision	(86.21)	-
Add: Exchange difference on translation	1.48	6.57
Impairment allowance as at end of the year	88.14	113.51

C. Ageing of trade receivables

As at March 31, 2024

Particulars	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
			From the due date of payment					
Undisputed trade receivables								
- Considered good	270.84	422.54	704.07	172.21	75.89	21.57	56.48	**1,723.61**
- Which have significant increase in credit risk	-	0.00	0.01	0.00	2.61	-	0.55	**3.17**
- Credit impaired	-	-	-	-	12.47	9.53	3.93	**25.93**
Disputed trade receivables								
- Considered good	-	-	-	-	-	-	-	-
- Which have significant increase in credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-	-
Total	**270.84**	**422.54**	**704.08**	**172.21**	**90.97**	**31.10**	**60.96**	**1,752.71**

As at March 31, 2023

Particulars	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
			From the due date of payment					
Undisputed trade receivables								
- Considered good	844.88	913.45	640.50	79.23	132.73	8.53	32.36	**2,651.68**
- Which have significant increase in credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	0.00	14.36	0.00	14.56	38.51	46.09	**113.52**
Disputed trade receivables								
- Considered good	-	-	-	-	-	-	-	-
- Which have significant increase in credit risk	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-	-
Total	**844.88**	**913.45**	**654.86**	**79.23**	**147.29**	**47.04**	**78.45**	**2,765.20**

Loss allowance as at 31 March 2024 and 31 March 2023 was determined as follows for trade receivables under the simplified approach:

As at March 31, 2024

Particulars	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
			From the due date of payment					
Gross carrying amount – trade receivables	270.34	422.54	704.08	172.21	90.97	31.10	60.96	1,752.71
Expected loss rate	0.00%	0.00%	0.00%	0.00%	16.57%	30.65%	7.35%	1.66%
Expected credit losses– trade receivables	-	0.00	0.01	0.00	15.07	9.53	4.48	29.10
Carrying amount of trade receivables (net of impairment)	270.34	422.54	704.07	172.21	75.90	21.57	56.48	1,723.61

As at March 31, 2023

Particulars	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
			From the due date of payment					
Gross carrying amount – trade receivables	844.88	913.45	654.86	79.23	147.29	47.04	78.45	2,765.20
Expected loss rate	0.00%	0.00%	2.19%	0.00%	9.88%	81.86%	58.75%	4.11%
Expected credit losses– trade receivables	-	0.00	14.36	0.00	14.56	38.51	46.09	113.52
Carrying amount of trade receivables (net of impairment)	844.88	913.45	640.50	79.23	132.73	8.53	32.36	2,651.68

13 Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks*	3,332.76	3,049.49
Deposits with original maturity of less than three months	7,444.41	8,925.24
Total	**10,777.17**	**11,974.73**

* Balances with banks includes balances in Exchange Earners' Foreign Currency Account (EEFC) of INR 6.28 (March 31, 2023: INR 8.13).

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14 Bank balance other than above

Particulars	As at March 31, 2024	As at March 31, 2023
Restricted cash held in separate account*	974.30	1,145.26
Deposit with original maturity of less than 3 months**	-	-
Deposits with original maturity of more than three months but less than twelve months***	3,257.12	3,168.64
Total	4,231.42	4,313.90

* The company uses BBPS account to receive money through debit card/credit card, net banking transaction toward all the transaction occuring on its portal as well as to settle the respective merchants. In line with RBI direction, separate account has been opened which is not available for use by the company. Out of total balance, INR 171.45 (March 31, 2023: INR 171.39) represents amounts held in Citrus wallet by customers which is not available for use by the company.

** Represents amount under lien against overdraft.

*** Includes amount under lien against overdraft , working capital demand loans and DLG provision.

15 Contracts assets and contract liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Contract assets		
Non-current	-	-
Current	173.25	359.13
Total (A)	173.25	359.13
Contract liabilities		
Non-current	-	2.79
Current	109.28	164.88
Total (B)	109.28	167.67
Total (A-B)	63.97	191.46

A. Movement in contract liabilities during the year

(i) Contract assets includes unbilled revenue against the pending negotiations, agreements and PO's for the services provided to customers. The same has increased due to awaiting confirmations from the customers for payments.
Contract liabilities include advance received from customer to deliver services like annual maintenance charges, IT services, etc. Contract liabilities has been increased due to non-fulfilment of performance obligation.

(ii) **Set out below is the amount of revenue recognised from:**

Particulars	For the nine months ended March 31, 2024	For the year ended March 31, 2023
Revenue recognised that was included in the contract liability balance at the beginning of the year	164.88	121.34
Revenue recognised from performance obligations satisfied in previous year	-	-

16 Share capital

Particulars	As at March 31, 2024	As at March 31, 2023
A. Authorised share capital		
4,000,050,000 (March 31, 2023: 2,500,050,000) Equity shares of INR 10 each	40,000.50	25,000.50
999,950,000 (March 31, 2023: 999,950,000) Preference shares of INR 10 each	9,999.50	9,999.50
Issued, subscribed and paid up capital		
3,015,318,862 (March 31, 2023: 2,046,829,027) Equity shares of INR 10 each fully paid up	30,153.18	20,468.29
Total	30,153.18	20,468.29

B. Reconciliation of the number of equity shares and share capital

Particulars	Number of shares	Share capital
As at April 01, 2022	2,034.03	20,340.25
Equity shares issued during the year	12.80	128.04
As at March 31, 2023	2,046.83	20,468.29
Conversion of compulsory convertible debenture into equity shares	6.86	68.64
Equity shares issued during the year	961.62	9,616.25
As at March 31, 2024	3,015.32	30,153.18

C. Rights attached to equity shares:
The Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share. Each holder is entitled to dividends as and when the Company declares and pays dividend after obtaining shareholders' approval. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of any preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

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D. Rights issue

During the financial year 2022-23 & 2023-24, the company has issued shares, details of which are as follows

Particulars	No of shares	Premium	Allotment date	Share capital	Securities premium
Shares allotted to MIH Payments Holdings B.V.	12,803,543	52.10	September 14, 2022	128.04	539.03
Shares allotted to MIH Payments Holdings B.V.	9,435,111	71.40	January 18, 2024	94.35	579.32
Shares allotted to MIH Payments Holdings B.V.	17,075,095	72.54	March 26, 2024	170.75	1,067.88

E. Conversion of compulsory convertible 8% debentures into equity shares:

During the year ended March 31, 2024, the company has converted the compulsory convertible 8% debentures into equity shares.

Particulars	No of shares	Premium	Allotment date	Share capital	Securities premium
Shares allotted to MIH India (Mauritius) Limited	6,864,402	52.40	June 14, 2023	68.64	291.05

F. Pursuant to the Business Combination, the Holding Company has issued 935,115,227 new equity shares during the year ended March 31, 2024. The Holding Company has given the effect to Business Combination in accordance of Appendix C of Ind AS 103. Please refer note 46 for further details.

Particulars	No of shares	Premium	Allotment date	Share capital	Securities premium
Shares allotted to MIH Payments Holding B.V.	796,910,623	70.33	December 14, 2023	7,969.11	48,077.62
Shares allotted to MIH Payments Holding B.V.	138,204,610	71.40	January 29, 2024	1,382.05	8,485.76

G. Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	As at 31 March 2024	As at 31 March 2023
Equity shares issued for acquisition of subsidiaries (refer note:46)	935.12	-

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

Name of shareholder	Relationship	As at March 31, 2024	As at March 31, 2023
MIH India (Mauritius) Limited	Holding company (Till December 19, 2023)		
No. of shares		1	1,462,854,267
Holding %		0.00%	71.47%
MIH Payments Holding B.V.	Holding company (From December 20, 2023)		
No. of shares		3,015,318,861	583,974,760
Holding %		100.00%	28.53%
Total			
No. of shares		3,015,318,862	2,046,829,027
Holding %		100%	100%

On December 20, 2023, MIH India (Mauritius) Limited transferred a total of 1,469,718,668 equity shares to MIH Payments Holding B.V. As a result of this transfer, MIH Payments Holding B.V. became the parent company.

I. Details of Promoter's shareholding and shares held by Holding company

As at March 31, 2024

Promoter name	Relationship	No. of shares	% of total shares	% change during the year
MIH India (Mauritius) Limited	Holding company (Till December 19, 2023)	1	0.00%	(71.56%)
MIH Payments Holding B.V.	Holding company (From December 20, 2023)	3,015,318,861	100.00%	71.56%
		3,015,318,862	100.00%	0.00%

As at March 31, 2023

Promoter name	Relationship	No. of shares	% of total shares	% change during the year
MIH India (Mauritius) Limited	Holding company (Till December 19, 2023)	1,462,854,267	71.47%	(0.45%)
MIH Payments Holding B.V.	Holding company (From December 20, 2023)	583,974,760	28.53%	0.45%
		2,046,829,027	100.00%	(0.00%)

17 Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Securities premium	40,986.39	25,465.80
Statutory reserve	9.70	1.05
Capital reserve	(8,035.95)	(8,039.27)
Retained earnings	(36,542.53)	(24,938.47)
Foreign currency translation reserve	(15.63)	8.26
Additional paid in capital	(0.64)	-
Share based compensation reserve	(1,635.38)	(1,957.80)
Share application money pending allotment	-	7,969.11
	(5,234.04)	(1,491.32)

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Movement of reserves during the year

(i) Securities premium

Balance as at the beginning of the year	25,465.80	15,405.62
Add: Issue of share capital during the year	15,524.39	10,060.18
Less: Share issue expenses	(3.80)	-
Balance as at the end of the year	40,986.39	25,465.80

(ii) Statutory reserve

Balance as at the beginning of the year	1.05	1.05
Add: Additions during the year	8.65	-
Balance as at the end of the year	9.70	1.05

(iii) Capital reserve

Balance as at the beginning of the year	(8,039.27)	(7,792.44)
Add: Adjustment on account of business restructuring	3.32	(246.83)
Balance as at the end of the year	(8,035.95)	(8,039.27)

(iv) Retained earnings

Balance as at the beginning of the year	(24,938.47)	(22,210.67)
Less: Loss for the year	(4,295.11)	(2,748.18)
Add: Remeasurement of defined benefit plans	21.38	20.38
Less: Loss for the acquisition of non controlling interest	(7,321.68)	-
Less: Creation of statutory reserve	(8.65)	-
Balance as at the end of the year	(36,542.53)	(24,938.47)

(v) Foreign currency translation reserve

Balance as at the beginning of the year	8.26	5.57
Add/Less: Additions/extinguishment during the year	(23.89)	2.69
Balance as at the end of the year	(15.63)	8.26

(v) Additional paid in capital

Balance as at the beginning of the year	-	-
Add/Less: Additions/extinguishment during the year	(0.64)	-
Balance as at the end of the year	(0.64)	-

(vi) Share based compensation reserve

A. Compensation for RSU's Granted during the year

Balance as at the beginning of the year	870.76	278.56
Add/Less: Additions/extinguishment during the year	370.13	592.20
Balance as at the end of the year	1,240.90	870.76

B. Cross charge by group company

Balance as at the beginning of the year	(2,828.57)	(963.35)
Add/Less: Additions/extinguishment during the year	(47.71)	(1,865.22)
Balance as at the end of the year	(2,876.28)	(2,828.57)
Share based compensation reserve (net off cross charge)	(1,635.38)	(1,957.81)

(vii) Share application money pending allotment

Balance as at the beginning of the year	7,969.11	7,969.11
Less: Issue of share capital during the year	(7,969.11)	-
Balance as at the end of the year	-	7,969.11

Description of nature and purpose of each reserve

(i) Securities premium
Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of Section 52 the Companies Act, 201

(ii) Statutory reserve u/s 45IA RBI Act
Statutory reserves are created to adhere to requirements of applicable laws and will be utilised in accordance with the said laws.

(iii) Capital reserve
The Capital Reserve comprises reserve created on account of business restructuring/combination and as per the requirements of Ind AS 103 - Appendix C (Refer note 46)

(iv) Retained earnings
Retained earnings are the profits/(loss) that the Group has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholde INR Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

(v) Foreign currency translation reserve
Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

(vi) Share based compensation reserve
The reserve represents Share based compensation reserve by the employees of the company from Prosus N.V. The reserve is used to recognise the fair value of the awards issued to the employees of the company net of cross charge to Prosus N.V. (Refer note 38)

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18 Non - Controlling Interest

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at the beginning of the year	3,928.19	-
Add: Additions during the year		3,928.19
Less: Acquired during the year	(3,928.19)	
Balance as at the end of the year	-	**3,928.19**

Non-controlling interest represents 0.001% compulsory convertible preference shares of subsidiary held by Paysense Pte Ltd.

19 Borrowings
(At amortized cost)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current borrowings		
Secured		
Redeemable non-convertible debentures (Refer note B below)		
- 11.35% Debenture	116.67	233.33
- 8.90% Debenture	350.26	350.00
Term Loans (Refer note C below)		
- from bank	17,452.55	8,616.95
- from other parties (NBFC)	1,363.59	737.97
Less: Current maturity of long term borrowings	(6,645.32)	(3,873.98)
Total (A)	**12,637.75**	**6,064.27**
Current borrowings		
From related party, Unsecured		
8% Compulsorily convertible debentures (Refer note A below)	-	580.40
Others, Secured		
Current maturity of long term borrowings	6,645.32	3,873.98
Bank overdraft (Refer note C below)	2,149.30	2,207.63
Working capital demand loans (Refer note C below)	3,935.99	2,951.91
Unsecured		
Commercial paper (Refer note D below)	5,594.73	485.16
Total (B)	**18,325.34**	**10,099.08**
Total (A+B)	**30,963.09**	**16,163.35**

Notes:

A. Compulsorily convertible debentures:

4,283,387 8% Compulsorily convertible debentures issued at the face value of INR 100 each to MIH India (Mauritius) Limited (Holding company). The debentures are converted into equity shares on June 13, 2023 at the fair value along with the interest accrued thereon. (Refer note 16 E)

B. Redeemable non-convertible debentures :

(i) Terms of debentures

Particulars	Tranchee I (INE0CLA07010)	Tranchee II (INE0CLA07028)
Number of debentures	350	350
Rate of interest - Fixed	11.35%	8.90%
Listed / unlisted	Unlisted	Unlisted
Face value	1,000,000	1,000,000
Date of Issue	November 26, 2021	March 30, 2022
Date of redemption	December 31, 2023 and December 31, 2024	March 13, 2025
Balance outstanding as at March 31, 2024	116.67	350.26
Balance outstanding as at March 31, 2023	233.33	350.00

(ii) Terms of repayment schedule

Particulars	As at March 31, 2024	As at March 31, 2023
Interest RateRange (%)		
Less than 1year	8.90%-11.35%	11.35%
1-3 years	-	8.90% - 11.35%
Carrying amount		
Less than 1year	466.93	116.67
1-3 years	-	466.66

Notes:
(i) Redeemable Non-Convertible Debentures are repayable in tranches/bullet payments.
(ii) All Non convertible debentures are redeemable at par. All the debentures are privately placed.
(iii) No non convertible debentures is guaranteed by the directors and/or other.
(iv) There are no defaults as on balance sheet date in repayment of debt security and interest thereon.
(v) Redeemable Non-Convertible Debentures are secured by pari-passu charge by hypothecation of standard business receivables.

