Annexure VI B

PINE LABS LIMITED
AND ITS SUBSIDIARIES

Company Reg. No. 201319166R
(Incorporated in the Republic of Singapore)

For The Year Ended 31 March 2024

PINE LABS LIMITED AND ITS SUBSIDIARIES
(Incorporated in the Republic of Singapore)
Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the financial year ended 31 March 2024

		For the year ended 31 March Group	
	Notes	**2024**	**2023**
(In Indian Rupee million)			
Revenue	5	17,432.70	15,881.09
Cost of sales	6	(9,346.15)	(7,703.16)
Gross profit		8,086.55	8,177.93
Selling and marketing expenses	6	(4,697.70)	(4,419.19)
Product and technology development expenses	6	(3,527.31)	(3,092.31)
General and administrative expenses	6	(3,776.83)	(3,993.39)
Impairment losses on trade and other receivables, contract assets and other advances	7	(181.11)	(244.41)
Other income - net	8	312.36	223.15
Operating loss		**(3,784.04)**	**(3,348.22)**
Finance income	9	479.47	824.10
Finance costs	10	(662.64)	(372.08)
Finance (costs)/income, net		**(183.17)**	**452.02**
Loss before income tax		**(3,967.21)**	**(2,896.20)**
Current tax (expense)/credit	11	(98.70)	143.10
Deferred tax credit	11	669.54	478.01
Income tax credit		570.84	**621.11**
Loss for the year		**(3,396.37)**	**(2,275.09)**
Other comprehensive income/(loss):			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability	23	25.59	24.96
Equity instrument through other comprehensive income		35.22	37.43
Income tax relating to these items	11	(15.27)	(15.11)
Items that may be reclassified subsequently to profit or loss			
Foreign exchange differences on translations of foreign operations	26	17.81	128.46
Other comprehensive income/(loss) for the year (net of income taxes)		**63.35**	**175.74**
Total comprehensive loss for the year		**(3,333.02)**	**(2,099.35)**
Loss for the year is attributable to:			
Owners of the Company		(3,394.24)	(2,274.90)
Non-controlling interests		(2.13)	(0.19)
		(3,396.37)	**(2,275.09)**
Total comprehensive loss for the year is attributable to:			
Owners of the Company		(3,330.94)	(2,099.21)
Non-controlling interests		(2.08)	(0.14)
		(3,333.02)	**(2,099.35)**
Loss per share			
Basic	29	(1,854.74)	(1,267.82)
Diluted	29	(1,854.74)	(1,267.82)

The annexed notes to the financial statements form an integral part of these financial statements.

For Pine Labs Limited

Sd/-
Marc Kay Mathenz
Director

PINE LABS LIMITED AND ITS SUBSIDIARIES
(Incorporated in the Republic of Singapore)
Statement of Financial Position as at 31 March 2024

		Group		Company	
	Notes	31 March 2024	31 March 2023	31 March 2024	31 March 2023
(In Indian Rupee million)					
ASSETS					
Non-Current Assets					
Property, plant and equipment	17	5,419.54	7,056.30	14.02	22.13
Right-of-use assets	32	1,059.70	971.09	42.21	69.65
Goodwill	18	11,914.40	11,910.56	-	-
Intangible assets	18	3,023.14	3,787.96	-	-
Deferred tax assets (net)	11	1,610.16	1,104.07	-	-
Non-current tax assets	19(a)	1,591.69	1,957.78	0.84	-
Financial asset at fair value through other comprehensive income	12(b)	212.90	177.68	-	-
Financial assets at amortised cost	13	539.71	196.01	7.29	6.79
Investments in subsidiaries	30	-	-	38,747.26	39,921.56
Other non-current assets	20	127.30	155.35	-	-
Total non-current assets		**25,498.54**	**27,316.80**	**38,811.62**	**40,020.13**
Current Assets					
Inventories	14	280.02	398.71	-	-
Contract assets	5(b)	1,172.90	1,310.65	-	-
Current tax asset	19(a)	758.17	304.38	-	-
Trade and other receivables, net	15	6,664.55	6,197.25	-	-
Financial asset at fair value through profit or loss	12(a)	2.93	0.16	-	-
Financial assets at amortised cost	13	51,388.15	50,334.99	3,625.14	6,718.91
Other current assets	20	1,855.11	1,663.37	33.46	43.33
Cash and cash equivalents	16	8,793.60	6,142.15	3,092.28	1,023.83
Total current assets		70,915.43	**66,351.66**	**6,750.88**	**7,786.07**
Total assets		**96,413.97**	**93,668.46**	**45,562.50**	**47,806.20**

For Pine Labs Limited

Sd/-
Marc Kay Mathenz
Director

PINE LABS LIMITED AND ITS SUBSIDIARIES
(Incorporated in the Republic of Singapore)
Statement of Financial Position as at 31 March 2024

		Group		Company	
	Notes	31 March 2024	31 March 2023	31 March 2024	31 March 2023
(In Indian Rupee million)					
EQUITY AND LIABILITIES					
Equity					
Share capital	25	81,717.29	81,427.32	81,717.29	81,427.32
Share application money pending allotment	25	2.82	-	2.82	-
Other reserves	26	2,635.82	1,540.58	3,820.43	2,743.14
Accumulated deficit	26	(48,958.00)	(45,621.50)	(41,947.34)	(40,235.19)
Equity attributable to owners of the Company		35,397.93	37,346.40	43,593.20	43,935.27
Non-controlling interests		23.28	24.97	-	-
Total equity		**35,421.21**	**37,371.37**	**43,593.20**	**43,935.27**
Non-Current Liabilities					
Borrowings	21	1,135.94	1,540.13	-	-
Lease liabilities	32	1,004.67	895.76	16.83	47.99
Deferred tax liabilities	11	303.54	450.76	-	-
Trade and other payables	24	279.02	2,102.99	260.72	2,086.15
Contract liabilities	5(b)	53.30	40.15	-	-
Deferred government grants	22	142.14	76.82	-	-
Employee benefit obligations	23	395.84	391.04	2.80	2.79
Total non-current liabilities		**3,314.45**	**5,497.65**	**280.35**	**2,136.93**
Current Liabilities					
Borrowings	21	4,177.52	1,755.08	-	-
Lease liabilities	32	207.79	190.87	31.16	29.13
Trade and other payables	24	13,167.90	11,903.29	1,638.58	1,695.22
Current tax liabilities	19(b)	47.52	75.32	18.76	9.21
Contract liabilities	5(b)	39,719.72	36,689.69	-	-
Deferred government grants	22	177.70	75.09	-	-
Employee benefit obligations	23	180.16	113.10	0.45	0.44
Total current liabilities		**57,678.31**	**50,799.44**	**1,688.95**	**1,734.00**
Total liabilities		**60,992.76**	**56,297.09**	**1,969.30**	**3,870.93**
Total equity and liabilities		**96,413.97**	**93,668.46**	**45,562.50**	**47,806.20**

The annexed notes to the financial statements form an integral part of these financial statements.

For Pine Labs Limited

Sd/-
Marc Kay Mathenz
Director

PINE LABS LIMITED AND ITS SUBSIDIARIES

(Incorporated in the Republic of Singapore)

Consolidated Statement of Changes in Equity for the financial year ended 31 March 2024

	Ordinary share capital	Preference share capital	Other Reserves: Foreign currency translation reserve	Other Reserves: Employee share option reserve	Other Reserves: Restricted Shares reserve	Other Reserves: Merger reserve	Accumulated Deficit	Attributable to the owners of the Company	Non-Controlling interests	Total Equity
As at 1 April 2022	7,219.79	72,826.56	41.64	1,400.14	-	(1,372.66)	(42,920.87)	37,194.60	22.11	37,216.71
Loss for the year	-	-	-	-	-	-	(2,274.90)	(2,274.90)	(0.19)	(2,275.09)
Other comprehensive income/(loss) for the year										
Remeasurement of net defined benefit liability (net of tax)	-	-	-	-	-	-	18.40	18.40	0.02	18.42
Foreign exchange differences on translations of foreign operations	-	-	128.46	-	-	-	-	128.46	-	128.46
Change in fair value of investment in equity instrument through other comprehensive income (net of tax)	-	-	-	-	-	-	28.83	28.83	0.03	28.86
Total comprehensive income/(loss) for the year	**-**	**-**	**128.46**	**-**	**-**	**-**	**(2,227.67)**	**(2,099.21)**	**(0.14)**	**(2,099.35)**
Transactions with owners, recorded directly in equity										
Contribution by owners										
Issuance of ordinary shares (refer note 25)	647.73	-	-	-	-	-	-	647.73	-	647.73
Issuance of ordinary shares pertaining to restricted stock awards (refer note 25)	247.44	-	-	-	(247.44)	-	-	-	-	-
Buyback of vested employee share options	-	-	-	(24.93)	-	-	(162.79)	(187.72)	-	(187.72)
Transfer to accumulated deficit on expiry or cancellation of employee share options	-	-	-	(3.20)	-	-	(3.20)	-	-	-
Employee share option expense net off forfeiture of share-options outstanding	-	-	-	1,923.32	83.64	-	-	2,006.96	-	2,006.96
Issuance of ordinary shares related to share options exercised	502.88	-	-	(477.56)	-	-	-	25.32	-	25.32
Equity-settled share based payment replacement award (refer note 39)	-	-	-	89.17	-	-	-	89.17	-	89.17
Own shares acquired during the year*	(17.08)	-	-	-	-	-	(310.37)	(327.45)	-	(327.45)
Total contribution by owners	**1,380.97**	**-**	**-**	**1,506.80**	**(163.80)**		**(469.96)**	**2,254.01**	**-**	**2,254.01**
Changes in Ownership interests										
Changes in non-controlling interest	-	-	-	-	-	-	(3.00)	(3.00)	3.00	-
Total changes in ownership interest in subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**(3.00)**	**(3.00)**	**3.00**	**-**
Total transactions with owners	**1,380.97**	**-**	**-**	**1,506.80**	**(163.80)**	**-**	**(472.96)**	**2,251.01**	**3.00**	**2,254.01**
As at 31 March 2023	**8,600.76**	**72,826.56**	**170.10**	**2,906.94**	**(163.80)**	**(1,372.66)**	**(45,621.50)**	**37,346.40**	**24.96**	**37,371.38**

* During the year ended 31 March 2023 the Group has concluded the buyback of 12,911 ordinary shares amounting to INR 327.45 million. This has resulted in a total cash outflow of INR 327.45 million, and the consideration paid has been recognized as a deduction from equity and accumulated deficit amounting to INR 17.08 million and INR 310.37 million, respectively.

PINE LABS LIMITED AND ITS SUBSIDIARIES
(Incorporated in the Republic of Singapore)
Consolidated Statement of Changes in Equity for the financial year ended 31 March 2024

				Other Reserves							
	Ordinary share capital	**Preference share capital**	**Share application money pending allotment**	**Foreign currency translation reserve**	**Employee share option reserve**	**Restricted Shares reserve**	**Merger reserve**	**Accumulated Deficit**	**Attributable to the owners of the Company**	**Non-Controlling interests**	**Total Equity**
As at 1 April 2023	**8,600.76**	**72,826.56**	**-**	**170.10**	**2,906.94**	**(163.80)**	**(1,372.66)**	**(45,621.48)**	**37,346.42**	**24.96**	**37,371.38**
Loss for the year	-	-	-	-	-	-	-	(3,394.24)	(3,394.24)	(2.13)	(3,396.37)
Other comprehensive income/(loss) for the year											
Remeasurement of net defined benefit liability (net of tax)	-	-	-	-	-	-	-	18.35	18.35	0.02	18.37
Foreign exchange differences on translations of foreign operations	-	-	-	17.81	-	-	-	-	17.81	-	17.81
Change in fair value of investment in equity instrument through other comprehensive income (net of tax)	-	-	-	-	-		-	27.14	27.14	0.03	27.17
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**17.81**	**-**	**-**	**-**	**(3,348.75)**	**(3,330.94)**	**(2.08)**	**(3,333.02)**
Transactions with owners, recorded directly in equity											
Contribution by owners											
Receipt of share application money	-	-	2.82	-	-	-	-	-	2.82	-	2.82
Employee share option expense net off forfeiture of share-options outstanding	-	-	-	-	1,255.15	111.77	-	-	1,366.92	-	1,366.92
Issuance of ordinary shares related to share options exercised	289.97	-	-	-	(277.26)	-	-	-	12.71	-	12.71
Transfer to accumulated deficit on expiry or cancellation of employee share options	-	-	-	-	(12.23)	-	-	12.23	-	-	-
Total contribution by owners	**289.97**	**-**	**2.82**	**-**	**965.66**	**111.77**	**-**	**12.23**	**1,382.45**	**-**	**1,382.45**
Changes in ownership interests											
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	0.40	0.40
Total changes in ownership interest in subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.40**	**0.40**
Total transactions with owners	**289.97**	**-**	**2.82**	**-**	**965.66**	**111.77**	**-**	**12.23**	**1,382.45**	**0.40**	**1,382.45**
As at 31 March 2024	**8,890.73**	**72,826.56**	**2.82**	**187.91**	**3,872.60**	**(52.03)**	**(1,372.66)**	**(48,958.00)**	**35,397.93**	**23.28**	**35,421.21**