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C. Term Loans, bank overdrafts, working capital demand loans

Term Loans, overdrafts and working capital demand loans of Group are secured by pari passu charge by way of hypothecation on moveable assets , current assets and fixed deposits.

	Particulars	As at March 31, 2024	As at March 31, 2023
(i)	**Term loan from banks:**		
	Interest rate range (%)		
	Less than 1 year	9.35% - 10.70%	8.85% - 10.70%
	1-3 years	9.35% - 10.70%	8.85% - 10.70%
	3 - 5 years	9.55%	-
	Carrying amount		
	Less than 1 year	5,002.31	2,381.84
	1-3 years	9,487.61	6,235.11
	3 - 5 years	2,962.64	-
(ii)	**Term loan from other parties (NBFC):**		
	Interest rate range (%)		
	Less than 1year	10.00%	10.10% - 10.35%
	1-3 years	10.00%	10.10% - 10.35%
	Carrying amount		
	Less than 1 year	1,176.09	675.47
	1-3 years	187.50	62.50

D. Commercial paper:

(i) The commercial paper is repayable on October 29, 2024 ; March 26, 2025 ; May 27, 2024 respectively
(ii) Rate of Interest is 8.92% - 9.50% p.a.

Particulars	Amount	Rate of Interest	Repayable Date
Commercial Paper - Citi Bank	230.00	8.92%	10/29/2024
Commercial Paper - Citi Bank	65.00	9.50%	3/26/2025
Commercial Paper - Citi Bank	285.00	9.50%	5/27/2024

Notes:
(i) No borrowings is guaranteed by the directors and/or others.
(ii) The Group has submitted the quarterly returns and statements of current assets flied by the group with Banks or financial institutions in agreement with its books of accounts.
(iii) The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were was taken.

20 Lease liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Lease liablities (Refer note 4)	764.62	542.15
Total (A)	**764.62**	**542.15**
Current		
Lease liablities (Refer note 4)	202.24	159.82
Total (B)	**202.24**	**159.82**
Total (A+ B)	**966.86**	**701.97**

A. The following is the carrying value of lease liability and movement thereof during the year ended March 31, 2024

Particulars	Amount
As at April 01, 2022	**322.01**
Additions during the year	521.60
Finance cost accrued during the year	37.43
Deletions during the year	-
Payment of lease liabilities	(179.07)
As at March 31, 2023	**701.97**
Additions during the year	452.06
Finance cost accrued during the year	97.17
Deletions during the year	(17.70)
Payment of lease liabilities	(266.64)
As at March 31, 2024	**966.86**

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21 Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Provisions for gratuity (Refer Note 37)	133.14	127.79
Provisions for compensated absences	125.83	104.33
Provisions for default loss guarantee (DLG) (refer note (i) below)	0.00	154.51
Total (A)	258.97	386.63
Current		
Provisions for gratuity (Refer Note 37)	37.64	21.40
Provisions for compensated absences	47.50	46.62
Provisions for default loss guarantee (DLG) (refer note (i) below)	114.85	44.00
Total (B)	199.99	112.02
Total (A+B)	458.96	498.65

(i) **Default Loss Guarantee (DLG) provision**

The Group has service agreement with its customers, whereby the group agrees to compensate its customers for any deficiency in its collection services (Default Loss Guarantee (DLG)) up to mutually agreed limits. The total amount of DLG exposure outstanding as at the period end is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
DLG exposure outstanding as at the year end	1,597.79	2,222.93
	1,597.79	2,222.93

The Group has also placed deposits with banks which have been lien marked in favour of its clients as a security against its contractual obligations. These deposits have been disclosed as "Lien marked" under cash and bank balances.

The Group accounts for the fair value of guarantee in such cases determined based on the probability of default which is based on historical default rate and expectations of future conditions as a provision at year end. The movement of DLG provision is as follows:

Movement in Default Loss Guarantee (DLG) provisions is as follows:

Description	DLG provision
As at April 01, 2022	284.30
Additional provisions recognised	651.08
Utilization during the year	(736.87)
As at March 31, 2023	198.51
Additional provisions recognised	404.00
Utilization during the year	(487.65)
As at March 31, 2024	114.85

22 Other liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Non Current		
Processing Fee defer	397.74	239.18
Total	397.74	239.18
Current		
Statutory liabilities	381.08	300.70
Employee benefits payable	356.25	461.84
Processing Fee defer	392.60	201.24
Other liabilities	4.50	53.05
Total	1,134.43	1,016.83

23 Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables		
- total outstanding dues of micro enterprises and small enterprises and	13.12	27.15
- total outstanding dues of creditors other than micro enterprises and small enterprises	1,932.45	1,794.80
Total	1,945.57	1,821.95

Notes:

(i) Trade payables are non-interest bearing and are normally settled in 30-60 days.
(ii) For explanations on the Group's credit risk management processes (Refer Note 44)
(iii) Includes INR 257.58 (March 31, 2023: INR 70.76) payable to related party (Refer Note 41)

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Ageing of trade payables

As at March 31, 2024

Particulars	Unbilled	Not Due	From the due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables							
Micro enterprises and small enterprises	-	3.17	6.31	3.64	-	-	13.12
Other than micro enterprises and small enterprises	1,487.19	50.08	297.37	75.32	19.13	3.36	1,932.45
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	1,487.19	53.25	303.68	78.96	19.13	3.36	1,945.57

As at March 31, 2023

Particulars	Unbilled	Not Due	From the due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables							
Micro enterprises and small enterprises	-	8.35	18.81	-	-	-	27.16
Other than micro enterprises and small enterprises	1,362.10	83.15	177.54	55.93	8.68	107.39	1,794.79
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	1,362.10	91.50	196.35	55.93	8.68	107.39	1,821.95

24 Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Employee stock options plan payable*	366.72	778.63
Total (A)	366.72	778.63
Current		
Security deposits received from merchant	632.37	418.33
Employee stock options plan payable*	1,589.66	2,074.11
Compensation payable towards settlement of stock options	-	63.53
Chargeback payable	251.05	134.91
Payable to merchants	749.01	260.02
Merchant balance held in bank	321.01	868.75
Customer repayment liability**	12.89	42.46
Amount refundable to consumers***	171.45	171.39
Management service charge****	585.69	204.05
Payable to MIH on account of business acquisition (Refer Note 46)	-	768.62
Cashback payable	18.65	-
Collection payable on account of assigned loans	117.47	50.99
Others	162.44	25.32
Total (B)	4,611.69	5,082.48
Total (A+B)	4,978.41	5,861.11

* Employee stock options plan payable represents amount payable to employees on account of share appreciation rights.
** The Group has arrangements for nodal accounts with various banks. The nodal accounts are operated as per Reserve Bank of India (RBI) guidelines pertaining to settlement of payments for electronic payment transactions involving intermediaries. The balance in nodal accounts represents money collected from customers on transactions undertaken and is used for settling dues to various merchants as per RBI guidelines.
*** This represents the amount lying under citrus wallet.
**** Includes INR 327.08 (March 31, 2023: INR 370.98) payable to related party (Refer Note 41)

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	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
25	**Revenue from contracts with customers**		
A.	Sale of service		
	- Payment Service provider	34,128.85	29,736.35
	- Technology service provider	2,196.37	2,417.87
	- 'Financial services	7,221.02	5,582.07
B.	Other operating revenue	1,063.63	685.79
	Total revenue covered under Ind-AS 115	**44,609.87**	**38,422.08**

Disaggregated details of revenue:

The disaggregation of the Group's revenues from contracts with customers is given below:

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A.	**Sale of service**		
(i)	**Payment Service provider**		
	Payment Service provider	33,490.94	29,736.35
	Others	637.91	-
	Total	**34,128.85**	**29,736.35**
(ii)	**Technology service provider**		
	Transaction fees	1,696.13	1,510.31
	Software development and support services	265.54	546.40
	Others	234.70	361.16
	Total	**2,196.37**	**2,417.87**
(iii)	**Financial services**		
	Interest income on loans measured at amortized cost	5,475.63	4,368.27
	Commission income	248.59	257.96
	Service and Fee income	1,012.57	433.58
	Information technology service income	-	-
	Assignment of loans	484.23	522.26
	Total	**7,221.02**	**5,582.07**
	Total (A)	**43,546.24**	**37,736.29**
B.	**Other operating revenue**	1,063.63	685.79
	Total (B)	**1,063.63**	**685.79**
	Revenue from operations (A+B)	**44,609.87**	**38,422.08**

Notes:

(i) Geographical disaggregation

In the following tables, revenue is disaggregated by geography. This is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108. The group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Within India	43,933.40	37,502.80
Outside India	676.47	919.28
Total	**44,609.87**	**38,422.08**

(ii) Unsatisfied performance obligation

The following table shows unsatisfied performance obligations resulting from fixed-price long-term contracts.

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Aggregate amount of the transaction price allocated to long-term contracts that are partially or fully unsatisfied as at reporting date	109.28	167.66
(b)	Management expects that the transaction price allocated to the unsatisfied contracts will be recognised as revenue		
	- during the next reporting year	109.28	164.88
	- Remaining there after	-	2.78

(iii) Timing of revenue recognition

Revenue from sale of services and other operating revenue are transferred to the customers at a point in time, whereas revenue from software support services and perocessing fee is transferred over a period of time.

(iv) The Group has determined that its contracts with customers do not contain a significant financing component and variable consideration, and therefore the related disclosures have not been given.

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26 Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income on		
- Bank deposits	322.79	181.14
- Security deposits	6.62	3.52
- Income tax refund	56.83	4.73
- Loans	0.01	-
Provision no longer required written back	0.67	54.15
Liability written back	2.55	37.16
Gain on disposal of property, plant and equipment (net)	1.32	-
Miscellaneous income	302.74	206.48
Total	**693.53**	**487.18**

27 Cost of services

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Credit business		
Interest on borrowings for finance business	1,549.63	757.29
Digital Payment business		
Payment gateway cost	29,352.15	24,453.90
Collection and repayment expenses	451.89	308.02
Loan processing and verification charges	126.85	109.35
Sales support expenses	768.85	410.69
Data centre charges	8.59	-
Data card charges	-	58.23
Software subscription charges	122.66	111.15
First loss default guarantee (FLDG) expenses	403.99	66.62
Service fee and commission expense	864.22	1,015.03
Loss on foreclosure charges	-	12.45
Software licence and hosting fee	46.09	41.27
Card printing Charges	1.15	10.72
SMS Charges	214.57	156.94
Other cost of services	67.31	181.68
Total	**33,977.95**	**27,693.34**

28 Employee benefits expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus (Refer note 37)	5,491.74	5,397.05
Contribution to provident and other funds	222.07	211.30
Compensated absences	63.66	70.66
Gratuity expenses (Refer note 37)	66.22	60.29
Share based payment expense (Refer note 38)	1,162.20	2,375.89
Staff welfare expenses	102.83	90.59
Total	**7,108.72**	**8,205.79**

29 Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on :		
-Financial liabilities measured at amortised cost		
- Borrowings	8.42	50.10
- Lease liabilities	97.17	37.43
- Micro, small and medium enterprises	3.36	0.67
Total	**108.95**	**88.20**

30 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment (Refer note 3)	47.10	34.07
Depreciation on right-of-use assets (Refer note 4)	236.70	152.90
Amortisation of intangible assets (Refer note 5)	51.38	59.42
Total	**335.18**	**246.39**

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31 Impairment allowance and write-off of financial assets

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Impairment allowance on loans and receivables		
Excepted credit loss	382.74	656.12
Written off**	1,811.21	854.07
Bad debts recovered	-	-
Total (A)	2,193.95	1,510.19
Impairment allowance on other financial assets		
Excepted credit loss		
Trade receivables	58.94	33.69
Excess interest receivable	7.01	2.50
Other receivables*	4.88	-
Written off		
Trade receivable written off	27.13	1.33
Receivables written off	125.66	187.61
Total (B)	223.62	225.13
Total (A+B)	2,417.57	1,735.32

Notes:

* Impairment on loans, receivables and consumer receivables is netted off / adjusted with accrual related to First Loss Default Guarantee (FLDG) arrangements amounting to INR 374.28 (March 31, 2023 INR 262.80)

** The group in accordance with its policy has written off loan assets amounting to Rs. INR 1,365.81 (March 31, 2023: INR 818.09) which are overdue for more than 180 days and consumer receivables amounting to INR 445.40 (March 31, 2023: INR 891.57) which are overdue for more than 90 days, out of which Nil (March 31, 2023: INR 855.59) has been disclosed as exceptional items

32 Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Marketing and promotional expenses	184.72	575.91
IT and related costs	357.33	176.39
Legal and professional expenses	873.62	614.83
Management Fees (refer note 41) (#)	484.28	577.74
Hosting and bandwidth expense	832.32	660.55
Rates, taxes and fees	74.21	66.87
Provision for chargeback	134.96	48.78
Travelling and conveyance	137.45	124.15
Office maintenance	358.28	219.77
Auditors remuneration	43.98	13.57
Communication	41.74	33.74
CSR Expenditure	3.17	-
Bank charges	14.24	8.62
Power and Fuel	24.32	11.38
Insurance	10.04	2.36
Loss on foreign currency transactions and translations (net)	38.63	80.44
License Fees - Thought Machine	186.75	-
Rent (Refer note 4)	170.35	190.89
Repairs & maintenance	59.78	90.68
Support services fee	0.28	0.18
Net (loss) on disposal of property, plant and equipment	-	1.90
Miscellaneous expenses	22.21	8.53
Director sitting fees	0.40	-
Total	4,053.06	3,507.28

\# PayU Payments Private Limited has entered into an Unilateral Advance Pricing Agreement ("APA") with the Central Board of Direct Taxes ("CBDT") on August 28, 2023 pertaining to the international transaction of payment of management cross charges to its associated enterprise ('AE") namely MIH Payments Holdings B.V. Netherlands. The terms of the said APA entered with the CBDT shall apply to consecutive five years commencing from FY 2020-21 to FY 2024-25. As per the terms of the agreed APA, the aforementioned transaction shall be considered to be at arm's length, if it does not exceed 3% of the operating revenue from the third parties.