PINE LABS LIMITED AND ITS SUBSIDIARIES
(Incorporated in the Republic of Singapore)
Consolidated Statement of Cash Flows for the financial year ended 31 March 2024

		Group	
	Note	**2024**	**2023**
(In Indian Rupee million)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(3,967.21)	(2,896.20)
Adjustments for:			
Finance income (excluding foreign exchange gain)		(479.47)	(392.25)
Finance cost (excluding foreign exchange loss)		640.70	372.08
Depreciation, amortisation and impairment expenses		4,272.34	3,234.87
Write-off of property, plant and equipment		1.88	-
Impairment losses on trade and other receivables, contract assets and other advances		181.11	244.41
Employee share option expense		1,366.92	2,006.96
Gain on disposal of property, plant and equipment		(35.20)	(19.95)
Write down of obsolete and slow-moving inventories		34.71	1.90
Unrealised foreign exchange differences		28.28	117.76
Liabilities and provisions written back		(38.48)	(49.43)
Government grants		(224.42)	(85.73)
Net (gain)/loss on lease modification/termination		(3.22)	0.09
Operating profit before working capital changes		1,777.94	2,534.51
Movement in working capital			
Decrease/(Increase) in inventories		139.92	(234.46)
Increase in financial assets at amortised cost		(2,657.46)	(920.67)
(Increase)/Decrease in other assets		(123.54)	234.48
Increase in trade and other receivables and contract assets		(558.19)	(3,062.10)
Increase in trade and other payables		1,267.47	628.27
Increase/(Decrease) in contract liabilities		168.71	(73.84)
Increase in employee benefit obligation		97.38	89.40
Cash generated from/(used in) operations		112.23	(804.41)
Income taxes paid		(118.23)	(871.44)
Interest received		387.35	354.61
Interest paid		(524.62)	(265.28)
Net cash used in operating activities		(143.27)	(1,586.52)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		92.97	24.71
Purchase of property, plant and equipment and intangible assets		(2,668.89)	(3,655.11)
Acquisition of subsidiary, net of cash acquired	39	-	(6,285.10)
Purchase of current investments		-	(2,400.00)
Proceeds from sale of current investments		-	(2,813.18)
Purchase of term deposits		(1,683.99)	(17,494.23)
Proceeds from maturity of term deposits		8,052.08	18,669.22
Receipt of government grants		376.54	188.95
Net cash generated from/(used in) investing activities		4,168.71	(8,138.38)

PINE LABS LIMITED AND ITS SUBSIDIARIES
(Incorporated in the Republic of Singapore)
Consolidated Statement of Cash Flows for the financial year ended 31 March 2024

	Group	
	2024	**2023**
(In Indian Rupee million)		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on issue of shares (including share options exercised)	15.52	25.31
Principal repayments of borrowings	(1,162.26)	(874.76)
Proceeds from borrowings	629.67	1,860.04
Increase in customer fund deposits liability	2,905.03	5,533.13
Payments for shares and employee share options bought back	-	(515.17)
Payment of deferred consideration, net of receipt	(848.38)	-
Principal elements of lease payments	(299.20)	(206.25)
Net cash generated from financing activities	1,240.38	5,822.30
Net increase/(decrease) in cash and cash equivalents, restricted cash and cash equivalents	5,265.82	(3,902.60)
Cash and cash equivalents, restricted cash and cash equivalents at beginning of year	42,689.51	46,551.81
Effect of foreign exchange rate changes	9.96	40.30
Cash and cash equivalents, restricted cash and cash equivalents at end of year	47,965.29	42,689.51

Reconciliation of cash and cash equivalents, restricted cash and cash equivalents within the consolidated statement of financial position to the amount shown in the consolidated statement of cash flows above:

		Group	
	Notes	**2024**	**2023**
(In Indian Rupee million)			
Cash and cash equivalents	16	8,793.60	6,142.15
Less: Bank overdrafts and cash credit facilities	21	(3,248.94)	(703.03)
Cash and cash equivalents as per consolidated statement of cash flows		5,544.66	5,439.12
Restricted cash and cash equivalents	13	42,420.63	37,250.39
Total cash and cash equivalents, restricted cash and cash equivalents at end of year		47,965.29	42,689.51

Refer to Note 21 for disclosure related to non-cash financing activities

The annexed notes to the financial statements form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Reporting Entity

Pine Labs Limited (the "Company") is a public limited liability company domiciled and incorporated in Singapore on 15 July 2013. The registered address of the Company is located at 38 Beach Road #29-11 South Beach Tower Singapore 189767 and its principal place of business is located at One Temasek Ave, #14-04 Millenia Tower, Singapore 039192.

The Company and its subsidiaries (collectively, the "Group") are principally engaged in providing services related to transaction processing, payment solutions, gifting solutions, petroleum retail automation (including supply of materials) and selling of POS (Digital checkout points) devices and providing services with respect to sale of such devices to its customers.

2. Basis of Accounting

i. Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as issued by the Accounting Standards Committee (ASC) under ACRA . The Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements, except as mentioned otherwise.

The consolidated financial statements were authorised for issue by the Group's Board of Directors on [ ].

ii. Basis of measurement

The consolidated financial statements correspond to the classification provisions contained in FRS 1 (revised), "Presentation of Financial Statements". For clarity, various items are aggregated in the consolidated statement of profit and loss and other comprehensive income and consolidated statement of financial position. These items are disaggregated separately in the notes to the consolidated financial statements, where applicable.

The consolidated financial statements have been prepared on the historical cost and on an accrual basis except for the following material items:

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2. **Basis of Accounting (continued)**

ii. **Basis of measurement (continued)**

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such basis, except for share-based payment transactions that are within the scope of FRS 102, leasing transactions that are within the scope of FRS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 or value in use in FRS 36.

iii. **Functional currency and presentation currency**

All amounts included in the consolidated financial statements are reported in Indian Rupee (INR) million except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures. The functional currency of the Company and its Indian subsidiaries is the Indian rupee. The functional currency for other subsidiaries has been determined based on the primary economic environment in which each of the subsidiary operates and is normally the currency in which each subsidiary primarily generates and expends cash. These financial statements are presented in Indian Rupees.

iv. **Use of judgements and estimates**

The preparation of the Group's consolidated financial statements requires 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, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities in future periods. Therefore, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

A. ***Judgments***

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

2. **Basis of Accounting (continued)**

iv. **Use of judgements and estimates (continued)**

A. ***Judgments (continued)***

(a) **Revenue from contracts with customers**

The determination of gross versus net recognition of revenue requires judgment that depends on whether the Group controls the good or service before it is transferred to the merchant or whether the Group is acting as an agent of a third party in accordance with FRS 115. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the client, except in case of revenue from aggregator services, processing and distribution revenue from SCLP, CLP and other brand gift cards, and revenue from distribution of deals and ecards and revenue from application programming interface (“API”) and provision of payment solutions.

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

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

(b) **Determining lease term**

The 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 some property lease arrangements with its vendors that include option to renew or terminate the contract by the Group entity by giving advance notice or option to terminate the contract by either party at any time by giving advance notice. The Group applied judgment in evaluating whether it is reasonably certain for the Group to renew or terminate the property lease contract before the lease term. It considered all the factors that create economic incentive for the Group to continue with lease or renew or terminate including alternatives available for the office lease, use of underlying property, location of the office, leasehold improvements made and accordingly determined lease term.

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

2. **Basis of Accounting (continued)**

iv. **Use of Judgements and Estimates (continued)**

A. ***Judgments (continued)***

(c) **Determining sale and leaseback transactions**

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

(d) **Income taxes**

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

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

(e) **Determination of Cash Generating Unit (CGU)**

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

B. **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

2. **Basis of Accounting (continued)**

iv. **Use of Judgements and Estimates (continued)**

B. **Estimates and assumptions (continued)**

(a) **Recognition of revenue from Subscription based services**

The recognition of revenue from subscription-based services included preparation of estimates to determine the average customer relationship period, with the objective to recognise revenue on a straightline basis. The estimates are related to the average time that the merchant will process the transactions with the Group.

(b) **Loss allowance of trade receivables and contract assets**

In calculating expected credit loss, the Group uses judgment in making these assumptions and selecting the inputs for expected credit loss calculation based on the Group's past history of collections, existing market conditions as well as forward looking estimates at the end of each reporting period. Management also exercises judgment in specific cases and basis past experience estimates additional impairment loss provisions. These include trade receivables and contract assets associated with litigations, balances for which customers have not transacted/paid for more than a specific period and other reasons. Refer note 35 for further details.

(c) **Loss allowance of trade receivables and contract assets**

In calculating expected credit loss, the Group uses judgment in making these assumptions and selecting the inputs for expected credit loss calculation based on the Group's past history of collections, existing market conditions as well as forward looking estimates at the end of each reporting period. Management also exercises judgment in specific cases and basis past experience estimates additional impairment loss provisions. These include trade receivables and contract assets associated with litigations, balances for which customers have not transacted/paid for more than a specific period and other reasons. Refer note 35 for further details.

(d) **Useful life of property, plant and equipment**

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

(e) **Useful life of intangibles**

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

2. **Basis of Accounting (continued)**

iv. **Use of Judgements and Estimates (continued)**

B. **Estimates and assumptions (continued)**

(f) **Impairment of Goodwill**

Goodwill is tested for impairment on an annual basis on 31 March and whenever there is an indication that the recoverable amount of a cash generating unit (CGUs) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes. The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell. Key assumptions in the cash flow projections are prepared based on current economic conditions and comprises estimated perpetuity growth rates, weighted average cost of capital and average free cash flows to equity. Refer note 40 for further details.

(g) **Defined benefits plan and other long-term benefits**

The obligations arising from defined benefit plan and other long-term benefits are determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds or high quality corporate bonds (as applicable). The period to maturity of the underlying bonds correspond to the probable maturity of the employee benefit obligations. Due to complexities involved in the valuation and its long-term nature, employee benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period. Refer note 23 for further details.

(h) **Business combination**

In accounting for business combinations, judgment is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets (including useful life estimates) and liabilities acquired, involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations.

(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. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the entity's stand-alone credit rating).

2. **Basis of Accounting (continued)**

iv. **Use of Judgements and Estimates (continued)**

B. **Estimates and assumptions (continued)**

(j) **Share-based payments**

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share options, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled and cash-settled transactions with employees at the grant date and at each reporting date until settlement (in case of cash-settled transactions), the Group uses a Black-Scholes model and Monte Carlo simulation model respectively. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 28.

(k) **Recognition and measurement of provisions and contingencies**

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

(l) **Government Grant**

Government grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an asset or a non-monetary item, it is recognised as deferred income under liabilities and is recognised as income in the Statement of profit or loss and other comprehensive income on a straight line basis over the expected useful life of the related asset or a non-monetary item.

(m) **Restricted shares**

Vesting of restricted shares is time based and performance based as per agreements. Unvested shares will be eligible to be repurchased by the parent Company. In determining the estimated vesting of the restricted shares, the Group has calculated performance achievement ratio basis the current achievement and expected achievement of performance as mentioned in the agreement.

v. **Going concern**

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

3. Material Accounting Policies

The Group has adopted Disclosure of Accounting Policies (Amendments to FRS 1) from 1 April 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the Financials Statements.

Management reviewed the accounting policies and made updates to the information disclosed in below material accounting policies in certain instances in line with the amendments.

3.1 Subsidiaries and principles of consolidation

(a) ***Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company (its subsidiaries) as at the end of the reporting period. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affects its returns.

The Company 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.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

3. **Material Accounting Policies (continued)**

3.1 **Subsidiaries and principles of consolidation (continued)**

(a) ***Basis of consolidation (continued)***

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.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as that of the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full on consolidation.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable FRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 109 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

(b) ***Business combinations and Goodwill***

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the consolidated statement of profit or loss as incurred.

3. **Material Accounting Policies (continued)**

3.1 **Subsidiaries and principles of consolidation (continued)**

(b) ***Business combinations and Goodwill (continued)***

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with FRS 12 and FRS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with FRS 102 at the acquisition date (see below in Note 3.14).

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to precombination services (refer accounting policy regarding Share-based payments).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

(c) **Leases acquired as a part of business combination**

For leases identified in accordance with FRS 116, in which the acquiree is a lessee, the Group measures the lease liability at the present value of the remaining lease payments (as defined in accounting policy for leases), as if the acquired lease were a new lease at the acquisition date. The right-of-use asset is measured at the same amount as the lease liability, adjusted to reflect favorable or unfavorable terms of the lease when compared to market terms.

3. **Material Accounting Policies (continued)**

3.2 **Current versus non-current classification**

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

3.3 **Foreign currencies**

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions, or an average rate that approximates the actual rate. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve.

3. **Material Accounting Policies (continued)**

3.3 **Foreign currencies (continued)**

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

3.4 **Property, plant and equipment**

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

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

Depreciation is computed on a straight-line basis over the estimated useful lives of the asset as follows:

Leasehold improvements	Lower of lease term or 7 years
Computers	2 to 6 years
Office equipment	3 to 5 years
Furniture and fixtures	3 to 10 years
Vehicles	3 to 10 years
Plant and machinery (including Point of Sale machines)	1.5 to 5 years
Servers and networks	3 to 6 years

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

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

3. **Material Accounting Policies (continued)**

3.4 **Property, plant and equipment (continued)**

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

3.5 **Intangible assets**

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

Software and Development cost

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

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

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

Computer software	3 - 5 years
Customer relationship	3 - 7 years
Technology	3 - 5 years
Non-compete	1 - 5 years
Trademarks	3 - 5.50 years

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

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 consolidated statement of profit or loss under the head "Other income, net" when the asset is derecognised.