For Financial year 2021-22, where the expense was more than 3% of the operating revenue, PayU Payments Private Limited has raised an invoice to its AE and will bring back money in India. Also, PayU shall file modified tax returns for the respective financial year showing INR 189.42 as income.

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33 Exceptional Item

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employee benefit expense*	(36.54)	(87.49)
Loss allowance on loan assets**	-	(855.59)
Profit on sale of investment***	-	619.24
Total	(36.54)	(323.84)

* These costs pertain to expenses incurred in the process of rightsizing as part of a restructuring program aimed at optimizing the utilization of the workforce. During the financial year ended on March 31, 2023, the Group implemented workforce reductions through layoffs.

** During the year ended March 31, 2023, the Group has discontinued disbursement of credit facilities, to pre-paid payment instruments ("PPI"), namely Lazy Card pursuant to certain regulatory developments including but not limited to instruction dated June 20, 2022 issued by the Department of Payment and Settlement Systems (DPSS) of Reserve Bank of India to Authorised Non-bank Prepaid Payment Instrument (PPI) Issuers clarifying that in terms of paragraph 7.5 of the Master Directions on Prepaid Payment Instruments (PPIs) dated August 27, 2021 as amended from time to time, PPI cannot be loaded/ reloaded from credit lines, and circular dated September 2, 2022 bearing reference number DOR CRE REC. 66/21 07 001/2022-23 on Guidelines on Digital Lending which led to a loss INR 855.59.

*** The company has disposed off 100% of its Compulsory Convertible Preference Shares in PayU Finance India Private Limited to Paysense Pte Limited for a consideration of INR 4,547.43 on December 23, 2022. The divestment has been approved by the board of the Group in their board meeting held on December 19, 2022. Gain on sale of such shares is disclosed as an exceptional item in the consolidated statement of profit and loss.

34 Tax expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax expense*	1,412.16	1.08
Deferred tax expense / (benefit)	148.38	(143.80)
Total	1,560.54	(142.72)

* One of the subsidiary of the group, Wibmo Inc has paid taxes amounting to INR 1,393.41 in USA jurisdiction on account of transfer of Enstage Software Private Limited by Wibmo Inc to MIH Payments Holding B.V. pursuant to change in shareholding structure.

The Income tax expense for the year can be reconciled to the accounting profit as follows:

Profit/ (Loss) before tax	(2,734.57)	(2,898.98)
Income tax using the Company's domestic tax rate*	25.17%	25.17%
Expected tax expense	(682.98)	(718.19)
Tax effects of amounts which are deductible for taxable income	(612.58)	(292.65)
Tax related to expenses not deductible for income tax	410.13	714.85
Losses and unabsorbed depreciation on which deferred tax not recognised	1,253.90	249.54
Other temporary difference on which deferred tax not recognised	(15.97)	12.95
Effect of change in tax rate	-	-
Tax effect of higher tax rate in different jurisdiction	(5.33)	(9.41)
Tax on capital gain recognised	1,393.41	-
Reversal of deferred tax asset	148.38	-
Others		-
Other items	(324.87)	(61.08)
Profit on sale of investments	(0.00)	(35.16)
Depreciation and amortisation on PPE and intangbles	(3.55)	(3.55)
Income tax recognized in the statement of Profit or Loss	1,560.54	(142.72)

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PayU Payments Private Limited

PayU Payments Private Limited
CIN: U72400MH2006PTC293037
Notes to Consolidated Financial Statements for the year ended March 31, 2024
Amounts in INR millions, unless otherwise stated

Deferred tax

(i) The balance comprises temporary differences attributable to:

Particulars	March 31, 2024	March 31, 2023
Deferred tax asset		
Provision for employee benefits	74.62	499.45
Share based payments	478.00	49.29
Provision for first loss default guarantee (FLDG)	28.91	49.96
Security deposit	0.66	4.29
Loss allowance on financial assets	513.30	100.90
Provision for chargeback	63.20	33.96
Provision for impairment of investments	268.75	-
Lease liability	243.35	174.55
Revenue adjustment-ICDS impact	17.97	28.20
Net foreign exchange differences (unrealised)	0.38	-
Disallowance due to non deduction of TDS	-	26.93
Deferred Revenue	3.08	12.38
Other items	0.50	0.50
Carry forward tax losses	4,861.14	3,795.03
Total deferred tax asset (A)	**6,553.87**	**4,775.43**
Deferred tax liability		
Property, plant and equipment and Intangibles	84.67	1,965.29
Right of use asset (ROU)	228.15	168.57
Receivable on account of FLDG	94.20	-
State deferred tax credit	36.61	9.77
Unamortized processing fee - borrowing	17.88	5.76
Excess Interest receivable	116.32	44.63
Total deferred tax liabilty (B)	**577.82**	**2,194.02**
Deferred tax asset (net) (A-B)	**5,976.05**	**2,581.41**
Deferred tax asset restricted to deferred tax liability (C)	**577.82**	**2,194.02**
Deferred tax asset recognized	-	**147.32**

Note:
1. The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the resultant deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
2. Group has not recognized a net deferred tax asset on account of uncertainty on availability of future taxable profits which can be utilized against these brought forward tax losses. Further, allowability of brought forward tax losses of company may be scrutinized by tax authorities in future.

(ii) Unused tax losses on which no deferred tax asset is recognised in Balance sheet

	March 31, 2024	March 31, 2023
Unused tax losses	15,143.52	10,929.51
Tax impact on unused tax losses	3,811.32	2,750.74
Unused depreciation allowance	4,170.54	4,148.73
Tax impact on unused depreciation allowance	1,049.64	1,044.15

Note:
The Group has tax losses which arose in India (except in case of Wibmo) and that are available for offsetting for eight years against future taxable profits of the Group in which the losses arose. Majority of these losses will expire between March 2024 to March 2030. The Group also has unused depreciation allowance which arose in India (except in case of Wibmo) and which is available for offsetting for indefinite period against future taxable profits of the Group in which the losses arose.

The aforesaid tax losses and unabsorbed depreciation will lapse in the subsequent years as follows

	March 31, 2024	March 31, 2023
Within 0-5 years	3,837.66	4,920.00
From 5-10 years	8,967.94	5,385.34
Unlimited	6,508.46	4,772.90

35 Components of Other Comprehensive Income (OCI)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Items that will be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(23.89)	2.69
B. Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	21.38	20.38
Total	**(2.51)**	**23.07**

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Amounts in INR millions, unless otherwise stated

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
36 Earnings per equity share		
Face value per share	10	10
Loss for the year attributable to the equity shareholders (A)	(4,295.11)	(2,748.18)
Weighted average number of equity shares outstanding during the year (B)	2,851,424,724	2,837,916,663
Earnings per share (A/B)		
Basic EPS	(1.51)	(0.97)
Diluted EPS	(1.51)	(0.97)

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Amounts in INR millions, unless otherwise stated

37 Employee benefits

(a) 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.

The Group has recognised the following amounts for Employer's contributions to the Provident Fund, Employee State Insurance, National Pension Scheme and Labour Welfare Fund contribution in the Restated Consolidated Statement of Profit and Loss. The contributions payable to the plan by the Group is at the rate specified in rules to the scheme.

The Group has recognized the following amounts in the Consolidated Statement of Profit and Loss:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contributions to provident fund	221.49	210.82
Other funds	0.58	0.46

(b) Defined benefit plans - Gratuity

The Group provides for gratuity for employees as per Payment of Gratuity Act, 1972 as amended. Employees who are in continuous service for 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month proportionately for 15 days salary multiplied for number of completed years of service. The gratuity scheme covers substantially all regular employees. Commitments are actuarially determined at year-end. Gains and losses of changed actuarial assumptions are charged to Other comprehensive income.

A. Gratuity is a defined benefit plan and Group is exposed to the following risks:

(i) Interest rate risk:
A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision.

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

(iii) Asset Liability Matching Risk:
The plan faces the ALM risk as to the matching cash flow. Group has to manage pay-out based on pay as you go basis from own funds.

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

B. Actuarial Assumptions

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate	6.90% - 7.13%	7.13% - 7.39%
Salary escalation rate	8.00%	8.00% - 10.00%
Expected future working life	1.11 - 30.98	3.93 - 28.68
Mortality table	100% IALM (2012-2014)	IALM (2012-2014)
Withdrawal rates (in %age)		
Up to 30 years	5% - 52%	20% - 25%
From 31 to 44 years	5% - 52%	20% - 25%
Above 44 years	5% - 52%	24% - 25%
Retirement age	60 years	60 years

C. The following tables summarises the components of net benefit expense/ income recognised in the Consolidated Statement of Profit and Loss, Consolidated Other Comprehensive Income and amounts recognised in the Consolidated Balance Sheet :

(i) Changes in defined benefit obligation

Particulars	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation at the beginning of the year	171.25	147.12
Acquisition adjustment	-	-
Interest cost	12.45	9.90
Past service cost	(4.54)	0.00
Current service cost	59.93	51.94
Benefit paid directly by the Group	(23)	(17)
Actuarial (gain) /loss	(19.69)	(21.20)
Defined benefit obligation at the end of the year	**196.16**	**171.25**

(ii) Changes in the fair value of plan assets

Particulars	As at March 31, 2024	As at March 31, 2023
Fair Value of plan assets at the beginning of the year	22.06	21.33
Expected Interest income	1.63	1.55
Contributions	-	-
Benefits paid	-	-
Actuarial gain /(loss)	1.69	(0.82)
Fair value of plan assets at the end of the year	**25.39**	**22.06**

(iii) Bifurcation of present benefit obligation (PBO) at the end of year in current and non current provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Current	37.64	21.40
Non-current	133.14	127.79
Total PBO at the end of year	**170.78**	**149.19**

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Amounts in INR millions, unless otherwise stated

(iv) Amount included in the Consolidated Balance Sheet arising in respect of its defined benefit obligation/plans

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation/ plans	196.16	171.25
Fair value of plan assets	25.39	22.06
Net defined benefit obligation	**170.78**	**149.19**

(v) Amount recognised in the Consolidated Statement of Profit and Loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost	59.93	51.94
Past service cost	(4.54)	0.00
Interest cost	12.45	9.90
Actual return on plan assets	(1.62)	(1.55)
Expenses recognized in the Consolidated Statement of Profit and Loss	**66.22**	**60.29**

(vi) Amount recognised in the Consolidated Other Comprehensive Income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Return on plan assets, excluding amounts included in interest (expense)/income	1.69	(0.82)
Gain/(loss) from change in demographic assumptions	7.80	31.59
Gain/(loss) from change in financial assumptions	2.96	31.99
Experience gains/(losses)	8.92	(42.37)
Total amount recognised in other comprehensive income	**21.38**	**20.38**

(vii) Sensitivity analysis for the defined benefit obligations*

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Impact of change in discount rate		
Present value of obligation at the end of the year	196.16	171.25
- Impact due to increase in 0.50% - 1%	(4.12)	(4.97)
- Impact due to decrease in 0.50% - 1%	4.22	5.32
Impact of the change in salary increase		
Present value of obligation at the end of the year	196.16	171.25
- Impact due to increase in 0.50% - 1%	3.96	4.74
- Impact due to decrease in 0.50% - 1%	(3.91)	(4.58)

*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 Consolidated Balance Sheet.

(viii) The expected maturity analysis of gratuity is as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Within the next 12 months	37.64	21.40
Between 2 and 5 years	104.33	90.44
Between 5 and 10 years	60.26	66.57
Total Expected Payments	**202.23**	**178.41**

(ix) Average duration of defined benefit obligations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Average duration of defined benefit obligations	1.83 - 14.35	3.43 - 3.86

(x) The major categories of plans assets are as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Funds managed by Insurer	25.39	22.06
Total	**25.39**	**22.06**

The group has invested during the year ended March 31, 2022 in gratuity funds which is administered through Life Insurance Corporation of India.

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Amounts in INR millions, unless otherwise stated

38 Share based payments

A. 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 founded 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.

B. RESTRICTED STOCK UNITS AND SHARE APPRECIATION RIGHTS

i. Restricted Stock - Equity Settled Share Based Payment Arrangement:

The details of the change in options issued by the group under various share based plans are as follows:-

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 Nasper'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 Bermudan Binomial option pricing model, using the following inputs and assumptions:

	31 March 2024	31 March 2023
Weighted average fair value at measurement date (in ZAR)	-	3,251.25
Weighted average exercise price (in ZAR)	-	2,600.00
Weighted average expected volatility (in %), determined using historical annual company valuations	-	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	-	1.72%
Weighted average annual sub-optimal rate	-	180.00%

b) Changes in options during the year

Particulars	31 March 2024		31 March 2023	
	Number of options	Weighted average exercise price (ZAR)	Number of options	Weighted average exercise price (ZAR)
Balance at the beginning of the year	162	-	555	-
Granted during the year	-	-	-	-
Movements (In/Out)	-	-	-	-
Forfeited during the year	-	-	(190)	-
Exercised during the year	(162)	2,600	(203)	2,600
Expired during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Balance at the end of the year	-	-	162	-

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 (2021: 6.24 years)

B. PROSUS RSU (EUR):

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.

a) Fair value of the options.

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:

	31 March 2024	31 March 2023
Weighted average fair value at measurement date (in EUR)	49.49- 66.35	62.71
Weighted average share price (in EUR)	49.49- 66.35	
Weighted average exercise price	0.00	0.00
Weighted average expected volatility (in %) - determined using historical daily share prices	0.01%	0.00%
Weighted average option life (in years)	10	10.00
Weighted average dividend yield (in %)	0%	0%
Weighted average risk-free interest rate (in %), based on zero rate bond yield	2.44% - 2.48%	1.72%
Weighted average annual sub-optimal rate (%)	180%	180%
Weighted average vesting period (years)	2.51	2.5 - 3.00

b) Changes in options during the year

Particulars	2023-24	2022-23
	Number of options	
Balance at the beginning of the year	476,366	153,002
Movements (In/Out)	10,115	(11,297)
Granted during the year	308,790	443,618
Forfeited during the year	(90,527)	(82,658)
Exercised during the year	(119,680)	(37,272)
Reorganisation	4,237	-
Expired during the year	(7,992)	10,973
Balance at the end of the year	581,309	476,366

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c) Share options outstanding at the end of the year

The share option outstanding at the end of year had remaining contractual life of 9.05 years (2023: 9.24)

ii. Share Appreciation Rights (SARs)- Cash Settled Share Based Payment Arrangement)

C. MIH Fintech Holdings SAR Plan (Global Payments)

During the year MIH Fintech Holding BV SAR plan and MIH Payments Holdings BV SAR Plan (2022) have been merged as one plan namely MIH Fintech Holdings SAR Plan (Global Payments).
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 Nasper's level. All offers vest equally over four years. SAR offers expire after 10 years from date of offer.

a) Fair value of the options

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:

	31 March 2024	31 March 2023
Weighted average fair value at measurement date (in US$)	3.75	-
Weighted average share price (in US$)	9.83	-
Weighted average exercise price (in US$)	10.63	-
Weighted average expected volatility (in %),	46.40%	-
Weighted average option life (in years)	6.01	-
Weighted average dividend yield (in %)	0.00%	-
Weighted average risk-free interest rate (in	4.08%	-
Weighted average sub-optimal rate (in %)	180%	-
Weighted average vesting period (in years)	2.50	-

b) Changes in SAR during the year:

Particulars	31 March 2024 Number of options	31 March 2024 Weighted average exercise price (USD)	31 March 2023 Number of options	31 March 2023 Weighted average exercise price (USD)
Balance at the beginning of the year	631,930	51.40 - 100.39	48,564	99.73
Granted during the year	65,851	10.63	-	-
Movements (In/Out)	(7,675)	51.40 - 82.86	6,304	95.18
Forfeited during the year	(201,806)	20.59 - 104.56	(5,104)	113.80
Exercised during the year	(129,459)	31.01 - 86.60	(8,920)	88.66
Reinstatement	101,852	13.04	-	-
Expired during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Balance at the end of the year	460,693	55.97-101.76	40,844	100.39
Vested	221,987		27,229	
Unvested	238,706		13,615	

	31 March 2024 Weighted average exercise price (in US$)	31 March 2024 Weighted average remaining contractual life (years)	31 March 2023 Weighted average exercise price (in US$)	31 March 2023 Weighted average remaining contractual life (years)
MIH Fintech Holdings SAR Plan (Global Payments)	40.83 - 140.26	3.24 - 7.34	100.39	6.74- 7.54

D. 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 Nasper's level. All offers vest equally over four years. SAR offers expire after 10 years from date of offer.During the year MIH Fintech Holding BV SAR plan and MIH Payments Holdings BV SAR Plan (2022) have been merged as one plan namely MIH Fintech Holdings SAR Plan (Global Payments)

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:

	31 March 2024	31 March 2023
Weighted average fair value at measurement date (in US$)	-	3.93
Weighted average share price (in US$)	-	9.80
Weighted average exercise price (in US$)	-	10.01
Weighted average expected volatility (in %), determined using historical annual Group valuations	-	46.87%
Weighted average option life (in years)	-	6.00
Weighted average dividend yield (in %)	-	0
Weighted average risk-free interest rate (in %), based on zero rate bond yield	-	4.00%
Weighted average sub-optimal rate (in %)	-	180%
Weighted average vesting period (in years)	-	2.50

b) Changes in SAR during the year:

Particulars	31 March 2024 Number of options	31 March 2024 Weighted average exercise price (ZAR)	31 March 2023 Number of options	31 March 2023 Weighted average exercise price (ZAR)
Balance at the beginning of the year	318,739	9.22	130,081	8.07
Granted during the year	-	-	188,658	10.01
Movements (In/Out)	(318,739)	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Balance at the end of the year	-	-	318,739	9.22

c) At the year end nil (2023:52,857) SARs are vested and the balance Nil (2023:265,882)SARs are unvested

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E. MIH Payments Holdings BV SAR Plan (2022)

Under the PayU Global 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 cash-settled at Nasper's level. All offers vest equally over four years. SAR offers expire after 10 years from date of offer. During the year,plan has been merged with new MIH Fintech Holdings SAR Plan (Global Payments).

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:

	31 March 2024	31 March 2023
Weighted average fair value at measurement date (in US$)	31.81 - 40.31	32.37 - 38.02
Weighted average share price (in US$)	72.99	81.21
Weighted average exercise price (in US$)	87.62	76.72
Weighted average expected volatility (in %), determined using historical annual company valuations	42.04% - 42.88%	41.7% - 45.19%
Weighted average option life (in years)	8.85 - 10	6
Weighted average dividend yield (in %)	0	0
Weighted average risk-free interest rate (in %), based on zero rate bond yield	3.84% - 3.97%	3.58%
Weighted average sub-optimal rate (in %)	180%	180%
Weighted average vesting period (in years)	2.5	2.5

b) Changes in SAR during the year:

Particulars	31 March 2024 Number of options	31 March 2024 Weighted average exercise price (USD)	31 March 2023 Number of options	31 March 2023 Weighted average exercise price (USD)
Balance at the beginning of the year	299,737	76.17	39,322	72.89
Granted during the year	21,455	87.62	291,607	76.65 - 76.72
Movements (In/Out)	(264,540)	-	-	-
Forfeited during the year	(1,947)	76.65	(31,053)	76.65 - 76.83
Exercised during the year	(2,672)	76.07	(139)	72.89
Expired during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Balance at the end of the year	**52,033**	**80.40**	**299,737**	**76.17**
Vested	5,163		10,533	
Unvested	46,870		289,204	

	31 March 2024 Weighted average exercise price (in US$)	31 March 2024 Weighted average remaining contractual life (years)	31 March 2023 Weighted average exercise price (in US$)	31 March 2023 Weighted average remaining contractual life (years)
MIH Payments Holdings BV SAR Plan (2022)	72.89 - 86.62	4.25 - 8.21	76.17 - 76.65	5.26 - 8.96

F. MIH Payments Holdings SAR Plan (India Payments)

During the year Naspers Fintech BV SAR Scheme ('Naspers Fintech') and PayU Global BV SAR Plan (2020) have been merged as one plan namely MIH Payments Holdings SAR Plan (India Payments).

a) Fair value of the options

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

	31 March 2024	31 March 2023
Weighted average fair value at measurement date (in US$)	32.87 - 40.03	-
Weighted average share price (in US$)	72.99 - 87.62	-
Weighted average exercise price (in US$)	87.62	-
Weighted average expected volatility (in %), determined using historical annual company valuations	42.04% - 42.40%	-
Weighted average option life (in years)	9.57 - 10.01	-
Weighted average dividend yield (in %)	0.00%	-
Weighted average risk-free interest rate (in %), based on zero rate bond yield	3.84% - 3.88%	-
Weighted average sub-optimal rate (in %)	180%	-
Weighted average vesting period (in years)	2.50	-

b) Changes in SAR during the year:

Particulars	31 March 2024 Number of options	31 March 2024 Weighted average exercise price (USD)	31 March 2023 Number of options	31 March 2023 Weighted average exercise price (USD)
Balance at the beginning of the year	261,635	76.29	-	-
Granted during the year	155,129	87.62	-	-
Movements (In/Out)	2,905	76.29 - 76.65	-	-
Forfeited during the year	(15,047)	79.43	-	-
Exercised during the year	(9,545)	76.11	-	-
Reinstatement	261	76.65		
Expired during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Balance at the end of the year	**395,338**	**80.53 - 84.90**	-	-
Vested	62,031			
Unvested	333,307			

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

Exercise prices (in US$)	SARs outstanding: Number outstanding at 31 March 2024	SARs outstanding: Weighted average remaining contractual life (years)	SARs outstanding: Weighted average exercise price (in US$)	SARs currently available: Exercisable at 31 March 2024	SARs currently available: Weighted average exercise price (in US$)
87.62	151,206	8.88 - 9.25	87.62		-
76.65	193,075	4.25	76.65	[illegible]	76.65
77.45	23,241	4.92	77.45	5,810	77.45
72.89	27,816	7.96	72.89	13,343	72.89
	386,388		**80.53**	**62,031**	**78.91**

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G. 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-settled at 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.During the year, plan has been merged with new plan namely MIH Payments Holdings SAR Plan (India Payments).

a) Fair value of the options.
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:

	31 March 2024	31 March 2023
Weighted average fair value at measurement date (in EUR)	-	3.93
Weighted average share price (in EUR)	-	9.80
Weighted average exercise price	-	10.01
Weighted average expected volatility (in %) - determined using historical daily share prices	-	46.90%
Weighted average option life (in years)	-	6.00
Weighted average dividend yield (in %)	-	0%
Weighted average risk-free interest rate (in %), based on zero rate bond yield	-	3.60%
Weighted average annual sub-optimal rate (%)	-	180%
Weighted average vesting period (years)	-	2.50

b) Changes in SAR during the year:

Particulars	31 March 2024 Number of options	31 March 2024 Weighted average exercise price (ZAR)	31 March 2023 Number of options	31 March 2023 Weighted average exercise price (ZAR)
Balance at the beginning of the year	105,445	92.59	138,135	88.35
Granted during the year	-	-	(668)	88.35
Movements (In/Out)	(105,445)	-	-	-
Forfeited during the year	-	-	(3,013)	94.11
Exercised during the year	-	-	(29,009)	72.32
Expired during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Balance at the end of the year	-	-	105,445	92.59

At the year end, Nil (2023: 77,689) SARs are vested and the balance Nil (2023: 27,756) SARs are unvested.

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

Exercise prices (in US$)	SARs outstanding: Number outstanding at 31 March 2023	SARs outstanding: Weighted average remaining contractual life (years)	SARs outstanding: Weighted average exercise price (in US$)	SARs currently available: Exercisable at 31 March 2023	SARs currently available: Weighted average exercise price (in US$)
39.1	21	0.95	39.10	21	39.10
40.63	1,494	2.47	40.63	1,494	40.63
40.92	1,629	3.43	40.92	1,629	40.92
58.44	1,619	4.24	58.44	1,619	58.44
75.16	2,132	5.25	75.16	2,132	75.16
95.18	98,550	6.39	95.18	70,794	95.18
	105,445		**92.59**	**77,689**	**91.66**

H. PayU Global BV SAR Plan (2020)

Under the PayU Global 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 cash-settled at Naspers's level. All offers vest equally over four years. SAR offers expire after 10 years from date of offer.During the year,plan has been merged with new plan namely MIH Payments Holdings SAR Plan (India Payments).

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:

	31 March 2024	31 March 2023
Weighted average fair value at measurement date (in US$)	-	9.21 - 10.19
Weighted average share price (in US$)	-	32.01
Weighted average exercise price (in US$)	-	46.92
Weighted average expected volatility (in %), determined using historical annual company valuations	-	41.7% - 45.19%
Weighted average option life (in years)	-	6.00
Weighted average dividend yield (in %)	-	0
Weighted average risk-free interest rate (in %), based on zero rate bond yield	-	3.6%
Weighted average sub-optimal rate (in %)	-	180%
Weighted average vesting period (in years)	-	2.50

b) Changes in SAR during the year:

Particulars	31 March 2024 Number of options	31 March 2024 Weighted average exercise price (USD)	31 March 2023 Number of options	31 March 2023 Weighted average exercise price (USD)
Balance at the beginning of the year	160,311	111.99	204,583	109.06
Granted during the year	-	-	(545)	109.13
Movements (In/Out)	(160,311)	-	114	-
Forfeited during the year	-	-	(26,206)	109.15
Exercised during the year	-	-	(17,635)	82.86
Expired during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Balance at the end of the year	-		160,311	111.99
Vested	-		58,223	
Unvested	-		102,088	

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	31 March 2024		31 March 2023	
	Weighted average exercise price (in US$)	Weighted average remaining contractual life (years)	Weighted average exercise price (in US$)	Weighted average remaining contractual life (years)
PayU Global BV SAR Plan (2020)	-	-	82.86 - 140.26	7.54 - 8.41

I. PayU Credit BV SAR Plan

Under the PayU Credit 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 cash-settled at Nasper'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:

	31 March 2024	31 March 2023
Weighted average fair value at measurement date (in US$)	8.89 - 34.80	34.11 - 37.15
Weighted average share price (in US$)	35.08	61.63
Weighted average exercise price (in US$)	23.53 - 56.97	23.53 - 45.92
Weighted average expected volatility (in %), determined using historical annual company valuations	81.39%	80.20%
Weighted average option life (in years)	6.01	6.01
Weighted average dividend yield (in %)	0	0
Weighted average risk-free interest rate (in %), based on zero rate bond yield	4.08%	3.60%
Weighted average sub-optimal rate (in %)	180%	180%
Weighted average vesting period (in years)	2.51	2.50

b) Changes in SAR during the year:

	31 March 2024		31 March 2023	
Particulars	Number of options	Weighted average exercise price (USD)	Number of options	Weighted average exercise price (USD)
Balance at the beginning of the year	683,942	32.17	636,564	32.96
Granted during the year	18,320	56.97	182,482	-
Movements (In/Out)	(82,383)	32.17	(1,524)	32.75
Forfeited during the year	(211,525)	32.59	(66,006)	38.45
Exercised during the year	(233,528)	36.72	(67,574)	27.98
Reinstatement	7,648	33.57	-	
Expired during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Balance at the end of the year	**182,474**	**41.61**	**683,942**	**32.17**
Vested	45,030		146,596	
Unvested	137,444		537,346	

	31 March 2024		31 March 2023	
	Weighted average exercise price (in US$)	Weighted average remaining contractual life (years)	Weighted average exercise price (in US$)	Weighted average remaining contractual life (years)
PayU Credit BV SAR Plan	23.53 - 56.97	4.25-7.54	23.53 - 45.92	5.25 - 8.64

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Amounts in INR millions, unless otherwise stated

39 Contingent Liability

Particulars	As at March 31, 2024	As at March 31, 2023
39.1 Claims against the Group not acknowledged as debts		
Consumer forum/ district courts matters (Refer below (i))	49.90	0.19
Income tax matters (Refer below (ii))	163.27	14.39
Total	**213.17**	**14.58**

(i) a) An incident occurred on March 15, 2023, where PayU, acting as a payment aggregator, processed a number of transactions originating from the switch of UBI's service provider/partner, FSS, several of which, were suspected to be fraudulent as the same appeared to have been conducted using fictitious/ non-existent cards.
The total amount that PayU is seeking to recover from one of the merchants Dream 11 is $4.2MM out of which an amount of $3.7MM has been recovered by PayU by way of a legal action and Pending with arbitrator.The company considers it to be probable that the judgement will be in its favour and has therefore not recognised a provision in relation to this claim which is equivalent to INR 32.2 mn.

b) PayU claiming refund of the chargeback settled on behalf of Defendant 1&2 from Kotak Bank against deposit kept by them. Defendant 1&2 disputed the claim.
An Interpleader Suit is filed by M/s Kotak Mahindra Bank (Plaintiff) for the disputed amount of INR 17.20 mn claimed by PayU Payments Pvt Ltd. The company considers it to be probable that the judgement will be in its favour and has therefore not recognised a provision in relation to this claim.