3. **Material Accounting Policies (continued)**

3.6 **Leases**

The Group assesses whether a contract is or contains a lease, at inception of the contract.

(a) **The Group as lessee**

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

Lease liabilities

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

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

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

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

The lease liability is presented as a separate line in the consolidated statement of financial position.

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

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

3. **Material Accounting Policies (continued)**

3.6 **Leases (continued)**

(a) **The Group as lessee (continued)**

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

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

Right-of-use assets

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

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

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

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

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

3. **Material Accounting Policies (continued)**

3.6 **Leases (continued)**

(b) **The Group as lessor**

Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset. In the case of a finance lease, where the group is a dealer lessor, it recognises revenue at the commencement date at the fair value of the underlying asset, or, if lower, the present value of the lease payments accruing to the lessor, discounted using a market rate of interest.

If an arrangement contains lease and non-lease components, then the Group applies FRS 115 to allocate the consideration in the contract.

3.7 **Impairment of non-financial assets**

(a) **Goodwill**

Goodwill is initially measured as set out in para 3.1(b) above.

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

The Group tests whether goodwill has suffered any impairment on an annual basis at 31 March and when circumstances indicate that the value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. See Note 40 for a discussion of the model and key assumptions.

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

(b) **Intangible assets, property, plant and equipment and right-of-use assets**

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment, intangible assets and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the 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.

3. **Material Accounting Policies (continued)**

3.7 **Impairment of non-financial assets (continued)**

(b) **Intangible assets, property, plant and equipment and right-of-use assets (continued)**

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

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

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

3.8 **Financial instruments**

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

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

3.8.1 **Financial Assets**

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

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

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

3. **Material Accounting Policies (continued)**

3.8 **Financial instruments (continued)**

3.8.1 **Financial Assets (continued)**

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

Subsequent measurement

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

(a) ***Classification, recognition and measurement of financial assets***

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

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

Financial assets at amortised cost (debt instruments)

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

The Group's financial assets at amortised cost include trade receivables, contract assets, term deposits, security deposits, restricted cash and cash equivalents, interest accrued on deposits, receivable for cash back, loans to employees and other receivables shown under the head "Financial assets measured at amortised cost", except trade receivables and contract assets which are shown separately.

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

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

3. **Material Accounting Policies (continued)**

3.8 **Financial instruments (continued)**

3.8.1 **Financial Assets (continued)**

Subsequent measurement (continued)

(a) ***Classification, recognition and measurement of financial assets (continued)***

Financial assets at amortised cost (debt instruments) (continued)

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

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

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

Financial assets at FVOCI (debt instruments)

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

Financial assets at FVOCI (equity instruments)

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

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

Financial assets at FVPL

The Group's financial assets measured at FVPL include investment in mutual funds shown under the head "financial asset at fair value through profit or loss". Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss in Finance income.

3. **Material Accounting Policies (continued)**

3.8 **Financial instruments (continued)**

3.8.1 **Financial Assets (continued)**

Subsequent measurement (continued)

(a) ***Classification, recognition and measurement of financial assets (continued)***

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The contractual rights to receive cash flows from the asset have expired; or
- The Group has transferred its contractual rights to receive cash flows from the asset or has assumed a contractual obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  (a) the 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 contractual rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognises the transferred asset to the extent of its continuing involvement.

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

(b) ***Impairment of financial assets***

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

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

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

3. **Material Accounting Policies (continued)**

3.8 **Financial instruments (continued)**

3.8.1 **Financial Assets (continued)**

Subsequent measurement (continued)

(b) ***Impairment of financial assets (continued)***

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, computed by using a loss rate.

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

(c) ***Write off policy***

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

3.8.2 **Financial liabilities and equity**

(a) ***Classification as debt or equity***

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of incremental costs directly attributable to the issuance of equity instruments, if any.

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

3. **Material Accounting Policies (continued)**

3.8 **Financial instruments (continued)**

3.8.2 **Financial liabilities and equity (continued)**

(a) ***Classification as debt or equity (continued)***

Compound instruments

The component parts of convertible instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to retained earnings (accumulated losses). Where the conversion option remains unexercised at the maturity date of the convertible loan note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

The Group has issued Redeemable Convertible Cumulative Preference Shares, which are convertible into fixed number of ordinary shares and do not contain any obligation to make fixed payments or issue variable number of ordinary shares. These convertible preference shares are redeemable at the sole option of the Company and do not contain any underlying redemption obligation towards the holders of preference shares. Accordingly, the Group has classified the said convertible preference shares as equity instruments.

Initial recognition and measurement

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

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

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

3. **Material Accounting Policies (continued)**

3.8 **Financial instruments (continued)**

3.8.2 **Financial liabilities and equity (continued)**

(a) ***Classification as debt or equity (continued)***

Subsequent measurement

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

Financial liabilities at FVPL

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

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

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

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

Financial liabilities at amortised cost

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

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

(b) ***Derecognition***

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

3. **Material Accounting Policies (continued)**

3.8 **Financial instruments (continued)**

3.8.3 **Fair value of financial instrument**

The Group measures financial instruments such as derivatives, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

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

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

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

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

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

3.8.4 **Offsetting of financial instruments**

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

3. **Material Accounting Policies (continued)**

3.9 **Cash and cash equivalents**

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

For the purpose of the consolidated statement of cash flows, cash and cash equivalents are considered net of outstanding bank overdrafts and cash credit facilities.

3.10 **Funds held for customers and customer fund deposits liability**

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

3.11 **Inventories**

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

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

3.12 **Provisions and contingent liabilities**

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

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

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

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

3. **Material Accounting Policies (continued)**

3.12 **Provisions and contingent liabilities (continued)**

Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

i. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

ii. The amount of the obligation cannot be measured with sufficient reliability.

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

3.13 **Employee benefits**

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

(a) ***Post-employment and termination benefit costs***

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

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

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

The Group recognises service costs within consolidated statement of profit or loss as Gratuity and other defined benefit plans expenses under employee compensation.

Net interest expense or income is recognised within employee compensation.

3. **Material Accounting Policies (continued)**

3.13 **Employee benefits (continued)**

(b) ***Short term and other long-term employee benefits***

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

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit.

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

3.14 **Share-based payments**

Employees of the Group also receive remuneration in the form of share-based payment transactions under Group's Employee stock option plan.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when grant is made using an appropriate valuation model.

The cost is recognised, together with a corresponding increase in Employee share options reserve (ESOP) account in equity, over the period in which the performance and/or service conditions are fulfilled in employee share option expense under employee compensation. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The movement in cumulative expense recognised as at the beginning and end of that period is recognised in employee share option expense under employee compensation in the consolidated statement of profit and loss.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

3. **Material Accounting Policies (continued)**

3.14 **Share-based payments (continued)**

Modifications, cancellations and settlement

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. The incremental fair value granted is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification.

If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognised for services received over the period from the modification date until the date when the modified equity instruments vest.

If the modification occurs after the vesting date, the incremental fair value granted is recognised immediately. If the employee is required to complete an additional period of service before becoming unconditionally entitled to the modified equity instruments, the incremental fair value granted will be recognised over the vesting period.

Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss. Any payment made to the employee on cancellation or settlement is accounted for as a repurchase of an equity interest (i.e. as a deduction from equity) except to the extent that the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognised as an expense.

If new equity instruments are granted and they are identified, on the date when they are granted, as replacement equity instruments for the cancelled equity instruments, this is accounted for as a modification of the original equity instruments. The incremental fair value granted is the difference between the fair value of the replacement equity instruments and the net fair value of the cancelled equity instruments at the date the replacement equity instruments are granted.

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

Cash-settled transactions

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in Employee share option expense. The fair value is expensed over the period until the vesting date under employee share option expense under employee compensation, with recognition of a corresponding liability. The fair value is determined using a Monte Carlo simulation model, further details of which are given in Note 28. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

3. **Material Accounting Policies (continued)**

3.14 **Share-based payments (continued)**

Share-based payment transactions of the acquiree in a business combination

When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Group's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with FRS 102 ("market-based measure") at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award.

The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognised as remuneration cost for post-combination service.

Cash settlement for acquiree awards

If there is a pre-existing change-in-control provision under which the acquirer must issue replacement awards and the acquirer decides to cash settle the acquiree's original awards (either full or in part), the cash settlement is treated in the same manner as if the acquirer was required to replace the awards with share-based payment awards of the acquirer.

If awards are fully vested as of the date of the acquisition, the entire fair-value-based measure of the acquiree's replaced award is attributable to pre-combination vesting and therefore included in consideration transferred. If the cash paid to settle fully vested awards exceeds the fair-value-based measure of those awards, the excess over the fair-value-based measure would be immediately recognised as remuneration cost for post combination service.

If awards are partially vested as of the date of acquisition, the acquirer has effectively accelerated the vesting of the unvested portion of the award and settled the entire award. The amount of the fair-value-based measure of the acquiree's replaced award attributable to pre-combination vesting and therefore included in consideration transferred is based on the ratio of precombination vesting to the original vesting period of the acquiree's replaced award. The amount recognised as remuneration cost for post combination service represents (1) any excess of the cash settlement over the fair-value-based measure of the vested replaced awards plus (2) the portion of the fair-value-based measure attributable to the post-combination period.

3.15 **Revenue from contracts with customers**

The Group derives revenue primarily from the following major sources:

(A) Digital payments
(B) Issuing

Revenue from contracts with customers is recognised when control of the goods or services is 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.

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

3. **Material Accounting Policies (continued)**

3.15 **Revenue from contracts with customers (continued)**

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

(A) **Digital payments**

The revenue under Digital payments is derived from following:

(a) ***Merchant Services***

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

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

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

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

3. **Material Accounting Policies (continued)**

3.15 **Revenue from contracts with customers (continued)**

(A) **Digital payments (continued)**

(b) ***Aggregator services***

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

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

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

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

3. **Material Accounting Policies (continued)**

3.15 **Revenue from contracts with customers (continued)**

(A) **Digital payments (continued)**

(b) ***Aggregator services (continued)***

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

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

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

Transaction processing and settlement fees are recognised net of assessment fees and card association fees paid to the acquiring banks/financial institutions, however when the assessment fees and card association fees is higher than the transaction processing and settlement fees earned from the customer, the excess amount is classified as transaction cost under cost of sales.

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

(c) ***Buy Now Pay Later (BNPL) services***

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

(d) ***Cash back services***

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

3. **Material Accounting Policies (continued)**

3.15 **Revenue from contracts with customers (continued)**

(A) **Digital payments (continued)**

(e) ***Multiple performance obligations***

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

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

(f) ***Subscription based and other services***

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

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

(g) ***Consumer app***

The revenue under Consumer app is derived from following:

- Deals, ecards and payment solutions

The Group provides deals, ecards and payment solutions to customers through its application ('app'). Deals and ecards are hosted on the Fave platform, which the customers can purchase to avail goods and services at merchant stores. Payment solutions facilitate cashless payment by a customer to a merchant partner through the app.

Revenue from consumer app is comprised of following:

(i) Commission income
(ii) Breakage revenue
(iii) Sale of pre-purchased deal vouchers
(iv) Advertising services

3. **Material Accounting Policies (continued)**

3.15 **Revenue from contracts with customers (continued)**

(A) **Digital payments (continued)**

(g) ***Consumer app (continued)***

(i) Commission income

Commission income majorly comprises income from merchants for facilitating distribution of deals and ecards or providing payment solutions to customers, net of discounts passed on to end customers (as applicable). This also includes service of authorisation, processing and settlement for payment transactions. Contracts with merchants stipulate the type of commission income and articulate how fees will be accrued and calculated.

Commission income is charged on the value of deal vouchers or ecards purchased by end customers. Commission income is recognised at a point in time on each sale of deal vouchers and ecards, and in case of payment solution, recognised at a point in time on each customer payment transaction processed on the app.

The Group follows the requirements of FRS 115 *Revenue from Contracts with Customers - Principal versus Agent Considerations*, which states that the determination of whether the Group should recognise revenue based on the gross amount collected from a customer or the net amount retained is a matter of judgment that depends on the facts and circumstances of the arrangement. The determination of gross versus net recognition of revenue requires judgment that depends on whether the Group controls the good or service before it is transferred to the merchant or whether the Group is acting as an agent of a third party. The assessment is performed separately for each performance obligation identified. Commission income is recognised net of discount passed on to end customers, since:

- the Group is only providing or granting the options to customers or end users (on behalf of the merchants) to purchase goods or services from the merchants by using the deal vouchers and ecards or facilitating the end customer to make payment to the merchant via its app. Such sale of deal vouchers and ecards or payment solutions is in the nature of providing a service of arranging for another party (merchants) to transfer goods or services to a customer or service of facilitating payment to merchants via its app;
- the Group does not control the deal vouchers and ecards and associated services before it is transferred to end customers;
- the Group is not responsible for honoring the promise to provide the specified good or service pertaining to the deal vouchers or ecards or payment solution. The merchant is the primary obligor for the redemption of deal vouchers and ecards, and for providing supply or performance of the merchant offering, customer services, after sales services etc. to end users;
- the Group does not carry any inventory risk/loss since these deals and ecards are issued on real time basis and the Group does not hold inventory at any time (except in case of pre-purchased deal vouchers, refer below);
- the discretion of determining the discount to be allowed to end customer is either jointly controlled by the merchant and Group, or completely by the merchant. The Group does not have a unilateral right to determine the discount to be allowed to the end customer.

3. **Material Accounting Policies (continued)**

3.15 **Revenue from contracts with customers (continued)**

(A) **Digital payments (continued)**

(g) ***Consumer app (continued)***

(i) Commission income (continued)

Commission income is presented, net of value added tax, discounts, customer refunds, however when the discount passed to the customer is higher than the commission income earned, the excess amount is classified under cost of sales.

(ii) Breakage revenue

The unused amount of deal vouchers (i.e. the amount attributable to a customer's unexercised rights to future goods or services) which is not ultimately redeemed is often referred to as breakage. In case of sale of deal vouchers and payment solutions, where the Group expects to be entitled to a breakage amount, revenue is recognised based on expectation of deals vouchers that will be redeemed or merchant cashback that would be utilised by the end customer on future transactions. Further, the actual breakage post the period end is also considered as an input to the estimate. To the extent vouchers are not redeemed or merchant cashback is not utilised and they expire, the Group recognises breakage revenue based on terms of the underlying arrangements.

In case of sale of deal vouchers, the Group is entitled to commission income on the sale of such deal vouchers. In case of expiry of the deal vouchers, the Group is entitled to breakage revenue for the amount received from end customer, net of commission income. In case of merchant cashback on payment solutions, the Group is entitled to commission income on such payment solutions and end customer is entitled to cashback which is borne by the merchant ('merchant cashback') which entitles end customers to avail goods and services at the merchant on subsequent visits with a predetermined expiry date. In case of expiry of such merchant cashback, the Group is entitled to breakage revenue for the amount of merchant cashback. In estimating the expected breakage for unredeemed merchant cashback, deal or voucher, the Group uses the expected value method to estimate the merchant cashback, deal or voucher unredeemed by customers upon expiry by category of product types and utilisation of customer options patterns. The Group recognises the expected breakage amount as revenue in proportion to the pattern of rights exercised by the end customer. The Group estimates the breakage it expects to be entitled to as the amount for which it is highly probable that a significant reversal will not occur in the future.

For unredeemed deals or vouchers, management relies on historical experience with customer purchases and breakage patterns upon expiry, analysed by different category of product types.

For unutilised merchant cashback, management relies on historical experience with credits granted and breakage patterns upon expiry, analysed by type of credits granted.

3. **Material Accounting Policies (continued)**

3.15 **Revenue from contracts with customers (continued)**

(A) **Digital payments (continued)**

(g) ***Consumer app (continued)***

(iii) Sale of pre-purchased deal vouchers

The Group also pre-purchases some deal vouchers from merchant partners and hosts it on its app for sale to end customers. For sale of pre-purchased deal vouchers, wherein the group maintains the inventory of the cards and has significant latitude over the pricing of the cards, the Group is acting as a principal, and revenue is recognised on a gross basis, for value of cards sold, at a point in time when such sale is made.

(iv) Advertising services

The Group provides advertising space on its app and charges revenue from merchants for the use of such space. Merchants prepay for the advertising services and revenue from rendering of advertising services is recognised over time during the service period when the services have been rendered. The amount prepaid by merchants is recognised as contract liabilities when the advance is received.

(h) ***Revenue from sale of POS (Digital checkout points) devices***

The Group also generates revenue from selling of POS devices and recognises the revenue at its transaction price when the customer obtains control of the POS devices.

(i) ***Other revenues***

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

(B) **Issuing**

The revenue under Issuing is derived from the following:

(a) ***Gift solutions***

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

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

3. **Material Accounting Policies (continued)**

3.15 **Revenue from contracts with customers (continued)**

(B) **Issuing**

(a) ***Gift solutions (continued)***

Processing services

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

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

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

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

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

Processing fees are recognised at a point in time on each activation or reload or redemption of gift cards/vouchers depending upon the nature of agreements.

3. **Material Accounting Policies (continued)**

3.15 **Revenue from contracts with customers (continued)**

(B) **Issuing**

(a) ***Gift solutions (continued)***

Distribution revenue

Distribution revenue majorly comprises margin/commission income from merchant or brand vendors for facilitating distribution of gift cards to retail or corporate customers net of margin/commission passed on to end customers which comprises pass-through cost. Contracts with merchants or brand vendors stipulate the type of distribution revenue and articulate how fees will be accrued and calculated.

Margin/commission income is charged on the value of gift cards/vouchers activated or reloaded or redeemed (as per the arrangements with merchant or brand vendors) and billed to the merchants or brand vendors based on the monthly reports generated. Margin/commission income are recognised at a point in time when such sale is made.

For distribution of other brand gift cards through all the channels of the Group, as the Group is acting merely as an agent plus the obligation on Group being only to provide the gift cards to the customer, revenue is recognised at a point in time when such sale is made. For group's Prepaid Payment Instruments (PPI) cards, revenue is recognised at a point in time upon activation/redemption as per the terms of agreement with co-branding partner.

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

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

3. **Material Accounting Policies (continued)**

3.15 **Revenue from contracts with customers (continued)**

(B) **Issuing (continued)**

(a) ***Gift solutions (continued)***

Distribution revenue (continued)

For other brands cards wherein the group maintains the inventory of the cards and has significant latitude over the pricing of the cards, the Group is acting as a principal, and revenue is recognised on a gross basis, for value of cards sold, at a point in time when such sale is made.

Woohoo gift cards

In case of distribution of woohoo gift cards and certain card programs, the Group is entitled to incoming margin (i.e. discount received) at the time of redemption of gift cards as a percentage of the value of cards redeemed. In case of expiry of the gift cards, the Group is entitled to breakage revenue.

Network cards

In case of network cards, the Group incurs the cost in advance (in form of discount allowed to the user). The same is directly attributable to provision of such service and generation of underlying revenue from such programs. The Group recognises the upfront cost incurred as asset and accordingly recognises the same at the time of recognition of associated revenue or satisfaction of performance obligation (i.e. amortised in proportion of pattern of redemption of such cards).

(b) ***Breakage revenue***

Vouchers and cards may be partially or fully redeemed, and the unused amount (i.e. the amount attributable to a customer's unexercised rights to future goods or services) which is not ultimately redeemed is often referred to as breakage. The Group in general does not expect to be entitled to breakage amount (i.e., a portion of the prepaid card which may not be exercised/redeemed by the customers and retained by the Group). Accordingly, the Group recognises breakage when the likelihood of the customer exercising its remaining rights becomes remote (i.e., remote method).

In case of distribution of woohoo gift cards and certain card programs, the Group is entitled to incoming margin (i.e. discount received) at the time of redemption of gift cards as a percentage of the value of cards redeemed. In case of expiry of the gift cards, the Group is entitled to breakage revenue for the amount received from user of gift card in advance. Accordingly, the probability and amount of revenue to be earned (i.e. incoming margin or breakage revenue) can be reliably estimated only at the time of redemption or expiry of such gift cards either in part or full (whichever is earlier). The Group recognises the expected breakage amount as revenue in proportion to the pattern of rights exercised by the customer. The Group estimates the breakage it expects to be entitled to as the amount for which it is highly probable that a significant reversal will not occur in the future. In case of such cards, the Group incurs the cost in advance (in form of discount allowed to the user). The same is directly attributable to provision of such service and generation of underlying revenue from such programs. The Group recognises the upfront cost incurred as asset and accordingly recognises the same at the time of recognition of associated revenue or satisfaction of performance obligation (i.e. amortised in proportion of

3. **Material Accounting Policies (continued)**

3.15 **Revenue from contracts with customers (continued)**

(B) **Issuing (continued)**

(c) ***Variable consideration***

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

- Co-branding fee: The end user of co-branded cards and co-branding partner, both are customers for the Group. On sale of co-branded cards on the platform of co-branding partner, Group pays co-branding fee to the co-branding partner. It is construed as consideration payable to customer not in exchange for a distinct good or service. Such co-branding fee is considered as variable consideration and are included in determining the transaction price i.e. recognised as a reduction from the underlying revenue.

- In addition to above, the Group also makes certain other payments to co-branding partners, like program promotion support fees which are considered as consideration payable to customer. Since these give rise to variable consideration, these are included in determining the transaction price i.e. recognised as a reduction from the underlying revenue.

(d) ***Other revenue***

Interest on funds held for customers

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

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 3.8.1 of financial instruments.

3. **Material Accounting Policies (continued)**

3.15 **Revenue from contracts with customers (continued)**

(B) **Issuing (continued)**

(d) ***Other revenue (continued)***

Contract balances (continued)

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) 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 made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs its obligations under the contract. Contract liability comprises "advance from customers and liability for unredeemed gift cards" and "Deferred revenue" in the consolidated financial statements.

Deferred revenue

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

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

Contract assets

A contract asset is the right to consideration in exchange of goods or services transferred to the customer. If the Group performs its obligations by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration excluding any amounts presented as a receivable.

3.16 **Function wise classification of expenses**

Cost of sales

Cost of sales include prepaid distribution costs, transaction and client service cost, depreciation, amortisation and impairment expenses, employee compensation expenses, cost of spares and other ancillary items, and any other directly attributable costs. For further information on these costs, refer note 6 to our consolidated financial statements.

- Transaction costs primarily consist of switch fees paid to payment service providers, listing fees paid to merchant partners, payment gateway charges, field support charges for deployment of merchant related equipment such as POS machines, and other transaction processing related costs.

3. **Material Accounting Policies (continued)**

3.16 **Function wise classification of expenses (continued)**

Cost of sales (continued

- Depreciation, amortisation and impairment expenses are allocated to cost of sales, selling and marketing expenses and general and administrative expenses. Depreciation, amortisation and impairment expenses included in cost of sales comprise (i) depreciation and amortisation of merchant related equipment such as POS machines, (ii) amortisation of payment and gift cards related softwares, (iii) amortisation of technology acquired as a part of business combinations, and (iv) impairment of obsolete POS machines

- Prepaid distribution costs comprise cost of gift cards or vouchers, where the group maintains inventory of the cards and is acting as a principal.

- Employee compensation is also allocated to cost of sales, selling and marketing expenses, product and technology development expenses and general and administrative expenses. Employee compensation expenses included in cost of sales comprise personnel cost and employee share option expense of personnel in customer service team, operations team, product support, management and solutions team, and order management and fulfillment personnel.

- Cost of traded goods, spares and other ancillary items include cost of paper rolls used in merchant related equipment, cost of equipment and POS devices sold, and cost of consumables.

- Other directly attributable costs primarily include communication costs, data center costs, travel expenses, courier expenses, insurance and repairs and maintenance of POS machines, and technical consultancy fees.

Selling and marketing expenses

Selling and marketing expenses consist of employee compensation expense, amortisation expenses, and other expenses directly associated with the selling and marketing activities.

- Employee compensation expense consist of personnel cost and employee share option expense pertaining to personnel of sales, marketing and customer experience team and sales support team.

- Amortisation expenses consist of amortisation of trademarks and customer relationship intangible assets acquired as a part of business combinations

- Other cost directly associated with selling and marketing activities primarily consist of advertising and business promotion activities and related travel costs.

Product and technology development expenses

Product and technology development expenses consist of employee compensation expense related to technology and product management personnel involved in development of new technology and product features and their travel cost, testing charges, IT infrastructure, technology related repairs and maintenance expenses and data centre cost.

General and administrative expenses

General and administrative expenses consist of depreciation and amortisation expenses, employee compensation expense, office related expenses, indirect and other overheads.

3. **Material Accounting Policies (continued)**

3.16 **Function wise classification of expenses (continued)**

General and administrative expenses (continued)

- Depreciation and amortisation expense that forms part of general and administrative expenses consists of depreciation of office equipment, leasehold improvements, servers and networks and amortisation of software, right of use assets, and non-compete agreements acquired as a part of business combinations.

- Employee compensation expense consists of personnel cost and employee share option expense of finance, legal, human resources, and other administrative personnel.

- Other costs include administrative expenses paid such as fees paid for legal and professional services, including legal, tax and accounting services, repairs and maintenance, communication cost, travel costs, insurance, rent expenses, and office maintenance costs.

3.17 **Taxation**

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

Current tax

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

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

Deferred tax

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

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

3. **Material Accounting Policies (continued)**

3.17 **Taxation (continued)**

Deferred tax (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

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

Current tax and deferred tax credit/(expense)

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

3.18 **Earnings per share**

Basic earnings (loss) per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Contingently issuable shares are included in the computation of basic EPS from the date when all necessary conditions have been satisfied. Diluted earnings (loss) per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options, except where the results would be anti-dilutive

3.19 **Operating Segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The Group has identified following as its primary segments.

(i) Digital Payments,
(ii) Issuing.