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

(ii) (i) Relates to tax demand of INR 3.35 mn & Penalty of INR 3.35 mn from the Income-tax department on transfer pricing adjustment disallowance of certain expenses and other matters relating to tax assessment year 2012-13.
(ii) Relates to demand of INR 0.86 mn from the Income-tax department on addition of income on account of difference in the receipts accounted in the profit and loss account vis-a-vis receipts as reported in Form 26AS relating to tax assessment year 2014-15.The matter is currently pending with CIT(A) for fresh adjudication.
(iii) Relates to demand of INR 155.72 mn from the Income-tax department on transfer pricing adjustment disallowance of certain expenses relating to tax assessment year 2021-22.

39.2 Other litigations with no significant impact

The Supreme Court on 28 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 raise significant uncertainty regarding the implementation of the said judgment.

Owing to 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.

40 Commitments

Particulars	As at March 31, 2024	As at March 31, 2023
- Property, plant and equipment	21.41	-
- Intangible assets under development	-	509.56
Total	**21.41**	**509.56**

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41 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

(i) Related parties where control exists

(i) Ultimate Parent Company	PayU Global B.V., the Netherlands, which is a subsidiary of Naspers Limited, South Africa
(ii) Parent Company	MIH India (Mauritius) Limited (Till December 19, 2023) MIH Payments Holding B.V. (From December 20, 2023)
(iii) Subsidiary Company	i) Paysense Services India Private Limited* ii) PayU Finance India Private Limited* iii) Wibmo Inc* iv) Enstage Software Private Limited* v) Lazy pay Private Limited* vi) PayU India Innovations Private Limited

* On December 14, 2023, the Group acquired PaySense Services India Pvt Ltd ('PaySense India') including its wholly owned Subsidiary PayU Finance India Pvt Ltd ('PayU Finance'), Wibmo Inc ('Wibmo'), Enstage Software Private Ltd ('Enstage') and Lazypay Private Ltd ('Lazypay') pursuant to a Share Purchase Agreement (the "Share Purchase Agreement"). Refer note 46

(iv) Associate Company	PayU Finance India Private Limited (Till December 22, 2022)

(ii) Other related parties

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

- Aasaanjobs Private Limited
- Bundl Technologies Private Limited
- Dotpe Private Limited
- Finwizard Technology Pvt Ltd
- MIH Fintech Holdings BV
- MIH India (Mauritius) Limited
- MIH Payments Holding B.V.
- MIH PayU BV
- MIH Services FZ LLC
- Myriad Services B.V
- Ntex Transportation Services Private Limited
- OLX India Private Limited
- Paysense Pte. Ltd
- PayU Credit BV
- PayU Payments Solutions (Pty) Ltd
- Prosus N.V. Share Award and Option Plan Trust (formerly, Myriad International Holdings B.V)
- Prosus services BV
- Red Dot Payment Pte. Ltd
- Zooz Mobile Limited

(ii) Key management personnel

- Mr. Aakash Moondhra, Director
- Mr. Anirban Mukherjee, Chief Executive Officer and Director
- Mr. Maneesh Goel, Chief Financial Officer and Director (w.e.f. August 21, 2020 and upto 28 November 2022) and Director (Upto 31 August 2022))
- Mr. Arvind Agarwal, Chief Financial Officer and Director (w.e.f. 19 December 2022)
- Ms. Anuradha Aggarwal, Company secretary

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B. Details of transactions with related parties

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Issue of equity share capital		
- MIH Payments Holding B.V.	77,443.08	795.10
- Paysense Pte. Ltd	-	8,561.93
- MIH India (Mauritius) Limited	428.34	-
Sale of services		
- Aasaanjobs Private Limited	-	0.08
- Bundl Technologies Private Limited	256.28	290.52
-Ntex Transportation Services Private Limited	0.00	-
-Finwizard Technology Pvt Ltd	0.02	-
- Dotpe Private Limited	7.71	7.91
- OLX India Private Limited	7.16	10.76
- Paysense Pte. Ltd	54.10	144.99
- PayU Credit BV	1.33	2.66
Other income		
- MIH Fintech Holding B.V.	228.42	100.48
- Zooz Mobile Limited	5.08	4.89
- Red Dot Payment Pte. Ltd	69.55	-
- Prosus services BV	8.18	-
Cost of services		
- Zooz Mobile Limited	78.75	-
ESOP expenses		
- MIH Internet Holdings B.V.	69.68	372.32
Reimbursement by company towards settlement of stock options		
- Paysense Pte. Ltd	56.53	94.64
Advance towards Restricted Stock Units		
- MIH Internet Holdings B.V.	731.70	1,685.99
Payment received against restricted stock units		
- Prosus N.V. Share Award and Option Plan Trust	152.76	38.05
Finance cost		
- MIH India (Mauritius) Limited	6.95	34.27
Support services fee		
- PayU Credit BV	2.47	2.61
- MIH Payments Holding B.V.	(1.26)	-
Legal and professional expenses		
- MIH Fintech Holdings B.V.	3.79	6.00
- PayU Payments Solutions (Pty) Ltd	-	2.63
- Red Dot Payment Pte Ltd	15.64	-
Management service charge		
- MIH Payments Holding B.V.	437.18	534.93
- MIH Fintech Holdings B.V.	-	1.53
- PayU Credit B.V.	42.95	38.66
IT and other costs		
- Paysense Pte. Ltd	-	1.14
- PayU Credit B.V.	6.98	6.45
- MIH Fintech Holdings BV	4.56	-
- MIH Payments Holdings BV	(2.19)	-
Reimbursement of expense incurred by		
- MIH PayU BV	0.95	0.02
- Myriad Services B.V.	1.63	0.96
- Prosus Services B.V.	48.78	0.04
- MIH Fintech Holdings B.V.	23.11	27.27
- MIH Services FZ LLC	155.65	242.20
- MIH Payments Holding B.V.	19.45	43.16
- Paysense Pte. Ltd	-	11.42
Recovery of expenses incurred on behalf of		
- MIH Fintech Holdings BV	13.08	-
- Red Dot Payment Pte. Ltd	2.95	-
Payroll cost cross charge		
- MIH Services FZ LLC	32.00	1.46
Transactions with key management personnel *		
- Short term employee benefits	86.59	141.25
- Post employment benefits (PF, ESI, Gratuity etc)	-	-
- Share based payments	8.17	137.18

* The above table doesn't include gratuity expenses as the valuation is done for the company as a whole.

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

Particulars	As at March 31, 2024	As at March 31, 2023
Share capital held		
Equity share capital		
- Infinypool Online Payment Solutions India Pvt Ltd	-	30.74
Preference share capital		
- PaySense PTE Ltd	-	271.00
Other receivables		
- Prosus Services B.V	8.18	-
- Zooz Mobile Limited	1.19	1.12
- MIH Fintech Holdings B.V	125.69	24.37
- 'Bundle Technologies Pvt Ltd:	29.06	43.91
- MIH India (Mauritius) Limited	-	0.01
-PayU Fintech Investments BV	0.04	0.04
- Red Dot Payment Pte. Ltd	69.55	-
Trade receivables		
- Paysense Pte. Ltd	-	179.79
- MIH Services FZ LLC	-	1.50
- PayU Credit B.V.	-	0.44
Trade payables		
- InfinyPool Online Payment Solutions India Private Limited	-	0.23
- MIH PayU B.V.	0.39	-
- MIH Services FZ LLC	3.01	0.31
- MIH Payment Holding B.V.	152.33	18.27
- PayU Credit B.V.	-	13.09
- MIH Fintech Holdings B.V.	9.98	14.72
- PayU Payments Solutions (Pty) Ltd	2.76	2.72
- MIH Internet Holdings B.V.	85.77	21.42
- Red Dot Payment Pte Ltd	3.35	-
Debentures		
- MIH India (Mauritius) Limited	-	428.34
Other financial liabilities		
- MIH India (Mauritius) Limited	-	152.06
- Myriad Services B.V	-	0.15
- Prosus Services B.V	14.37	-
-PayU Colombia S.A.S	0.00	-
- MIH Fintech holding B.V.	23.13	32.16
- MIH Services FZ LLC	84.12	132.79
- MIH Payments Holding B.V.	163.05	42.39
-MIH Payu BV	0.39	-
- Paysense Pte. Ltd	-	11.42
- Zooz Mobile Ltd	42.02	-
- PayU Colombia S.A.S	0.00	-

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42 Segment Reporting

a) Description of segments and principal activities

i) Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Group to make decisions for performance assessment, resource allocation and for which information is available discretely. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

ii) The group has formed an executive committee (comprising of the CEO and CFO) which would assume the primary responsibility around key operating decisions and resource allocations and accordingly designated it as its CODM and has identified two reportable segments of its business.

iii) The reportable segments of the Group comprise of the following:

Segment	Description of activity
Digital Payment Services	This part of Business comprises of the following services which is monitored by the committee separately:- 1) Payment gateway services for E-commerce transactions; 2) Web-Technologies and consultancy services addressed to business process engineering and Information Technology. 3) Risk-based authentication and payment security related services; 4) Fraud risk identification, predominantly on India.
Digital Financial Services	This part of Business comprises the following services which is monitored by the committee separately:- 1) Lending credit by way of personal loan and deferred credit facility for short term duration on the basis of the the internal business reporting systems; 2) Finance related technology services to the third party customers; 3) Financing through Buy now pay later (BNPL) services.

iv) Geographical segments are categorised as 'India' and 'Outside India' and are based on the domicile of the customers.

v) The executive committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. The executive committee also receives information about the segments' revenue and assets on a monthly basis.

b) Operating Segments

For the year ended March 31, 2024

Particulars	Digital Payment	Digital financial services	Total segments	Adjustments and eliminations	Consolidated
Segment Revenue					
External customers	36,473.37	8,136.50	44,609.87	-	44,609.87
Inter-segment	755.45	1,013.01	1,768.46	(1,768.46)	-
Total Segment Revenue	37,228.82	9,149.51	46,378.33	(1,768.46)	44,609.87
Segment Assets	96,100.41	75,504.71	171,605.12	(105,731.69)	65,873.43
Segment Liabilities	8,033.30	35,330.64	43,363.94	(2,409.62)	40,954.32
Segment Results and Reconciliation of Segment results to Profit/(Loss) before Tax					
Profit / (loss) before tax	(3,662.81)	(1,330.29)	(4,993.09)	2,258.50	(2,734.59)
Interest expense	24.85	38.88	63.72	(51.94)	11.79
Other income	(607.59)	(366.53)	(974.12)	280.60	(693.52)
Share based payment expense	1,446.61	(217.00)	1,229.61	(67.41)	1,162.20
Management cross charge	417.61	66.67	484.28	-	484.28
Exceptional items	1,067.74	-	1,067.74	(1,031.20)	36.54
Trading profit / (loss)	(1,313.60)	(1,808.27)	(3,121.87)	1,388.56	(1,733.31)
Interest on lease liabilities	(56.82)	(39.48)	(96.30)	(0.88)	(97.17)
Amortisation of intangible assets	(99.05)	(23.74)	(122.79)	71.40	(51.38)
Depreciation on tangible assets and ROU	(190.24)	(83.29)	(273.52)	(10.27)	(283.79)
Adjusted EBITDA	(967.90)	(1,661.76)	(2,629.26)	1,328.30	(1,300.96)

Year ended March 31, 2023

Particulars	Digital Payment	Digital financial services	Total segments	Adjustments and eliminations	Consolidated
Segment Revenue					
External Customer	32,368.18	6,053.91	38,422.09	-	38,422.09
Inter-segment	583.63	1,603.21	2,186.84	(2,186.84)	-
Total Segment Revenue	32,951.80	7,657.12	40,608.93	2,186.84	38,422.09
Segment Assets	96,697.12	45,456.43	142,153.55	(17,646.08)	124,507.47
Segment Liabilities	7,148.96	20,684.11	27,833.07	(1,454.23)	26,378.84
Segment Results and Reconciliation of Segment results to Profit/(Loss) before Tax					
Profit / (loss) before tax	298.26	(3,338.42)	(3,040.16)	149.26	(2,890.89)
Interest expense	50.76	20.96	71.73	(20.95)	50.78
Other income	(496.95)	(231.50)	(728.45)	241.27	(487.18)
Share based payment expense	1,199.89	1,137.17	2,337.06	38.83	2,375.89
Management cross charge	536.46	41.27	577.74	-	577.74
Exceptional items	(479.52)	855.59	376.07	(52.22)	323.85
Trading profit / (loss)	1,108.91	(1,514.92)	(406.00)	356.19	(49.82)
Interest on lease liabilities	(27.75)	(6.89)	(34.64)	(2.79)	(37.43)
Amortisation of intangible assets	112.99	17.83	130.82	71.40	(59.42)
Depreciation on tangible assets and ROU	(123.64)	(36.65)	(160.29)	(26.68)	(186.98)
Adjusted EBITDA	1,373.39	(1,453.55)	(80.26)	314.26	234.00

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Notes:

(i) Adjusted EBITDA is a non-Ind AS measure that represents operating profit/loss, as adjusted,
- a) Depreciation and amortisation expense (refer note 30)
- b) Share based payment expense (refer note 38)
- c) Management cross charge (refer note 32)
- d) Exceptional items (refer note 33)
- e) Other income (refer note 26)
- f) Interest expense (refer note 29)
- g) Interest on lease liabilities (refer note 29)

(ii) Trading (loss)/profit is a non-Ind AS measure that refers to adjusted EBITDA adjusted for
- a) Depreciation and amortisation expense (refer note 30)
- b) Interest on lease liabilities (refer note 29)

(iii) CODM uses Adjusted EBITDA and trading profit as measure to analyse operational profitability.

c) **Disaggregation of revenue from contracts with customers**

Sales between segments are carried out at arm's length and are eliminated on consolidation. The segment revenue is measured in the same way as in the statement of profit and loss. The group derives revenue from transfer of goods and services over time and at a point of time in the following major product lines and geographical areas.