3. **Material Accounting Policies (continued)**

3.19 **Operating Segments (continued)**

(i) ***Digital Payments***

Under this segment, the Group provides technology platforms (under the brand name of "Pinelabs", "Mosambee", "Benow", "Setu", "Qfix" and "Fave") (collectively referred as "Digital payments platforms") that are made available to merchants to enable acceptance of instore or online digital payments. These technology platforms and infrastructure allow merchants to accept debit cards, credit cards, prepaid instruments wallets, QR codes, Unified Payment Interface (UPI), loyalty points, pay later, online fee collection, etc. and provide application programming interface ("API") modules to customers for building financial products that facilitate bill payments, credit and savings to enable purchases made by consumers. The merchants on digital payments platforms span across sectors and cities primarily in India and Malaysia. The Group monetizes the platforms by charging subscription-based or transaction-based fees from merchants, acquiring and issuing banks, Non-Banking Financial Companies (NBFC's) and consumer brand partners. In addition, the Group also generates revenue from selling of POS (Digital checkout points) devices and providing services with respect to sale of such devices to its customers and from other sources, including digitsation of fuel stations, integration fees, merchant lending, sales of paper rolls, loyalty and analytics services and fees from other partnerships.

Until 31 March 2023, Consumer app business was a separate operating segment and was reported separately for internal reporting purposes and in financial statements as well. Effective 1 April 2023, the Group has done internal restructuring after which the CODM has started reviewing the Consumer app business together with Digital payments business. Following this change of segmentation, the Group has restated the corresponding items of the segment information for previous period as well.

(ii) ***Issuing***

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

In reviewing the operational performance of the Group and allocating resources, the chief operating decision maker of the Group ("CODM"), who is the Group's Chief Executive Officer ("CEO"), reviews the financial performance and forecasts, performance of key product lines, new product buildout/performance review, and other reviews such as employee performance, functional reviews and ad-hoc-reviews. The Group has a defined organisation structure where the Group's CEO is placed at top of the hierarchy of the organisation and is the only member of the management team with the authority to make or approve significant strategic and key operating decisions for the Group and evaluates the performance of the business (subject to oversight by the Parent Company's Board of Directors). The Group's operating segments, as described above, are strategic business units that offer different products and services. For each of the operating segments, the CODM reviews performance based on segment's adjusted gross profit. The financial review does not include breakups or details of assets and liabilities of these operating segments.

4. **Standards issued but not yet effective**

3.20 **Government Grant**

Government grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is deferred and recognised as income in the statement of profit or loss and other comprehensive income on a systematic basis over the periods necessary to match the related costs, which they are intended to compensate. When the grant relates to an asset or a non-monetary item, it is recognised as deferred income under liabilities and is recognised as income in the consolidated statement of profit or loss and other comprehensive income on a straight line basis over the expected useful life of the related asset or a non-monetary item.

3.21 The Group has adopted applicable amendments effective from 1 April 2023 with respect to FRS 1 - Presentation of Financial Statements, FRS 12 - Income Taxes and FRS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The Group has evaluated that there is no significant impact of such applicable amendments on the consolidated financial statements for the year ended 31 March 2024.

New amendments not yet effective

Certain new standards, amendments to standards and interpretations are not yet effective for annual periods beginning after 1 April 2023 and have not been applied in preparing these consolidated financial statements. New standards, amendments to standards and interpretations that could have potential impact on the consolidated financial statements of the Group are:

Amendment to FRS 1 - Presentation of Financial Statements

On 23 January 2020, the ASC has issued "Classification of liabilities as Current or Non-Current (Amendments to FRS 1)" providing a more general approach to the classification of liabilities under FRS 1 based on the contractual arrangement in place at the reporting date. The amendments aim to promote consistency in applying the requirements by helping companies to determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or noncurrent. The amendments also clarified the classification requirements for debt a company might settle by converting it into equity.

On 31 October 2022, the ASC further modifed FRS 1, for the requirements introduced by Classification of Liabilities as Current or Non-current on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances. Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. These amendments are effective for annual reporting periods beginning on or after 1 January 2024 and are to be applied retrospectively, with earlier application permitted. These amendments are applicable on the Group for annual reporting periods beginning on or after 1 April 2024. The Group is currently evaluating the impact of amendment to FRS 1 on the consolidated financial statements.

Amendments to FRS 7 and FRS 107

On 25 May 2023 ASC has issued amendments to FRS 7 Statement of Cash Flows and FRS 107 Financial Instruments: Disclosure which requires entities to disclose information that enables users of financial statement to assess how supplier finance arrangements affect its liabilities and cash flows and to understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

4. **Standards issued but not yet effective (continued)**

New amendments not yet effective (continued)

Amendments to FRS 7 and FRS 107 (continued)

The effective date for adoption of this amendment is annual periods beginning on or after 1 January 2024, although early adoption is permitted. These amendments are applicable on the Group for annual reporting periods beginning on 1 April 2024. The Group is in the process of evaluating the impact of the amendment on the Group's consolidated financial statements.

Amendments to FRS 116

On 22 September 2022, the ASC has issued amendments to FRS 116 Leases and introduces changes on accounting of variable lease payments that arise in a sale-and-leaseback transaction. The amendments confirmed the inclusion of variable lease payments while initially calculating lease liability arising from a sale-and-leaseback transaction. Amendments also clarified the subsequent accounting of variable lease payments in a sale-and-leaseback transaction.

Under FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of FRS 116. Accordingly, seller-lessee will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of FRS 116 beginning from 1 April 2019, and potentially restate those that included variable lease payments. The effective date for adoption of this amendment is annual periods beginning on or after 1 January 2024, with earlier application permitted. These amendments are applicable on the Group for annual reporting periods beginning on 1 April 2024. The Group has evaluated the amendment and there is no impact on the Group's Consolidated financial statements

Amendments to FRS 21

On 15 August 2023, the ASC has issued amendments to FRS 21 The Effects of Changes in Foreign Exchange Rates, Lack of Exchangeability that will require companies to provide more useful information in their financial statements when a currency cannot be exchanged into another currency. These amendments specify when a currency is exchangeable into another currency and when it is not and specify how an entity determines the exchange rate to apply when a currency is not exchangeable.

The effective date for adoption of this amendment is annual periods beginning on or after 1 January 2025, although early adoption is permitted. These amendments are applicable on the Group for annual reporting periods beginning on 1 April 2025. The Group is in the process of evaluating the impact of the amendment on the Group's consolidated financial statements.

5. Revenue

	Group	
	2024	**2023**
(In INR million)		
Revenue from contracts with customers	14,314.57	13,544.01
Interest on funds held for customers	3,118.13	2,337.08
	17,432.70	15,881.09

(a) Disaggregation of revenue

The Group derives revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major business lines. The disclosure of revenue by business lines is consistent with the revenue information that is disclosed for each reportable segment under FRS 108 (Note 27).

	Group	
	2024	**2023**
(In INR million)		
Type of goods or services		
Digital Payments	12,502.56	11,434.72
Issuing	4,930.14	4,446.37
Total	**17,432.70**	**15,881.09**
Timing of revenue recognition		
Goods and services transferred at a point in time	14,025.54	13,190.82
Services transferred over time*	3,407.16	2,690.27
Total	**17,432.70**	**15,881.09**

* Includes interest on funds held for customers amounting to INR 3,118.13 million (31 March 2023 - INR 2,337.08 million)

(b) Contract balances

The Group has recognised the following assets and liabilities related to contracts with customers

		Group		Company	
	Note	**2024**	**2023**	**2024**	**2023**
(In INR million)					
Trade receivables	15	6,664.55	6,197.25	-	-
Contract assets		1,172.90	1,310.65	-	-
Contract liabilities		39,773.02	36,726.84	-	-

5. **Revenue (continued)**

(b) **Contract balances (continued)**

Contract assets

	Group		Company	
	2024	**2023**	**2024**	**2023**
(In INR million)				
Contract assets				
Unbilled revenue*	1,188.05	1,313.11	-	-
Less: Loss allowance	(15.15)	(2.46)	-	-
Total contract assets	**1,172.90**	**1,310.65**	-	-
Current	1,172.90	1,310.65	-	-
Total	**1,172.90**	**1,310.65**	-	-

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

Contract liabilities

	Group		Company	
	2024	**2022**	**2024**	**2023**
(In INR million)				
Contract liabilities				
Deferred revenue*	255.36	301.92	-	-
Advance from customer and liability for unredeemed gift cards**	39,517.66	36,424.92	-	-
Total contract liabilities	**39,773.02**	**36,726.84**	-	-
Non-current	53.30	40.15	-	-
Current	39,719.72	36,686.69	-	-
Total	**39,773.02**	**36,726.84**	-	-

5. **Revenue (continued)**

(b) **Contract balances (continued)**

Contract liabilities (continued)

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

** This includes outstanding liability of INR 35,731.31 million (31 March 2023 - INR 32,826.28 million) representing obligation of the group for unredeemed gift cards issued to customers (customers' fund deposits liability). An amount of INR 38,520.02 million (31 March 2023 - INR 36,039.38 million) is maintained in earmarked balances, which is included in restricted cash and cash equivalents (refer note 13) with banks against such liability for unredeemed gift cards.

(c) **Revenue recognised in relation to contract liabilities**

	Group	
	2024	**2023**
(In INR million)		
Revenue recognised in the current year that was included in the contract liabilities balance at the beginning of the period	200.87	366.15

(d) **Transaction price allocated to remaining performance obligations**

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

	Group	
	2024	**2023**
(In INR million)		
Deferred revenue*	486.03	584.64

* The Group expects to recognise revenue for unsatisfied performance obligations within 1 to 5 years for 31 March 2024 (31 March 2023 - 1 to 5 years) from the reporting date. This includes INR 230.67 million (31 March 2023 - INR 282.72 million) netted off from trade and other receivables due to considerations not yet received against billings done to the customers.

(e) **Seasonality of revenue**

The Group experiences fluctuations in its revenues due to seasonality as a result of consumer spending patterns. Historically, our revenues have been strongest during the third and fourth fiscal quarter of our fiscal year as a result of higher commerce trends during the festive season in India, particularly around the Diwali season, around which merchants, brands, banks tend to offer more promotions and consumer demand increases, which generally results in higher transaction volumes and associated revenue for us. These seasonality trends are difficult to discern in our historical results because our revenues have grown substantially since inception.

6. **Expenses By Nature**

	Group	
	2024	**2023**
(In INR million)		
Cost of sales		
Prepaid distribution costs	437.16	109.16
Depreciation, amortisation and impairment expenses#	2,842.13	2,090.83
Write-off of property, plant and equipment	1.88	-
Employee share option expense	73.41	80.47
Cost of traded goods, spares and other ancillary items	1,380.98	1,185.76
Employee compensation (excluding employee share option expense)	1,080.51	1,055.54
Transaction and client service costs *	1,708.22	1,428.61
Data centre costs	420.63	356.82
Repairs and maintenance	115.34	47.84
Communication costs	591.52	537.13
Legal and professional expenses	436.52	439.03
Travel expenses	35.67	37.64
Courier and forwarding expenses	73.71	109.99
Others	148.47	224.34
	9,346.15	7,703.16

\# Impairment expenses represent impairment of obsolete digital check-out points and intangibles (refer Notes 17 and 18)

* Includes technology and other operational losses on digital payment transactions.

	Group	
	2024	**2023**
(In INR million)		
Selling and marketing expenses		
Depreciation, amortisation and impairment expenses	653.55	628.79
Employee share option expense	121.90	154.96
Employee compensation (excluding employee share option expense)	2,978.01	2,955.80
Travel expenses	190.14	192.55
Repairs and maintenance	33.49	43.63
Legal and professional expenses	128.15	118.30
Business promotion	552.82	302.30
Others	39.64	22.86
	4,697.70	4,419.19
Product and technology development expenses		
Depreciation, amortisation and impairment expenses #	50.59	-
Employee share option expense	363.75	448.58
Employee compensation (excluding employee share option expense)	2,353.44	2,074.17
Data center costs	64.24	78.68
Repairs and maintenance	285.68	240.37
Legal and professional expenses	341.32	196.13
Travel expenses	28.72	24.16
Others	39.57	30.22
	3,527.31	3,092.31

6. **Expenses By Nature (continued)**

	Group	
	2024	**2023**
(In INR million)		
General and administrative expenses		
Depreciation, amortisation and impairment expenses #	726.07	515.25
Employee share option expense	500.52	907.76
Employee compensation (excluding employee share option expense)	1,406.78	1,277.97
Travel expenses	73.96	51.76
Repairs and maintenance	135.72	75.72
Communication costs	39.55	27.48
Legal and professional expenses*	555.16	847.87
Others	339.07	289.58
	3,776.83	3,993.39

Impairment expenses represents impairment of intangibles (refer Note 18)

* During the year ended 31 March 2023, the Group has expensed certain legal and professional expenses amounting to INR 368.35 million incurred for the proposed public offering considering the change in probability and uncertainty in timing. This amount was earlier recorded as a prepayment under "other assets".

(a) **Employee compensation**

		Group	
	Notes	**2024**	**2023**
(In INR million)			
Salaries, wages and bonuses		7,017.09	6,744.01
Employee share option expense	28	1,059.58	1,591.77
Staff welfare expenses		381.40	289.45
Contribution to provident and other funds	23	292.58	216.39
Gratuity and other defined benefit plans	23	127.66	113.63
		8,878.31	8,955.25

(b) **Depreciation, amortisation and impairment expenses**

		Group	
	Notes	**2024**	**2023**
(In INR million)			
Depreciation of property, plant and equipment	17	1,930.50	1,664.91
Impairment of property, plant and equipment and intangibles	17/18	644.60	84.54
Amortisation of right-of-use assets	32	246.38	182.42
Amortisation of intangible assets	18	1,450.86	1,303.00
		4,272.34	3,234.87

7. **Impairment Losses on Trade and Other Receivables, Contract Assets and Other Advances**

	Group	
	2024	**2023**
(In INR million)		
Loss allowance on trade and other receivables, contract assets and other advances*	124.17	230.26
Write-off of credit impaired receivables	56.94	14.15
	181.11	244.41

8. Other Income

	Group	
	2024	**2023**
(In INR million)		
Gain on disposal of property, plant and equipment	35.20	19.95
Net gain/(loss) on lease modification/termination	3.22	(0.09)
Liabilities and provisions written back	38.48	49.43
Government grants	224.98	102.59
Miscellaneous income	10.48	51.27
	312.36	223.15

9. Finance Income

	Group	
	2024	**2023**
(In INR million)		
Interest income from financial assets measured at amortised costs:		
Security deposits	7.36	4.56
Bank deposits and bank balances	339.87	314.56
Other interest income *	129.47	65.15
Net gain arising on financial assets mandatorily measured at FVTPL		
- Fair valuation income on call option for acquiring stake in an Indian entity	2.77	-
- Gain on sale of mutual funds	-	7.98
Foreign exchange gain	-	431.85
	479.47	824.10

* Includes interest income on finance lease of INR 0.77 million (31 March 2023 - Nil).

10. Finance Costs

		Group	
	Note	**2024**	**2023**
(In INR million)			
Interest on bank borrowings		504.35	202.86
Interest on lease liabilities	32	108.92	85.08
Other finance cost		6.42	10.54
Interest on loans from a financial institution		21.01	59.81
Net loss arising on financial assets mandatorily measured at FVTPL			
- Fair valuation loss on call option for acquiring stake in an Indian entity		-	13.79
Foreign exchange loss		21.94	-
		662.64	372.08

11. **Income Taxes**

(a) **Income taxes**

	Group	
	2024	**2023**
(In INR million)		
Amount recognised in profit or loss:		
Current income tax expense/(credit) *	98.70	(143.10)
Deferred tax (credit) #	(669.54)	(492.43)
Income tax (credit)	(570.84)	(635.53)

* The current tax credit of INR 143.10 million for the year ended 31 March 2023 includes a tax credit of INR 220.72 million pertaining to previous year resulting from merger of one of the Company's step-down subsidiary with one of its subsidiary in the current year.

The deferred tax credit of INR 492.43 million for the year ended 31 March 2023 includes a tax credit of INR 171.62 million pertaining to reversal of deferred tax liabilities resulting from merger of one of its step down subsidiary with one of its subsidiary in the current year.

(b) **Reconciliation of effective tax rate**

	Group	
	2024	**2023**
(In INR million)		
Loss before income tax	(3,967.21)	(2,896.20)
Income tax at the Company's domestic rate of 17% (31 March 2023 - 17%)	(674.43)	(492.35)
Adjustments:		
Current year losses for which no deferred tax assets are recognised	177.80	246.84
Non-deductible expenses	122.80	281.88
Non-taxable gains	(3.62)	(153.23)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(196.98)	(106.69)
Derecognition of previously recognised tax asset	1.15	2.88
Reversal of deferred tax liability on intangibles acquired through business combination on internal reorganisation	-	(392.48)
Utilisation of tax losses	-	(12.84)
Others	2.45	0.75
Income tax (credit)	**(570.84)**	**(625.24)**
Effective income tax rate	**14.39%**	**21.59%**

11. **Income Taxes (continued)**

(c) **Amounts recognised directly in Other Comprehensive Income (OCI)**

	Group	
	2024	**2023**
(In INR million)		
Deferred tax related to items recognised in OCI during the year:		
Remeasurement of defined benefit liability	(7.22)	(6.55)
Equity instrument through other comprehensive income	(8.05)	(8.56)
	(15.27)	(15.11)

(d) **Unused tax losses**

The carried-forward tax losses relate to certain subsidiaries on which deferred tax asset has not been recognised, because there is a lack of reasonable certainty that these subsidiaries may generate future taxable profits. Utilisation of such losses is subject to expiry in various year as follows :

31 March 2024 : INR 3,731.97 million (expiry : 2026-32), excluding losses of INR 2,277.10 million relating to Beeconomic Singapore Pte Ltd, which have no expiry as per local laws.

31 March 2023 : INR 3,188.94 million (expiry : 2025-31), excluding losses of INR 1,941.71 million relating to Beeconomic Singapore Pte Ltd, which have no expiry as per local laws.

31 March 2022 : INR 2,206.18 million (expiry : 2024-29), excluding losses of INR 1,347.91 million relating to Beeconomic Singapore Pte Ltd, which have no expiry as per local laws.

31 March 2021 : INR 2,204.62 million (expiry : 2023-28), excluding losses of INR 522.87 million relating to Beeconomic Singapore Pte Ltd, which have no expiry as per local laws.

(e) **Unrecognised temporary differences**

	Group	
	2024	**2023**
(In INR million)		
Temporary differences for which deferred tax liabilities have not been recognised:		
Undistributed earnings of subsidiaries	184.97	46.90
	184.97	46.90

The Group entities in India have opted for lower corporate tax rate available as a choice under the Indian Income Tax Act, 1961.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

11. **Income Taxes (continued)**

(f) **Movement of income tax assets (net of liabilities)**

	Note	Group 2024	2023
(In INR million)			
Beginning of the year		2,186.84	1,114.69
Acquired through business combination	39	-	53.48
Income tax paid (net of refund) *		214.52	871.44
Tax credit/(expense)		(98.70)	143.10
Tax liabilities written back		-	3.70
Foreign currency translation differences		(0.32)	0.43
End of the year		2,302.34	2,186.84

* Refund does not include interest received.

(g) **Breakup of income tax assets (net of liabilities)**

	Group 2024	2023
(In INR million)		
Non-current tax assets	1,591.69	1,957.78
Current tax assets	758.17	304.38
Current tax liabilities	(47.52)	(75.32)
	2,302.34	2,186.84

(h) **Deferred tax balances**

The components of deferred tax assets and liabilities are as follow:

	Group 2024	2023
(In INR million)		
Property, plant and equipment, including leases and other intangibles	743.87	301.37
Right-of-use assets	(244.63)	(213.02)
Employee benefit expense disallowed, excluding employee share option expense	136.24	132.74
Provision for doubtful debts and advances	126.68	110.38
Provision for obsolete and slow-moving inventory	10.39	5.81
Employee share option expense (ESOP)	13.94	14.13
Unabsorbed depreciation and carry forward losses	339.34	210.46
Investment in equity instruments	(19.65)	(5.35)
Deferred government grants	64.26	-
Others	136.18	96.79
Net deferred tax asset	1,306.62	653.31
Deferred tax assets	1,610.16	1,104.07
Deferred tax liabilities	(303.54)	(450.76)
Net deferred tax asset	1,306.62	653.31

11. **Income Taxes (continued)**

(h) **Deferred tax balances (continued)**

Movement in deferred tax assets and liabilities during the year ended 31 March 2024 is as follows:

(In INR million)	**As at 1 April 2023**	**(Charged)/ Credited to Statement of profit and loss**	**Acquired through business combination (refer Note 39)**	**(Charged)/ Credited to Other Comprehensive Income**	**Foreign currency translation differences**	**As at 31 March 2024**
Property, plant and equipment, including leases and other intangibles	301.36	443.46	-	-	(0.96)	743.86
Right-of-use assets	(213.01)	(31.61)	-	-	-	(244.62)
Employee benefit expense disallowed, excluding employee share option expense	132.74	10.72	-	(7.22)	-	136.24
Provision for doubtful debt and advances	110.38	16.30	-	-	-	126.68
Provision for obsolete and slow moving inventory	5.81	4.58	-	-	-	10.39
Employee share option expense	14.13	(0.19)	-	-	-	13.94
Unabsorbed depreciation and carry forward losses	210.46	128.88	-	-	-	339.34
Investment in equity instruments	(5.35)	(6.25)	-	(8.05)	-	(19.65)
Deferred government grants	-	64.26	-	-	-	64.26
Others	96.79	39.39	-	-	-	136.18
	653.31	669.54	-	(15.27)	(0.96)	1,306.62

11. **Income Taxes (continued)**

(h) **Deferred tax balances (continued)**

Movement in deferred tax assets and liabilities during the year ended 31 March 2023 is as follows:

(In INR million)	As at 1 April 2022	(Charged)/ Credited to Statement of profit and loss	Acquired through business combination (refer Note 39)	(Charged)/ Credited to Other Comprehensive Income	Foreign currency translation differences	As at 31 March 2023
Property, plant and equipment, including leases and other intangibles	109.29	636.35	(433.46)	-	(10.81)	301.36
Right-of-use assets	(97.63)	(115.38)				(213.01)
Employee benefit expense disallowed, excluding employee share option expense	97.68	24.93	16.68	(6.55)	-	132.74
Provision for doubtful debt and advances	62.64	44.98	2.76	-	-	110.38
Provision for obsolete and slow moving inventory	5.33	0.48	-	-	-	5.81
Employee share option expense	30.17	(16.04)	-	-	-	14.13
Unabsorbed depreciation and carry forward losses	292.83	(111.79)	29.42	-	-	210.46
Investment in equity instruments	(3.40)	-	6.61	(8.56)	-	(5.35)
Others	67.89	28.90	-	-	-	96.79
	564.79	492.43	(377.99)	(15.11)	(10.81)	653.31

Deferred income tax assets and deferred income tax liabilities have been offset wherever the Group has a legally enforceable right to set off current income tax assets against current income tax liabilities and where the deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same taxation authority.

12(a) Financial Asset At Fair Value Through Profit Or Loss

	Group		Company	
	2024	2023	2024	2023
(In INR million)				
Call option for acquiring stake in an Indian entity	2.93	0.16	-	-

12(b) Financial Asset At Fair Value Through Other Comprehensive Income

	Group		Company	
	2024	2023	2024	2023
(In INR million)				
Investment in equity instruments	212.90	177.68	-	-

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

13. Financial Assets Measured At Amortised Cost

		Group		Company	
	Note	2024	2023	2024	2023
(In INR million)					
Non-current					
Term deposits#		338.13	68.36	-	-
Security deposits		107.06	127.31	7.29	6.79
Finance lease receivable		88.56	-	-	-
Interest accrued on deposits		5.96	0.34	-	-
Total		**539.71**	**196.01**	**7.29**	**6.79**
Current					
Term deposits#		1,086.82	7,724.72	44.44	4,153.69
Security deposits		67.28	44.12	0.01	2.01
Finance lease receivable		25.70	-	-	-
Restricted cash and cash equivalents*		42,420.63	37,250.39	-	-
Loan and advances to employees		10.07	11.13	1.68	-
Interest accrued on deposits and restricted cash and cash equivalents		32.38	83.80	13.14	12.56
Receivable for cashback subvention schemes		7,729.74	5,205.47	-	-
Other receivables		15.53	15.36	-	-
Intercompany loans	13.1	-	-	136.79	30.86
Intercompany receivables	13.2	-	-	3,429.09	2,519.79
Total		**51,388.15**	**50,334.99**	**3,625.14**	**6,718.91**

13. Financial Assets Measured At Amortised Cost (continued)

(a) Term deposits represent deposits with original maturity of more than 3 months, with range of period depending on the liquidity requirements of the Group, and interest is earned at the respective short-term and long-term deposit rates.

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

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

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

\# For lien against above balances refer note 37.

13.1 Intercompany loans

These loans are unsecured, non-interest bearing and are repayable in cash on demand.

13.2 Intercompany receivables

These amounts are unsecured, non-interest bearing and are repayable in cash on demand.

14. Inventories (at lower of cost or net realisable value)

		Group		Company	
	Note	**2024**	**2023**	**2024**	**2023**
(In INR million)					
Spares and consumables		38.53	24.26	-	-
Traded goods		241.49	374.45	-	-
		280.02	398.71	-	-
Notes:					
Costs of traded goods, spares and other ancillary items recognised as an expense during the year	6	1,380.98	1,185.76	-	-
Write-downs of inventories to net realisable value (included in cost of traded goods. spares and other ancillary items)		34.71	1.90	-	-

15. **Trade and Other Receivables**

	Group		Company	
	2024	**2023**	**2023**	**2022**
(In INR million)				
Trade and other receivables	7,211.95	6,685.41	-	-
Loss allowance	(547.40)	(488.16)	-	-
	6,664.55	6,197.25	-	-

Trade and other receivables are non-interest bearing and are generally on 15 to 90 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Information about the Group's and Company's exposure to credit risk, foreign currency, market risks and impairment losses for trade and other receivables is included in Note 35.

16. **Cash and Cash Equivalents**

	Group		Company	
	2024	**2023**	**2024**	**2023**
(In INR million)				
Cash at bank and in hand*	5,871.11	6,119.66	192.46	1,023.83
Term deposits with original maturity of less than three months	2,922.49	22.49	2,899.82	-
	8,793.60	6,142.15	3,092.28	1,023.83

Cash at banks earns interest at floating rates based on daily bank deposit rates.