Geographical Information

Particulars	For the year ended March 31, 2024		As at March 31, 2024	
	Revenue from external customers		Non-current operating assets	
	Digital payment	Digital financial services	Digital payment	Digital financial services
India	35,852.33	8,081.06	8,382.38	1,493.84
Outside India	621.03	55.43	0.00	-
Total	**36,473.37**	**8,136.50**	**8,382.38**	**1,493.84**

Particulars	For the year ended March 31, 2023		As at March 31, 2023	
	Revenue from external customers		Non-current operating assets	
	Digital payment	Digital financial services	Digital payment	Digital financial services
India	31,721.15	5,781.64	8,154.35	1,200.87
Outside India	647.02	272.27	0.00	-
Total	**32,368.17**	**6,053.91**	**8,154.35**	**1,200.87**

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43 Fair value and fair value hierarchy

i) Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments.

Particulars	Level of Fair Value Measurement	As at March 31, 2024		As at March 31, 2023	
		Carrying value	Fair value	Carrying value	Fair value
Financial Assets					
Measured at amortised cost					
- Trade receivables	Level 3	1,664.57	1,664.57	2,651.70	2,651.70
- Cash and cash equivalents	Level 3	10,777.17	10,777.17	11,974.73	11,974.73
- Bank balances other than above	Level 3	4,231.42	4,231.42	4,313.90	4,313.90
- Loans	Level 3	31,552.15	32,037.07	16,482.67	16,574.23
- Other financial assets	Level 3	4,783.29	4,783.29	1,634.60	1,634.60
Measured at fair value through other comprehensive income					
- Unquoted equity shares	Level 3	77.04	77.04	77.04	77.04
Total		**53,085.63**	**53,570.55**	**37,134.63**	**37,226.19**
Financial Liabilities					
Measured at amortised cost					
- Borrowings	Level 3	30,963.09	31,029.20	16,163.35	16,176.99
- Trade payables	Level 3	1,945.57	1,945.57	1,821.95	1,821.95
- Other financial liabilities	Level 3	3,022.03	3,022.03	2,944.84	2,944.84
Total		**35,930.69**	**35,996.80**	**20,930.15**	**20,943.78**

Notes:

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

The Group determines fair values of financial assets and financial liabilities by discounting the contractual cash inflows/ outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. Further, the subsequent measurement of all financial assets and liabilities is at amortised cost, using the effective interest method.

There are no financial instruments measured at Level 1 and Level 2 fair value as at respective reporting dates.

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets and liabilities does not have a significant impact in its value.

(ii) **Reconciliation of Level 3 fair value measurement is as follows:**

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	77.04	77.04
Gains/(losses) recognised in other comprehensive income	0.00	-
Balance at the end of the year	**77.04**	**77.04**

iii) **Fair value hierarchy**

The carrying amount of those financial assets and financial liabilities that are not subsequently measured at fair value in the financial statements approximate their fair values.
For financial instruments that are subsequently measured at fair value, the fair value measurement is grouped into Levels 1 to 3 based on the following fair value hierarchy:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as price) or indirectly (i.e. derived from prices); and
- Level 3 - derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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44 Risk management framework

The Group has exposure to the following risks arising from the financial statements:
i) Credit risk
ii) Liquidity risk
iii) Market risk

The Group 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	Risk Management
Credit risk	Cash and cash equivalents, Loans, Trade receivables and other financial assets measured at amortised cost	Ageing analysis Credit ratings	Bank deposits, liquid funds, high credit rated receivables from banks, credits limit and collateral
Market risk - Foreign exchange	Recognised financial assets liabilities not denominated in Indian Rupee (INR)	Cash flow forecasting Sensitivity Analysis Cash flow Hedge	The group evaluates the impact of foreign rate fluctuation by assessing its exposure to exchange rate risk of any material adverse effect on the Company and in case any forward contracts to be taken to cover the risk
Market risk - Interest rate	Borrowings at floating rates	Sensitivity Analysis	The group actively manages its interest rate risk through a comprehensive strategy. The group continuously monitors interest rate trends and evaluates the group's exposure to fluctuations in interest rates.
Market risk - Security prices	Investments in equity securities	Sensitivity Analysis	Portfolio diversification
Liquidity risk	Borrowings, Lease liabilities and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

(i) **Credit risk**

Credit risk is the risk of financial loss to the Group 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, cash and cash equivalents, loans and other financial assets.

Financial assets that expose the entity to credit risk

Particulars	As at March 31, 2024	As at March 31, 2023
Loans (Refer Note A below)	31,552.15	16,482.67
Trade receivables (Refer Note B below)	1,664.57	2,651.70
Contract assets (Refer Note B below)	173.25	359.13
Investments (Refer Note C below)	77.04	77.04
Cash and cash equivalents (Refer Note C below)	10,777.17	11,974.73
Other bank balances (Refer Note C below)	4,231.42	4,313.90
Other financial assets (Refer Note C below)	4,783.29	1,634.60
Total	**53,258.87**	**37,493.76**

A. **Credit Risk - Loans**

Credit risk management

The Group's exposure to credit risk is influenced mainly by the characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:
- a breach of contract such as a default or past due event;
- when a borrower becomes more than 90 days overdue in its contractual payments;

The risk management committee has established a credit policy under which each new customer is analysed individually for credit worthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, background verification, financial statements, income tax returns, credit agency information, industry information, analysis of historical bad debts and ageing of accounts receivable etc (as applicable).

Inputs, assumptions and techniques used for estimating impairment

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk since initial recognition on an ongoing basis at each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.
When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience, credit assessment and including forward looking information. Loans are categorized into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial instrument.

The Group categorises loan assets and receivables into stages based on the days past due status.
- Current - Stage 1
- 0-30 days past due - Stage 1
- 31- 60 days past due - Stage 2
- 61- 90 days past due - Stage 2
- More than 90 days past due - Stage 3, write off

Assumption/Inputs considered in the ECL model:

Probability of default (PD)
Days past due (DPD) analysis is the primary input into the determination of the term structure of PD for exposures. The Group collects performance and default information about its credit risk exposures analysed by type of product or borrower as well as by DPD. The Group employs statistical models to analysed the data collected and generate estimates of the PD of exposures and how these are expected to change as a result of passage of time.

Exposure at default (EAD)
The exposure at default (EAD) represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Group.

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Loss given default (LGD)
Loss given default is an estimate of loss from a transaction given that a default occurs.

Assessment of significant increase in credit risk
The credit risk on a financial asset of the Group are assumed to have increased significantly since initial recognition when contractual payments are more than 30 days past due. Accordingly the financial assets shall be classified as Stage 2, if on the reporting date, it has been more than 30 days past due.

Credit Impaired
A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days from the day it is due. Accordingly the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days past due.

Forward looking information
In its ECL models, the Group relies on a broad range of forward looking information as macro economic inputs. As required by Ind AS 109, Macro Economic (ME) overlays are required to be factored in ECL Models and accordingly, group have used GDP as the relevant ME variable. Overtime, new ME variable may emerge to have a better corelation and may replace ME being used now.

Policy on write off
Financial assets are fully provided for or written off (either partially or in full) as per the Group's accounting policy. However, financial assets that are written off could still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in statement of profit or loss on actual realization from customer.

Provisional matrix of ECL for loans and receivables

The gross carrying amount of loan receivables, and thus the maximum exposure to loss, is as follows:

As at March 31, 2024

Particulars	Stages	Gross carrying amount	Weighted average loss rate	Loss allowance	Net carrying amount	Whether credit impaired
Current (not past due)	Stage 1	31,438.15	3.12%	982.27	30,455.87	No
Past due 1–30 days	Stage 1	883.21	30.81%	272.13	611.07	No
Past due 31–60 days	Stage 2	368.72	43.74%	161.29	207.43	No
Past due 61–90 days	Stage 2	311.15	46.71%	145.35	165.81	No
Past due 90 days	Stage 3	521.72	78.54%	409.77	111.95	Yes
Total		**33,522.95**	**5.88%**	**1,970.81**	**31,552.14**	

As at March 31, 2023

Particulars	Stages	Gross carrying amount	Weighted average loss rate	Loss allowance	Net carrying amount	Whether credit impaired
Current (not past due)	Stage 1	16,259.70	2.40%	390.46	15,869.24	No
Past due 1–30 days	Stage 1	446.93	38.93%	174.00	272.94	No
Past due 31–60 days	Stage 2	303.51	59.73%	181.28	122.24	No
Past due 61–90 days	Stage 2	291.10	64.46%	187.64	103.46	No
Past due 90 days	Stage 3	514.38	77.68%	399.57	114.81	Yes
Total		**17,815.62**	**7.48%**	**1,332.95**	**16,482.68**	

(i) Movements in the gross carrying amount in respect of loans and receivable, i.e. asset on finance

Particulars	Performing (stage 1)	Under-performing (stage 2)	Non-performing (stage 3)	Total
As at April 01, 2022				
Gross carrying amount opening balance	8,128.74	247.07	66.30	8,442.11
Transfer during the year				
- Transfer to stage 1	4.50	(4.35)	(0.15)	-
- Transfer to stage 2	(148.40)	148.40	-	-
- Transfer to stage 3	(1,657.41)	(202.54)	1,859.95	(0.00)
Changes in opening credit exposures (repaid net of disbursal)	(3,733.62)	(1.23)	(859.20)	(4,594.05)
New credit exposure (net of repayments)	14,112.83	407.25	1,280.08	15,800.16
Amount written off during the year	-	-	(1,832.60)	(1,832.60)
As at March 31, 2023	**16,706.64**	**594.61**	**514.38**	**17,815.62**
As at April 01, 2023	**16,706.64**	**594.61**	**514.38**	**17,815.62**
Transfer during the year				
- Transfer to stage 1	8.95	(8.09)	(0.86)	-
- Transfer to stage 2	(255.95)	256.24	(0.29)	-
- Transfer to stage 3	(1,528.60)	(493.55)	2,022.15	-
Changes in opening credit exposures (repaid net of disbursal)	(11,085.36)	(120.94)	(346.99)	(11,553.29)
New credit exposure (net of repayments)	28,475.73	451.55	465.28	29,392.56
Amount written off during the year	-	-	(2,131.95)	(2,131.95)
As at March 31, 2024	**32,323.42**	**679.81**	**521.72**	**33,522.95**

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The loss allowance for loans as at 31st March 2023 reconciles to the opening loss allowance as follows *:

Particulars	Performing (stage 1)	Under-performing (stage 2)	Non-performing (stage 3)	Total
Loss allowance as at 1st April 2022				
Gross carrying amount opening balance	233.77	139.79	62.19	435.75
Transfer during the year				
- Transfer to stage 1	2.80	(2.66)	(0.14)	-
- Transfer to stage 2	(2.67)	2.67	-	-
- Transfer to stage 3	(24.69)	(113.84)	138.53	-
Net remeasurement of loss allowance	55.27	101.44	1,686.25	1,842.96
Changes in opening credit exposures (repaid net of disbursal)	(149.48)	3.09	(854.75)	(1,001.14)
New credit exposure (net of repayments)	449.86	236.37	1,069.70	1,755.93
Amount written off during the year	(0.41)	2.05	(1,702.20)	(1,700.56)
Loss allowance as at 31st March 2023	**564.46**	**368.92**	**399.57**	**1,332.95**

The loss allowance for loans and receivables as at 31st March 2024 reconciles to the opening loss allowance as follows *:

Particulars	Performing (stage 1)	Under-performing (stage 2)	Non-performing (stage 3)	Total
Loss allowance as at 1st April 2023	**564.46**	**368.92**	**399.57**	**1,332.95**
Transfer during the year				
- Transfer to stage 1	5.50	(4.77)	(0.73)	-
- Transfer to stage 2	(9.21)	9.44	(0.23)	-
- Transfer to stage 3	(58.65)	(309.96)	368.60	-
Net remeasurement of loss allowance	(7.81)	89.95	1,675.27	1,757.41
Changes in opening credit exposures (repaid net of disbursal)	(338.13)	(39.56)	(273.93)	(651.62)
New credit exposure (net of repayments)	1,098.25	192.61	373.15	1,664.02
Amount written off during the year	-	-	(2,131.95)	(2,131.95)
Loss allowance as at 31st March 2024	**1,254.41**	**306.64**	**409.77**	**1,970.81**

B. Credit Risk - Trade receivables and Contract assets

The expected loss rates are based on the payment profiles of sales over a period of 36 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Moreover, given the diverse nature of the Group's business trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10.0% or more of trade receivable on a % basis in any of the years indicated.
An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 43.

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments.

Loss allowance was determined for both trade receivables and contract assets under the simplified approach:

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables		
Gross carrying amount - trade receivables	1,752.71	2,765.21
Expected credit loss - trade receivables	(88.14)	(113.51)
Carrying amount of trade receivables (net of impairment)	**1,664.57**	**2,651.70**
Contract assets		
Gross carrying amount - contract assets	173.25	359.13
Expected credit loss - contract assets	-	-
Carrying amount of contract assets (net of impairment)	**173.25**	**359.13**

Reconciliation of loss allowance provision of trade receivables and contract assets

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	113.51	73.25
Provision for expected credit losses	61.65	33.69
Utilized during the year	(2.29)	
Reversal of provision	(86.21)	-
Exchange difference on translation	1.48	6.57
Closing Balance	**88.14**	**113.51**

Write-offs of trade receivables

Trade receivables written off which is not expected to recover	27.13	1.33

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C. **Credit Risk - Other financial assets**

Other financial assets mainly include security deposits, excess interest spread, receivable from the related party, bank deposits, other receivables etc. where the credit risk is envisaged to be minimal.