*It includes cash in transit INR 25.69 million as at 31 March 2024 (31 March 2023 - INR 20.44 million)

17. **Property, Plant And Equipment**

Group **(In INR million)**	**Leasehold Improvement**	**Computers**	**Office Equipment**	**Vehicles**	**Furniture And Fixtures**	**Servers And Networks**	**Plant And Machinery**	**Capital Work-in-Progress**	**Total**
Cost									
Balance as at 1 April 2022	139.26	547.95	21.89	1.56	34.86	463.28	7,462.74	1,014.25	9,685.79
Acquired through business combination (Refer to Note 39)	25.46	21.71	4.53	1.47	7.89	9.34	13.96	-	84.36
Additions	27.68	134.63	11.80	-	1.70	59.17	121.83	3,214.56	3,571.37
Transfer from capital work in progress	26.08	-	-	-	-	58.75	2,015.72	(2,100.55)	-
Disposals/written off	-	(54.79)	(0.22)	-	(0.03)	(3.79)	(385.59)	-	(444.42)
Foreign currency translation differences	0.58	4.75	0.02	-	0.05	6.12	4.56	2.06	18.14
Balance as at 31 March 2023	219.06	654.25	38.02	3.03	44.47	592.87	9,233.22	2,130.32	12,915.24
Additions	8.21	72.80	17.42	-	2.27	62.87	85.01	424.58	673.16
Transfer from capital work in progress	112.24	-	2.59	-	12.92	10.04	1,148.19	(1,285.97)	-
Transfer to stock in trade	-	-	-	-	-	-	(31.16)	(35.23)	(66.39)
Disposals/written off	-	(1.32)	(0.13)	-	(0.22)	-	(2,169.68)	-	(2,171.35)
Foreign currency translation differences	0.35	(8.35)	(0.02)	-	(0.12)	0.22	(8.40)	(0.81)	(17.13)
Balance as at 31 March 2024	339.86	717.38	57.88	3.03	59.32	666.00	8,257.18	1,232.89	11,333.53

17. **Property, Plant And Equipment (continued)**

Group (In INR million)	Leasehold Improvement	Computers	Office Equipment	Vehicles	Furniture And Fixtures	Servers And Networks	Plant And Machinery	Capital Work-in-Progress	Total
Accumulated depreciation and impairment									
Balance as at 1 April 2022	64.85	322.85	13.81	1.56	19.59	204.12	3,853.42	-	4,480.20
Depreciation for the year	31.82	148.99	5.58	0.50	7.57	83.97	1,386.48	-	1,664.91
Disposals/written off	-	(53.17)	(0.22)	-	(0.03)	(1.93)	(318.01)	-	(373.36)
Impairment	-	-	-	-	-	-	79.95	-	79.95
Foreign currency translation differences	0.11	4.19	0.02	-	0.03	1.96	0.93	-	7.24
Balance as at 31 March 2023	96.78	422.86	19.19	2.06	27.16	288.12	5,002.77	-	5,858.94
Depreciation for the year	56.42	141.81	8.15	0.52	8.76	93.29	1,621.55	-	1,930.50
Disposals/written off	-	(0.99)	(0.12)	-	(0.17)	-	(2,156.86)	-	(2,158.14)
Transfer to stock in trade	-	-	-	-	-	-	(10.13)	-	(10.13)
Impairment	-	-	-	-	-	-	283.69	18.39	302.08
Foreign currency translation differences	0.05	(7.68)	(0.02)	-	(0.10)	0.50	(2.00)	-	(9.25)
Balance as at 31 March 2024	153.25	556.00	27.20	2.58	35.65	381.91	4,739.02	18.39	5,914.00
Carrying amount									
At 31 March 2023	122.28	231.39	18.83	0.97	17.31	304.76	4,230.45	2,130.32	7,056.30
At 31 March 2024	186.61	161.38	30.68	0.45	23.67	284.09	3,518.16	1,214.49	5,419.54

Note:
1. Refer Note 33 for disclosure of capital commitments for acquisition of property, plant and equipment.
2. Refer Note 39 for details related to acquisitions through business combinations.
3. Refer Note 21 for details related to sale and leaseback transaction.
4. During the current year, the Company has charged INR 302.08 million (31 March 2023 - INR 79.95 million) of impairment on certain plant and machinery (digital check out points) based on management's internal evaluation, taking into account technology obsolescence, marketability etc.
5. The Group has charged additional deprecation of INR 57.5 million on certain digital checkout points on account of revised estimated useful life from 5 years to 3.5 years.
6. Refer note 37 for charge on property, plant and equipment.

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17. **Property, Plant And Equipment (continued)**

Company (In INR million)	Office equipment	Computers	Furniture and Fixtures	Leasehold improve-ment	Total
Cost					
As at 1 April 2022	-	0.42	-	-	0.42
Additions	-	0.66	0.18	23.83	24.67
Foreign currency translation differences	-	0.05	-	0.55	0.60
As at 31 March 2023	-	1.13	0.18	24.38	25.69
Additions	0.03	0.49	-	-	0.52
Foreign currency translation differences	-	0.01	-	0.35	0.36
As at 31 March 2024	0.03	1.63	0.18	24.73	26.57
Accumulated depreciation					
As at 1 April 2022	-	0.10	-	-	0.10
Depreciation	-	0.27	-	3.10	3.37
Foreign currency translation differences	-	0.02	-	0.07	0.09
As at 31 March 2023	-	0.39	-	3.17	3.56
Depreciation	-	0.43	0.04	8.41	8.88
Foreign currency translation differences	-	-	-	0.11	0.11
As at 31 March 2024	-	0.82	0.04	11.69	12.55
Carrying amount					
At 31 March 2023	-	0.74	0.18	21.21	22.13
At 31 March 2024	0.03	0.81	0.14	13.04	14.02

18. Intangible Assets And Goodwill

Group (In INR million)	Software	Customer Relationship	Technology	Non Complete	Trademarks	Intangible Assets under Development	Total Intangible Assets	Goodwill
Cost								
Balance as at 1 April 2022	230.79	1,638.89	1,861.08	94.58	470.00	270.47	4,565.81	5,077.08
Additions	46.29	-	26.39	-	-	117.22	189.90	-
Disposals/Written off	(33.47)	-	-	-	-	-	(33.47)	-
Acquired through business combination (refer Note 39)	10.57	573.00	790.00	50.90	266.00	15.10	1,705.57	6,812.21
Internally developed	-	-	-	-	-	813.30	813.30	-
Transfer	22.16	-	631.56	-	-	(653.72)	-	-
Foreign currency translation differences	-	49.90	29.29	0.59	39.64	-	119.42	21.27
Balance as at 1 April 2023	276.34	2,261.79	3,338.32	146.07	775.64	562.37	7,360.53	11,910.56
Additions	41.68	-	18.37	-	-	79.71	139.76	-
Disposals/Written off	-	-	(178.83)	-	-	-	(178.83)	-
Internally developed	-	-	-	-	-	883.98	883.98	-
Transfer	11.42	-	347.60	-	-	(359.02)	-	-
Foreign currency translation differences	(0.06)	9.02	4.18	0.12	7.17	-	20.43	3.84
As at 31 March 2024	329.38	2,270.81	3,529.64	146.19	782.81	1,167.04	8,225.87	11,914.40

18. Intangible Assets And Goodwill (continued)

Group (In INR million)	Software	Customer Relationship	Technology	Non Complete	Trademarks	Intangible Assets under Development	Total Intangible Assets	Goodwill
Accumulated amortisation								
Balance as at 1 April 2022	154.95	851.75	1,003.64	67.97	164.64	-	2,242.95	-
Amortisation for the year	58.72	477.44	586.55	29.42	150.87	-	1,303.00	-
Disposals/Written off	(33.47)	-	-	-	-	-	(33.47)	-
Impairment	-	-	4.59	-	-	-	4.59	-
Foreign currency translation differences	-	23.92	14.84	0.69	16.03	-	55.48	-
Balance as at 31 March 2023	180.20	1,353.11	1,609.62	98.08	331.54	-	3,572.55	-
Amortisation for the year	60.25	489.00	725.21	16.65	159.75	-	1,450.86	-
Disposals/written off	-	-	(178.83)	-	-	-	(178.83)	-
Impairment	-	-	176.35	-	-	166.17	342.52	-
Foreign currency translation differences	(0.05)	7.03	4.06	0.12	4.47	-	15.63	-
Balance as at 31 March 2024	240.40	1,849.14	2,336.41	114.85	495.76	166.17	5,202.73	-
Carrying amount								
At 31 March 2023	96.13	908.68	1,728.71	47.99	444.09	562.37	3,787.96	11,910.56
At 31 March 2024	88.98	421.67	1,193.23	31.34	287.05	1,000.87	3,023.14	11,914.40

During the current year, the Group has charged INR 342.52 million (31 March 2023 - INR 4.59 million) of impairment loss on certain intangibles based on management's evaluation, taking into account technology obsolescence, marketability etc.

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19. (a) **Income Tax Assets**

	Group		Company	
	2024	**2023**	**2024**	**2023**
(In INR million)				
Non-current				
Advance income-tax (net of provision for taxation)	1,591.69	1,957.78	-	-
Current				
Advance income-tax	758.17	304.38	0.84	-

(b) **Current Tax Liabilities**

	Group		Company	
	2024	**2023**	**2024**	**2023**
(In INR million)				
Provision for taxation (net of advance income-tax)	47.52	75.32	18.76	9.21

20. **Other Assets**

	Group		Company	
	2024	**2023**	**2024**	**2023**
(In INR million)				
Non-current				
Prepayments	91.11	142.71	-	-
Statutory assets (balance with government authorities)	34.06	10.28		
Government grant receivable	2.13	2.36	-	-
	127.30	155.35	-	-
Current				
Prepayment	332.72	321.26	33.46	42.77
Statutory assets (balance with government authorities)	513.01	412.45	-	-
Advance to vendors	341.57	203.58	-	0.56
Estimated breakages accrued*	70.24	81.98	-	-
Government grant receivable	78.51	64.49	-	-
Others#	67.12	3.51	-	-
Total (A)	1,403.17	1,087.27	33.46	43.33
Advances towards purchase of prepaid cards	510.51	634.67	-	-
Less: Loss allowance	(58.57)	(58.57)	-	-
Total (B)	451.94	576.10	-	-
Total current other assets (A+B)	**1,855.11**	**1,663.37**	**33.46**	**43.33**

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

\# Includes interest on income tax refund receivables INR 63.4 million.

20. **Other Assets (continued)**

20.1 **Statutory assets**

Statutory assets primarily represent the balance of goods and services tax input credit which is recoverable.

21. **Borrowings**

		Group		Company	
	Notes	**2024**	**2023**	**2024**	**2023**
(In INR million)					
Non-current					
Secured					
Loan from bank					
Term loans	21.1	1,135.94	1,458.90	-	-
Loans from a financial institution	21.3	-	81.23	-	-
		1,135.94	1,540.13	-	-
Current					
Secured					
Loan from banks					
Term loans	21.1	847.35	665.63	-	-
Cash Credit and overdraft	21.2	3,248.94	703.03		
Loans from a financial institution	21.3	81.23	386.42	-	-
		4,177.52	1,755.08	-	-
Total borrowings		5,313.46	3,295.21	-	-

For all the borrowings stated above, the fair values are not materially different from their carrying amounts, since the interest payable on most of the borrowings is linked to current market rates or the borrowings are of a short-term nature. Information about the Group's exposure to interest rate and liquidity risks is included in Note 35.

21.1 **Term loans from bank**

Term loans are repayable in 45 to 64 monthly instalments with the interest rate ranging between 8.60% to 9.64% (31 March 2023 - 8.36% to 9.27%). These term loans are going to mature in financial year 2025 to 2028. The loans are secured against exclusive charge on property, plant and equipment acquired/created out of these term loans and proportionate term deposits at agreed percentage of sanctioned and outstanding term loan amounts of the Group entity which has availed the loans (refer Note 37).

21. **Borrowings (continued)**

21.2 **Cash credit and overdraft**

Cash Credits/Bank Overdrafts are repayable on demand. All borrowings, except three bank overdraft facilities, are linked to respective bank MCLR/RBI repo rate of interest, including agreed spreads over and above such rates. The interest rates on the aforesaid three overdraft facilities are linked to interest rate of the contracted term deposits, including agreed spread over and above such rates, on which lien has been marked in favour of the related banks. Such borrowings are secured by:

(i) Term deposits (amounts to the extent specified in sanctioned agreements), inventories, trade and other receivables and receivables from cashback schemes (exclusive/pari passu of the participating banks) and other current assets of the respective group entities which have availed these limits (refer Note 37). These charges are restricted to the outstanding balances of borrowings including interest and applicable charges if any.

(ii) 100% cash margin in form of term deposits lien marked in favour of the related bank for overdraft facilities.