(ii) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity risk.

A. **Foreign Currency risk**

The Group is subject to foreign exchange risk primarily due to its foreign currency expenses & foreign operations. Considering the countries and economic environment in which the Group 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 Group. The Group 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 Group.

Exposure to currency risk

The following tables demonstrate the sensitivity to a reasonably possible change in USD & EURO exchange rates, with all other variables held constant. The impact on the Group profit before tax and equity is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Group that have not been hedged by a derivative instrument or otherwise are as under.

		As at March 31, 2024		Impact on profit before tax and equity	
Particulars	**Nature**	**Amount in INR**	**Amount in Foreign currency**	**5% Increase**	**5% Decrease**
Financial assets	Trade receivables (USD)	252.70	3.03	12.64	(12.64)
		252.70	**3.03**	**12.64**	**(12.64)**
Financial liabilities	Trade payables (USD)	351.94	4.22	(17.60)	17.60
	Trade payables (Euro)	12.27	0.14	(0.61)	0.61
	Trade payables (GBP)	0.04	0.00		
	Trade payables (SAR)	2.53	0.11	(0.13)	0.13
	Other financial liabilities (Euro)	17.08	0.19	(0.85)	0.85
	Other financial liabilities (USD)	484.61	5.81	(24.23)	24.23
	Other financial liabilities (GBP)	0.42	0.00	(0.02)	0.02
		868.88	**10.47**	**(43.44)**	**43.44**
Net receivable/ (payable)		**(616.18)**	**(7.44)**	**56.08**	**(56.08)**

		As at March 31, 2023		Impact on profit before tax and equity	
Particulars	**Nature**	**Amount in INR**	**Amount in Foreign currency**	**5% Increase**	**5% Decrease**
Financial assets	Trade receivables (USD)	611.41	7.47	30.57	(30.57)
		611.41	**7.47**	**30.57**	**(30.57)**
Financial liabilities	Trade payables (USD)	261.90	3.21	(13.09)	13.09
	Other financial liabilities (Euro)	0.04	0.00		
	Other financial liabilities (USD)	196.32	2.38	(9.82)	9.82
		458.26	**5.59**	**(22.91)**	**22.91**
Net receivable/ (payable)		**153.14**	**1.89**	**53.48**	**(53.48)**

Hedge accounting

The group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk.

	March 31, 2024	**March 31, 2023**
Outstanding forward contracts as at the reporting date (millions USD)-Payable	450.81	210.41
Outstanding forward contracts as at the reporting date (millions EURO)-Payable	39.23	0.04
Outstanding forward contracts as at the reporting date (millions GBP)-Payable	5.74	-
Outstanding forward contracts as at the reporting date (millions SGF)-Payable	0.93	-

Derivatives designated as hedging instruments

Disclosures of effects of hedge accounting on balance sheet and statement of profit and loss

Type of hedge and risks	**Carrying amount of hedging instruments**	**Maturity dates**	**Hedge ratio**
As on March 31, 2024			
Foreign currency risk			
Foreign exchange forward contracts (Notional amount)	496.71	April 2024 to May 2024	1:01
Average forward rate (INR/USD)	83.51		
Average forward rate (INR/GBP)	105.59		
Average forward rate (INR/EURO)	90.36		
Average forward rate (INR/SGF)	62.15		
As on March 31, 2023			
Foreign currency risk			
Foreign exchange forward contracts (Notional amount)	210.45	April 2023 to June 2023	1:01
Average forward rate (INR/USD)	82.52		
Average forward rate (INR/EURO)	89.80		

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There is no impact on statement of profit and loss and balance sheet since all the contracts have been entered on 31st March 2024 and 31st March 2023 for their respective years.

The group's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument.

For forward contracts, hedge effectiveness is measured using hypothetical derivative method. Ineffectiveness is measured by comparing the change in the fair value of the actual derivative i.e. forward contracts designated as the hedging instrument and the change in the fair value of a hypothetical derivative representing the hedged item i.e. highly probable forecast transactions Hypothetical derivative matches the critical terms i.e. maturity date, currency and amount of highly probable forecast transactions.

B. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the bank overdraft facility with floating interest rates.

Particulars	As at March 31, 2024	As at March 31, 2023
Floating rate borrowings	19,402.67	10,311.64

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Change in interest rate	As at March 31, 2024	As at March 31, 2023
Interest rates increased	1%	194.03	103.12
Interest rates decreased	1%	(194.03)	(103.12)

C. Other price risk - equity investment

The Group's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments.

Particulars	As at March 31, 2024	As at March 31, 2023
Financial Assets measured at Fair value through Other comprehensive Income		
Investments	77.04	77.04
	77.04	77.04

Price risk sensitivity analysis

The following table details the Group's sensitivity to a 1% increase and decrease in the NAV of investments held. The sensitivity analysis includes only outstanding investments and adjusts their position at the period end for a 1% change in NAV. A positive number below indicates an increase in profit or equity where NAV increases by 1%. For a 1% weakening in NAV, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Every 1% increase / decrease in the NAV of investments, will affect the Group's profit before tax as given in below table:

Particulars	Change in NAV	As at March 31, 2024	As at March 31, 2023
Profit or loss - Strengthening/(Weakening)	1%	.77/(.77)	.77/(.77)
Equity (net of tax) - Strengthening/(Weakening)	1%	.58/(.58)	.58/(.58)

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation.

The Group assessed the concentration of risk with respect to its debt and concluded it to be low. The Group remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening our restated consolidated statement of asset and liabilities.

A. Financing arrangements

The Group had access to the undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2024	As at March 31, 2023
Expiring within one year (bank overdraft and other facilities)	1,523.66	1,126.09
Expiring beyond one year (bank loans)	350.50	750.00

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

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B. The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As at March 31, 2024

Particulars	Within 1 year	More than 1 year	Total
Borrowings	20,385.63	13,292.70	**33,678.33**
Lease liability	287.10	1,009.84	**1,296.94**
Trade payables	1,945.57	-	**1,945.57**
Other financial liabilities	4,611.69	366.72	**4,978.41**
Total	**27,229.99**	**14,669.26**	**41,899.25**

As at March 31, 2023

Particulars	Within 1 year	More than 1 year	Total
Borrowings	10,287.72	7,415.20	**17,702.91**
Lease liability	192.64	819.59	**1,012.23**
Trade payables	1,821.95	-	**1,821.95**
Other financial liabilities	5,082.48	778.63	**5,861.11**
Total	**17,384.79**	**9,013.41**	**26,398.20**

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45 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the 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 Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

Particulars	As at March 31, 2024	As at March 31, 2023
Total debt (including current maturities of long term debt) (Refer A below)	30,963.09	16,163.35
Less: cash and cash equivalents	(10,777.17)	(11,974.72)
Net debt	**20,185.93**	**4,188.63**
Total equity (Refer B below)	24,919.14	18,976.96
Total capital	**24,919.14**	**18,976.96**
Total capital and net debt	**45,105.07**	**23,165.59**
Gearing ratio	**44.75%**	**18.08%**
A - Total debt		
- Non-current borrowings	12,637.75	6,064.27
- Current borrowings	18,325.35	10,099.08
	30,963.09	**16,163.35**
B - Total equity		
- Equity share capital	30,153.18	20,468.29
- Other equity	(5,234.04)	(1,491.33)
	24,919.14	**18,976.96**

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 year ended March 31, 2024 and March 31, 2023.

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46 **Business combinations**

(i) **Acquisitions during the year ended March 31, 2024**

On December 14, 2023, the Group acquired PaySense Services India Pvt Ltd ('PaySense India') including its wholly owned Subsidiary PayU Finance India Pvt Ltd ('PayU Finance'), Wibmo Inc ('Wibmo'), Enstage Software Private Ltd ('Enstage') and Lazypay Private Ltd ('Lazypay') pursuant to a Share Purchase Agreement (the "Share Purchase Agreement") in order to simplify existing group structure and unlock value synergies.

Pursuant to the terms of the Share Purchase Agreement, the Group acquired such businesses on December 14, 2023 in exchange for consideration amounting to INR 8,737.73 comprising cash of INR 768.62 and companies own shares of INR 7,969.11.

Group, directly or through its subsidiaries, acquired entities which were ultimately controlled by the same parties who also control the group, both before and after the business combination. The nature of these transactions primarily involved the purchasing of the existing shareholders' equity stake.

As per the guidance available in Appendix C of the Ind AS 103, these business combinations under common control are accounted for using the pooling of interest method.

(ii) **General nature of transferor companies are as follows:**

(a) Paysense Services India Private Limited : The business of the Company is to provide innovative payment and financing related services to Indian consumers. The Company also provides development and maintenance services to the holding company, and deals in Information Technology enabled Services.

(b) PayU Finance (Wholly owned subsidiary of PaySense India) : The Company is a registered non-banking finance company engaged in the business of providing finance i.e. business of lending credit by way of personal loan and deferred credit facility for short term duration. The Company is registered with the Reserve Bank of India as a Non-Banking Finance Company (NBFC) with effect from 26 February 1998.

(c) Wibmo : The Company provides innovative payment and payment security solutions. The Company also provides solutions ranging from mobile payments, fraud and risk management, prepaid solutions and a host of merchant services.

(d) Enstage : The Company is primarily engaged in the business of providing risk-based authentication and payment security services. It also provides solutions ranging from mobile payments, fraud and risk management, prepaid solutions and a host of merchant services.

(e) Lazypay : The business of Company is to provide Buy Now, Pay Later (BNPL) services. This enables the customer to spend/purchase products/services and allows merchants to sell the goods /services on the credit financed by the company.

(iii) **Accounting for Business Combination under common control**

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method.

Under pooling of interest method, the assets and liabilities of the combining entities or businesses are reflected at their carrying amounts after making adjustments necessary to harmonise the accounting policies. The identity of the reserves is preserved in the same form in which they appeared in the financial statements of the transferor and the difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

Consequently, the financial information of the Group, includes the financial information of the businesses transferred by the transferor to the transferee and has been restated from the earliest period presented in the restated consolidated financial information of the Group.

(a) Details of % of each companies equity shares exchanged to effect the business combination:

Particulars	Paysense India (Inc. PayU Finance)	Wibmo	Enstage	Lazypay
Number of shares issued transferor companies in exchanged	3,781,957	1,008	1,401,874	6,79,75,394
% of Equity shares of transferor companies in exchanged	100%	100%	100%	100%

(b) Details of business combinations, carrying value of the assets acquired, liabilities assumed, reserves acquired and harmonized as per the revised accounting policies of the Group, and the resultant capital reserve are given below :

Particulars	Paysense India (Including PayU Finance)	Wibmo	Enstage	Lazypay	Total
Purchase consideration (A)	6,690.85	768.14	843.12	435.62	8,737.73
Assets and liabilities taken over					
Assets acquired	8,694.83	1,605.14	1,349.13	1,292.20	12,941.31
Liabilities assumed	(1,110.71)	(288.83)	(838.65)	(749.81)	(2,988.01)
Reserve and surplus acquired	(7,562.79)	(1,316.21)	(498.20)	(88.89)	(9,466.09)
Net identifiable assets acquired (B)	21.34	0.10	12.28	453.50	487.22
Capital Reserve as on April 01, 2022 (A - B)	(6,669.51)	(768.04)	(830.83)	17.88	(8,250.51)
Adjustment on account of change in share capital, assets and reserves and surplus	13.17	0.00	1.74	226.25	241.15
Capital Reserve as on March 31, 2023	(6,656.35)	(768.04)	(829.10)	244.13	(8,009.35)
Adjustment on account of change in share capital, assets and reserves and surplus	3	(0)	0	0	3
Capital Reserve as on March 31, 2024	(6,653.03)	(768.04)	(829.10)	244.13	(8,006.04)

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47 Interest in other entities - Subsidiaries

The group's subsidiaries as at March 31, 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Principal activities	Ownership interest held by the group As at March 31, 2024	Ownership interest held by the group As at March 31, 2023	Ownership interest held by non-controlling interests * As at March 31, 2024	Ownership interest held by non-controlling interests * As at March 31, 2023
Paysense Services India Private Limited	India	To provide innovative payment and financing related services to Indian consumers	100.00%	100.00%	-	-
PayU Finance India Private Limited	India	NBFC engaged in the business of providing finance by way of personal loan and deferred credit facility for short term duration	100.00%	74.74%	0.00%	25.26%
Lazypay Private Limited	India	Provide Buy Now, Pay Later (BNPL) services	100.00%	100.00%	-	-
PayU India Innovations Private Limited	India	Engaged primarily in the business of Web-Technologies and consultancy services	100.00%	100.00%	-	-
Enstage software Private limited	India	Providing risk-based authentication and payment security services	100.00%	100.00%	-	-
Wibmo Inc. USA	U.S.A	Provides innovative payment and payment security solutions	100.00%	100.00%	-	-

* Non- Controlling interest pertained to Compulsory convertible preference shares held by Paysense Pte. Ltd in PayU Finance India Private Limited

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for subsidiary is before inter-company eliminations.

Summarised Balance Sheet	PayU Finance India Private Limited March 31, 2024	PayU Finance India Private Limited March 31, 2023
Current assets	30,672.61	21,039.29
Current liabilities	19,734.32	10,555.74
Net current assets	10,938.29	10,483.55
Non-current assets	14,257.46	6,846.55
Non-current liabilities	12,754.16	7,086.92
Net non-current assets	1,503.30	(240.36)
Accumulated NCI	-	3,928.19

Summarised Statement of Profit & Loss	PayU Finance India Private Limited March 31, 2024	PayU Finance India Private Limited March 31, 2023
Revenue	6,961.42	5,882.53
Profit for the year	43.27	(1,126.83)
Other comprehensive income	(1.55)	4.44
Total comprehensive income	41.72	(1,122.39)

Summarised Cash Flows	PayU Finance India Private Limited March 31, 2024	PayU Finance India Private Limited March 31, 2023
Cash flows from operating activities	(15,399.22)	(7,205.51)
Cash flows from investing activities	213.66	83.39
Cash flows from financing activities	15,086.07	12,759.34
Net increase/ (decrease) in cash and cash equivalents	(99.49)	5,637.22

Transactions with non-controlling interests

30,244,636 0.001% compulsory convertible preference shares having face value of INR 10 was held by the group out of which 27,100,277 shares has been sold outside the group to Paysense Pte. Ltd on December 19, 2022. There were no transactions with non-controlling interests in FY 2022-23. However, during the FY 2023-24, the Group has acquired the compulsory convertible prefrence share from Paysense Pte. Ltd. by issuing its own 138,204,610 Equity shares.

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48 Additional information required by Schedule III in respect of subsidiaries

For the year ended March 31, 2024

Name of the entity	Net assets (Total assets minus total liabilities)		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 other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
PayU Payments Private Limited	347.20%	86,518.10	63.53%	(2,728.68)	88.49%	(2.22)	63.54%	(2,730.90)
Subsidiary - Indian								
PayU Finance India Private Limited	49.93%	12,441.59	(1.01%)	43.27	61.72%	(1.55)	(0.97%)	41.72
Enstage software Private limited *	3.61%	899.01	0.91%	(38.92)	(842.67%)	21.15	0.41%	(17.77)
Paysense Services India Private Limited	107.38%	26,759.28	29.79%	(1,279.53)	(183.20%)	4.60	29.67%	(1,274.93)
Lazypay Private Limited	3.91%	973.20	2.19%	(94.03)	1.47%	(0.04)	2.19%	(94.07)
PayU India Innovations Private Limited	0.07%	17.08	(0.93%)	39.75	22.26%	(0.56)	(0.91%)	39.19
Subsidiary - Foreign								
Wibmo Inc. USA	2.54%	632.92	33.24%	(1,427.75)	907.67%	(22.78)	33.75%	(1,450.53)
Non-controlling interest in all subsidiaries	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Inter-company Elimination and Consolidation Adjustments	(414.63%)	(103,322.07)	(27.72%)	1,190.77	44.26%	(1.11)	(27.68%)	1,189.66
Total	**100%**	**24,919.12**	**100%**	**(4,295.13)**	**100%**	**(2.51)**	**100%**	**(4,297.64)**

For the year ended March 31, 2023

Name of the entity	Net assets (Total assets minus total liabilities)		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 other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
PayU Payments Private Limited	49.31%	11,294.62	(1.81%)	49.83	37.44%	8.64	(2.15%)	58.47
Subsidiary - Indian								
PayU Finance India Private Limited	44.72%	10,243.19	41.00%	(1,126.83)	19.25%	4.44	41.19%	(1,122.39)
Enstage software Private limited *	3.43%	784.68	(1.81%)	49.68	31.82%	7.34	(2.09%)	57.02
Paysense Services India Private Limited	58.77%	13,462.01	64.83%	(1,781.68)	7.05%	1.63	65.32%	(1,780.06)
Lazypay Private Limited	4.66%	1,067.12	15.64%	(429.90)	(0.11%)	(0.02)	15.78%	(429.93)
PayU India Innovations Private Limited	(0.01%)	(2.24)	0.10%	(2.74)	0.00%	-	0.10%	(2.74)
Subsidiary - Foreign								
Wibmo Inc. USA	9.81%	2,247.62	(12.53%)	344.21	12.61%	2.91	(12.74%)	347.12
Non-controlling interest in all subsidiaries	(17.15%)	(3,928.19)	0.00%	-	0.00%	-	0.00%	-
Inter-company Elimination and Consolidation Adjustments	(53.54%)	(12,263.67)	(5.43%)	149.26	(8.06%)	(1.86)	(5.41%)	147.41
Total	**100%**	**22,905.14**	**100%**	**(2,748.18)**	**100%**	**23.07**	**100%**	**(2,725.11)**

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49 **Relationship with struck off companies**

As at March 31, 2024

Name of struck off company	Nature of transactions	Transactions during the year	Balance outstanding	Relationship
Calcutta Electronics	Revenue	0.00	-	Merchant

As at March 31, 2023

Name of struck off company	Nature of transactions	Transactions during the year	Balance outstanding	Relationship
Campus mall private limited	Revenue	0.06	-	Merchant
Money champ private limited	Revenue	0.03	-	Merchant
Colorful travel price private limited	Revenue	0.01	-	Merchant
Oswal computers & consultants pvt Ltd	Revenue	0.01	-	Merchant
Uttam infranet pvt ltd	Revenue	0.00	-	Merchant
Apna sweets India private limited	Revenue	0.00	-	Merchant
Orichem drugs and pharmaceuticals pvt ltd	Revenue	0.00	-	Merchant
Excess info store private limited	Revenue	0.00	-	Merchant
Hridhay automobiles private limited	Revenue	0.00	-	Merchant
Kiera automobiles pvt ltd	Revenue	0.00	-	Merchant
Sumida vehicles pvt ltd	Revenue	0.00	-	Merchant
Ubitech solutions pvt ltd	Revenue	0.00	-	Merchant

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Notes to Consolidated Financial Statements for the year ended March 31, 2024
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50 **Prepaid Payment Instruments (PPIs) - Lazycard**

The Group was acting as a Business Correspondent (BC) to SBM Bank (India) Limited. The Group was also acting as co-branding partner for prepaid payment instruments (PPI), named 'LazyCard' issued by SBM Bank (India) Limited. These PPI were loaded/reloaded by a credit facility offered by an affiliate entity of the Group. Due to regulatory changes, the Group has discontinued issuance of these co-branded PPI cards. Further, the Group has switched the business of marketing and distribution of co-branded PPI to marketing and distribution of credit cards with the banks. Necessary financial impact has been given in these financial statements.

51 **Application with Reserve Bank of India**

On 17 September 2021, the PayU Payments filed an application with the Reserve Bank of India ('the RBI') for authorization to continue operating as an online payment aggregator in accordance with the Guidelines on Regulation of Payment Aggregators and Payment Gateways dated 17 March 2020 and the Payment and Settlement Systems Act, 2007, as amended from time to time. On 10 January 2023, RBI returned the application and imposed an embargo on onboarding of new merchants. RBI instructed PayU Payments to apply afresh within 120 days from 10 January 2023 after addressing the concerns of RBI which included, simplification of the shareholding structure, comprehensive review and tightening of the merchant onboarding and monitoring processes and confirming compliance with the Digital Lending Guidelines dated 2 September 2022 issued by the RBI. PayU Payments filed a revised application submitted on 10 April 2023 and also confirmed that it has/ will be taking the necessary remediation actions.

On 23 April 2024, RBI has provided in principle authorization to PayU and embargo on new merchants onboarding has been withdrawn. RBI has required the Company to produce a System Audit Report (SAR) from a CERT-IN empanelled auditor within a period of 6 months failing which grant of final authorization may not be considered.

52 **Long- term contracts**

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

53 **Investor Education and Protection Fund**

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

54 **Code on Social Security, 2020 and Employees' Provident Funds & Miscellaneous Provisions Act, 1952.**

(i) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stake holders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

(ii) The Hon'ble Supreme Court of India in its judgment in the matter of Vivekananda Vidyamandir & Others Vs The Regional Provident Fund Commissioner (II) West Bengal laid principles in relation to non-exclusion of certain allowances from the definition of "basic wages" for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. Based on initial assessment performed by the Group, the order did not result in any impact on these financial statements. The management will continue to assess the impact of further developments in this regard and deal with it accordingly.

55 **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 as 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.

56 **Events occurring after the reporting period**

For the year ended March 31, 2024

There have been no material subsequent events between the balance sheet date and the date of signing this report.

For the year ended March 31, 2023

On 1st April 2023, the company has transferred businesses of Data Insights, Payouts, SMB Lending Assistance Services and Neo banking (that is, technology/correspondent services relating to lending activities of banks and financial institutions) from PayU Payments Private Limited to PayU India Innovations Private Limited. The same has been acquired by way of Slump Sale as per section 50B of the Income Tax Act, 1961. The company has acquired Assets of INR 1,057.85 and Liabilities of INR 910.09 and purchase consideration paid to acquire the business is INR 153.29. The difference between purchase consideration paid and net assets acquired is recorded as Goodwill amounting to INR 5.53.

SMB Lending Assistance Services refers to technology/ logistics/ correspondent services relating to banking activities of banks

Neo banking refers to technology/ logistics/correspondent services relating to lending activities of banks and financing institutions including any arrangements with merchants and third parties for implementing any lending flows in collaboration with bank and financial institution.

57 During the year the Company received certain allegations through its "speak up" channel which are being investigated as per management's internal policies. As on the date of issuance of these financial statements, these investigations are substantially completed and the management has concluded that these allegations are not expected to have a material effect on the Company's financial statements or its internal control assesment.

58 **Audit Trail**

The Company (PayU Payments India Private Limited) has used accounting softwares for maintaining its books of account for the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that:

a) The accounting software ("Transaction Platform- Biz, Transaction Platform- Citrus, Transaction Platform- Money, Admin Panel, Pricing Panel, Coherence, Treasury/ Settlement, Redshift, Salesforce, Optimus used for maintaining accounting records of revenue and cost , the accounting software did not have the audit trail feature enabled throughout the year;

b) The accounting software ("SAP ECC") used from April 1, 2023 till September 30, 2023 for maintaining accounting records related to all general ledgers, the accounting software did not have the audit trail feature enabled for the said period.

c) The accounting software ("SAP S4HANA") used from October 1, 2023 for maintaining accounting records related to all general ledgers, the accounting software did not have the audit trail feature enabled for the said period at the application level.

Following is the audit trail assessment for subsidiaries companies:

Subsidiary 1:

The Subsidiary Company (Paysense Services India Private Limited) has used an accounting software for maintaining its books of account for the year ended March 31, 2024 which did not have a feature of recording audit trail (edit log) facility. The Company has migrated its accounting software from Tally to SAPS4HANA from April 1, 2024.

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Subsidiary 2:

The Subsidiary Company (Lazypay Private Limited) has used accounting software for maintaining its books of account for the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that:
a)The accounting software ("Thought Machine") used for maintaining accounting records of revenue, other financial assets and its impairment, did not have the audit trail feature enabled throughout the year;

b) The accounting software ("SAP ECC") used from April 1, 2023 till February 15, 2024 for maintaining accounting records related to all general ledgers, the accounting software did not have the audit trail featu enabled for the said period.

c) The accounting software ("SAP S4HANA") used from February 16, 2024 for maintaining accounting records related to all general ledgers, did not have the audit trail feature enabled for the said period at th application level.

Subsidiary 3:

The Subsidiary Company (PayU Finance India Private Limited) has used accounting software for maintaining its books of account for the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that:

a) The accounting software ("SAP ECC") used from April 1, 2023 till February 15, 2024 for maintaining accounting records related to all general ledgers, did not have the audit trail feature enabled for the sa period.

b) The accounting software ("SAP S4HANA") used from February 16, 2024 for maintaining accounting records related to all general ledgers, the accounting software did not have the audit trail feature enabled fo the said period at the application level.

Subsidiary 4:

The Subsidiary Company (Enstage Software Private Limited) has used accounting software for maintaining its books of account for the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that:

a)The accounting software ("IVS") used for maintaining accounting records of revenue, did not have the audit trail feature enabled throughout the year;
b)The accounting software ("Tally") used from April 1, 2023 till June 30, 2023 for maintaining accounting records related to all general ledgers, did not have the audit trail feature enabled for the said period
c) The accounting software ("SAP S4HANA") used from July 1, 2023 till March 31, 2024 for maintaining accounting records related to all general ledgers, did not have the audit trail feature enabled for the sai period at the application level.

Subsidiary 5:

The Subsidiary Company (PayU India Innovations Private Limited) has used accounting software for maintaining its books of account for the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that

a) The accounting software ("Realtime score provider dashboard and Batch processing score provider dashboard and Inquiry DB") used for maintaining accounting records of revenue, did not have the audit tra feature enabled throughout the year;

b) The accounting software ("SAP ECC") used from April 1, 2023 till September 30, 2023 for maintaining accounting records related to all general ledgers, did not have the audit trail feature enabled for the sa period.

c) The accounting software ("SAP S4HANA") used from October 1, 2023 till March 31, 2024 for maintaining accounting records related to all general ledgers, did not have the audit trail feature enabled for th said period at the application level.

Further, no instances of audit trail feature being tampered with has been noticed in respect of the accounting software for the period for which the audit trail feature was operating.

59 Backup

As per MCA notification dated 05 August 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the Group are required to maintain back-up of the books of account and other relevant books and paper in electronic mode that should be accessible in India at all the time. Also, the companies are required to create backup of accounts on servers physically located in India on a daily basis. The management has maintained proper books of account and the backup is kept on a daily basis of such of books of accounts maintained in electronic mode in a server physically located in India except for-

•SAP ECC which was used from April 1, 2023 till February 15, 2024 for maintaining accounting records related to all general ledgers.
•Tally (Version 6.6.3) which was used from April 1, 2023 till June 30, 2023 for maintaining accounting records related to all general ledgers and for IVS which was used throughout the year in which the server are maintained in India but Backup is kept on weekly basis.
•Transaction platform - Citrus & Money which has been decommissioned during the year and the data backup of the same has been archived.
In relation to compliance with the requirement of the audit trail, refer note 58 to the financial statements.

60 Other Statutory disclosures

(i) The Group does not have 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.

(ii) There are no funds which have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Group or
b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(iii) There are no funds which have been received by the Group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall:
a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
b) provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year or prior years. Further, the Group has not received any deposits or advances from any person for the purpose of trading or investing in Crypto Currency or Virtual Currency.

Deloitte Haskins & Sells LLP Chartered Accountants

PayU Payments Private Limited

(v) The Group has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017

(vi) The Group does not have any Benami property and no proceedings have been initiated or pending against the Company for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

(vii) The Group does not have any charge which is yet to be registered with ROC beyond the statutory period.

(viii) The Group 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.

(ix) The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

Deloitte Haskins & Sells LLP
Chartered Accountants

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

Anirban Mukherjee
Chief Executive Officer and Director
DIN: 07157585
Place: Mumbai
Date: June 21, 2024

Arvind Agarwal
Chief Financial Officer and Director
DIN: 02175753
Place: Mumbai
Date: June 21, 2024

Anuradha Aggarwal
Company Secretary
Place: Mumbai
Date: June 21, 2024