21.3 **Loans from a financial institution**

The Group has entered into various arrangements for sale and lease back of certain property, plant and equipment with a financial institution (other than bank). Under the arrangements, the related assets have been sold to the financial institution at the carrying value in the books of the group. Further, the related assets have been leased back to the group at a monthly lease payment for a tenor ranging from 36 months to 48 months. Since, the sale of such assets do not meet the criterion of sale under FRS 115, the assets have not been derecognised in accordance with guidance under FRS 16. The amounts received by the group have been, consequently, presented as loans from financial institution. The interest rates on these arrangements are fixed ranging from 9.25% p.a. to 11.08% p.a.

21.4 **Movement in liabilities arising from financing activities**

	Group		**Company**	
	2024	**2023**	**2024**	**2023**
(In INR million)				
Cash credit and bank overdraft	(3,248.94)	(703.03)	-	-
Other borrowings (Term loans and loans from financial institution)	(2,064.52)	(2,592.18)	-	-
Lease liabilities (refer Note 32)	(1,212.46)	(1,086.63)	29.13	(77.12)
	(6,525.92)	(4,381.84)	29.13	(77.12)

21. **Borrowings (continued)**

(In INR million)	Note	Lease liabilities	Cash credit and bank overdrafts	Other borrowings	Total
As at 1 April 2022		(474.73)	(763.54)	(1,600.32)	(2,838.59)
Proceeds from borrowings		-	-	(1,860.04)	(1,860.04)
Repayment of borrowings		-	-	874.76	874.76
Payment of lease liabilities		121.17	-	-	121.17
Termination/end of lease contracts		0.52	-	-	0.52
Total changes from financing cash flows		(353.04)	(763.54)	(2,585.60)	(3,702.18)
Change in cash credit and bank overdrafts (net)		-	56.27	-	56.27
Addition due to business combination	39	(87.26)	-	-	(87.26)
Foreign currency translation difference		0.54	-	-	0.54
Other changes					
New leases		(646.87)	-	-	(646.87)
Interest expense		(85.08)	(80.01)	(179.71)	(344.80)
Interest paid		85.08	84.24	176.09	345.41
Other non-cash changes		-	-	(2.96)	(2.96)
As at 31 March 2023		(1,086.63)	(703.03)	(2,592.18)	(4,381.84)
As at 1 April 2023		(1,086.63)	(703.03)	(2,592.18)	(4,381.84)
Proceeds from borrowings		-	-	(628.60)	(628.60)
Repayment of borrowings		-	-	1,161.79	1,161.79
Payment of lease liabilities		190.28	-	-	190.28
Termination/end of lease contracts		28.34	-	-	28.34
Total changes from financing cash flows		(868.01)	(703.03)	(2,058.99)	(3,630.03)
Change in cash credit and bank overdrafts (net)		-	(2,548.85)	-	(2,548.85)
Foreign currency translation differences		0.93	-	-	0.93
Other changes					
New leases		(345.38)	-	-	(345.38)
Interest expense		(108.92)	(283.20)	(237.88)	(629.99)
Interest paid		108.92	286.14	236.76	631.81
Other non-cash changes		-	-	(4.41)	(4.41)
As at 31 March 2024		(1,212.46)	(3,248.94)	(2,064.52)	(6,525.92)

22. **Deferred Government Grants**

	Group	
	2024	**2023**
Non-current	142.14	76.82
Current	177.70	75.09
	319.84	151.91

The Group has received grant for deployment of POS (Digital checkout points) machines in specified regions in India under Payments Infrastructure Development Fund (PIDF) Scheme issued by apex bank of India. There are no conditions attached to 75% of the claim amount and balance 25% claim amount is subject to fulfilment of certain performance parameters as defined in the scheme. Based on the past trend of performance, the Group has recognised income to the extent of 14.5% (31 March 2023 - 18.5%) of such balance claim amount.

23. **Employee Benefit Obligations**

	Group		Company	
	2024	**2023**	**2024**	**2023**
(In INR million)				
Employee benefit obligations (non-current)				
Provision for compensated absences	95.83	87.26	2.80	2.79
Provision for long services award	3.24	5.39	-	-
Provision for gratuity (refer note below)	293.97	290.31	-	-
Other post-employment defined benefit plans (refer note below)	2.80	8.08	-	-
	395.84	391.04	2.80	2.79
Employee benefit obligations (current)				
Provision for compensated absences	64.94	39.67	0.45	0.44
Provision for long services award	2.37	1.56	-	-
Provision for gratuity (refer note below)	112.85	71.87	-	-
	180.16	113.10	0.45	0.44
	576.00	504.14	3.25	3.23

Notes:

1. Defined contribution plan

   The Group provides provident fund, employee state insurance scheme and social security schemes for eligible employees as per applicable regulations of subsidiary entities, where in both employees and the Group make monthly contributions at a specified percentage of the eligible employee's salary.

   The expenses recognised during the year towards defined contribution plans are INR 292.58 million (31 March 2023 - INR 216.39 million).

23. **Employee Benefit Obligations (continued)**

2. Defined benefit plans

(a) Gratuity

Indian subsidiaries of the Company have an unfunded defined benefit gratuity plan as per Payment of Gratuity Act, 1972.

(b) Other benefit plans

The Group operates defined post-employment benefits plans through a subsidiary in Indonesia and Dubai. They have unfunded, non-contributory defined benefit retirement plans covering all their qualified employees.

Details of above defined benefit obligations are as follows:

(i) Expense recognised in statement of profit and loss

	Group	
	2024	**2023**
(In INR million)		
Current service cost	92.42	88.83
Past service cost	10.60	4.14
Interest cost	24.64	20.66
Total expense recognised in statement of profit and loss	127.66	113.63

(ii) Expense recognised in other comprehensive income

	Group	
	2024	**2023**
(In INR million)		
Remeasurement during the year:		
Actuarial (gain) arising from changes in financial assumptions	(23.32)	(28.00)
Actuarial (gain) arising from changes in demographic assumptions	(26.02)	(26.63)
Actuarial loss arising from experience adjustments	23.75	29.67
Net (income) recognised in other comprehensive income	(25.59)	(24.96)
Net (income) recognised in other comprehensive income (net of tax)	(18.37)	(18.42)

Statement of financial position

	Group	
	2024	**2023**
(In INR million)		
Present value of unfunded obligation, representing plan liabilities	409.62	370.26
Current	112.85	71.87
Non-current	296.77	298.39

23. **Employee Benefit Obligations (continued)**

2. Defined benefit plans (continued)

(b) Other benefit plans (continued)

(iii) Changes in present value of defined benefit obligation

	Group	
	2024	**2023**
(In INR million)		
Balance as at beginning of the year	370.26	297.75
Expense recognised in statement of profit and loss	127.66	113.63
Expense recognised in other comprehensive income	(25.59)	(24.96)
Acquired through business combination (see Note 39)	-	32.24
Benefits paid	(62.46)	(49.32)
Foreign currency translation differences	(0.25)	0.92
Balance as at end of the year	409.62	370.26

(iv) The key actuarial assumptions used in determining defined benefit obligations for the Group are shown below:

		Group	
		2024	**2023**
(a)	Discount rate[1]	3.47% to 7.40%	3.47% to 7.58%
(b)	Salary increment rate[2]	5% to 10%	5% to 10%
(c)	Attrition rate		
	Age years		
	21-30	5% to 41%	5% to 30%
	31-40	4% to 41%	4% to 30%
	41-50	2.5% to 41%	2.50% to 30%
	51-58	1% to 41%	1% to 30%

(1) The discount rate is based on the prevailing market yields of government securities as at the balance sheet date for the estimated term of the obligations.

(2) The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

(3) Demographic assumptions at valuation date:
(a) Retirement age: 55-65 years;
(b) Mortality: Published rates under the Indian Assured Lives Mortality (2012-14) Ult table, TMI IV 2019 and UK lives for a subsidiary in UAE.;
(c) Disability: Leaving service due to disability is included in the provision made for all causes of leaving service (point 2(iv)(c) above).

23. **Employee Benefit Obligations (continued)**

2. Defined benefit plans (continued)

(v) Sensitivity analysis:

	2024		**2023**	
Group	**Change in assumption**	**Effect on defined benefit obligation**	**Change in assumption**	**Effect on defined benefit obligation**
		INR million		INR million
Discount rate	+0.5%	(11.72)	+0.5%	(11.46)
	-0.5%	11.84	-0.5%	11.84
Salary growth	+0.5%	11.50	+0.5%	12.84
	-0.5%	(11.55)	-0.5%	(12.58)

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The above table summarises the change in defined benefit obligation compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

There was no change in the methods and assumptions used in preparing the sensitivity analysis for the periods presented.

(vi) There is no compulsion on the part of the Group to prefund the liability of the plan. The Group's philosophy is not to externally fund these liabilities but instead create an accounting provision in its books of account and pay the gratuity to its employees directly from its own resources as and when the employee leaves the Group. The expected contribution payable to the plan next year is therefore Nil.

(vii) The weighted average duration of the defined benefit obligation as on 31 March 2024 is 2.58 to 21.21 years (31 March 2023 - 3.00 to 21.56) years.

(viii) The expected maturity analysis of defined benefit obligation (undiscounted) is as follows:

	2024	**2023**
(In INR million)		
Less than a year	112.85	71.87
Between 1-6 years	286.48	244.42
6 year and above	542.56	585.25
Total expected payments	941.89	901.54

23. **Employee Benefit Obligations (continued)**

2. Defined benefit plans (continued)

(ix) Risk exposure

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

Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation depends upon the combination of salary increase, discount rate and vesting criteria.

24. **Trade and Other Payables**

		Group		**Company**	
	Notes	**2024**	**2023**	**2024**	**2023**
(In INR million)					
Non-current					
Liability for cash settled share based payments		260.73	819.68	260.72	819.68
Employee benefits payable		-	37.88	-	37.88
Security deposits received		18.29	16.84	-	-
Deferred consideration (including cash consideration payable refer note 39)		-	1,228.59	-	1,228.59
		279.02	2,102.99	260.72	2,086.15
Current					
Trade and other payables	24.1	7,422.14	5,875.55	91.13	57.60
Payable towards cashback schemes		3,156.56	3,645.40	-	-
Security deposits received		5.15	5.45	-	-
Statutory liabilities	24.2	382.14	450.18	1.19	8.26
Liability for cash settled share				-	-
based payments		260.72	-	260.72	-
Intercompany payables	24.3	-	-	3.47	585.43
Employees benefits payable		688.95	1,033.38	29.80	150.60
Deferred consideration (including cash consideration payable refer note 39)		1,252.24	893.33	1,252.27	893.33
		13,167.90	11,903.29	1,638.58	1,695.22

24. **Trade and Other Payables (continued)**

24.1 **Trade payables**

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

24.2 **Statutory liabilities**

Statutory liabilities comprise withholding tax, provident fund payable and goods and service tax payable to statutory bodies.

24.3 **Intercompany payables**

These amounts are unsecured, non-interest bearing and are repayable in cash on demand.

25. **Share Capital**

	2024		**2023**	
Company	**No. of Shares**	**Amount** INR million	**No. of Shares**	**Amount** INR million
Issued and paid-up capital				
Issued and fully paid ordinary shares	1,861,261	8,890.73	1,842,196	8,600.76
Issued and fully paid preference shares	5,927,500	72,826.56	5,927,500	72,826.56
Total share capital	7,788,761	81,717.29	7,769,696	81,427.32

(i) Movement in ordinary and preference shares

	Ordinary shares		**Preference shares**	
	No. of Shares	**Amount** INR million	**No. of Shares**	**Amount** INR million
As at 1 April 2022	1,753,751	7,219.79	5,927,500	72,826.56
Issuance of shares (refer note 39)	32,749	647.73	-	-
Issuance of ordinary shares related to share options exercised	50,735	502.88	-	-
Issuance of ordinary shares pertaining to restricted stock awards (refer note 39)	17,872	247.44	-	-
Own shares acquired during the period	(12,911)	(17.08)	-	-
As at 31 March 2023	1,842,196	8,600.76	5,927,500	72,826.56
As at 1 April 2023	1,842,196	8,600.76	5,927,500	72,826.56
Issuance of ordinary shares related to share options exercised	19,065	289.97	-	-
As at 31 March 2024	1,861,261	8,890.73	5,927,500	72,826.56

25. **Share Capital (continued)**

(ii) Movement in share application money pending allotment

	As at	
	2024	**2023**
As at beginning of the period	-	-
Receipt of share application money (refer note 5 below)	2.82	-
As at end of the period	2.82	-

Notes:

(1) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company.

(2) All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

(3) Terms/rights attached to Redeemable Convertible Cumulative Preference Shares towards Series A, B, B2, C, C1, D, E, F, G, G1, H, I, J, K and L are as below:

The preference shareholders are entitled to receive notice of and vote on all matters that are submitted to the vote of shareholders of the Company as if the same were converted into ordinary shares. The holder is entitled to the number of votes equal to the number of whole or fractional shares into which they could be converted.

Dividend

The preference shares of series A, B, B2, C, C1, D, E, F, G, G1, H, I, J, K and L carry cumulative dividend rights at 0.001%, and the dividend payment shall be subject to applicable laws.

Conversion

As per the terms of the amended and restated shareholders agreement dated 17 December 2020, further amended by deeds of adherence cum amendment agreements dated 12 May 2021, 30 June 2021, 27 July 2021, 9 September 2021, 13 September 2021, 20 October 2021, 22 November 2021, 20 December 2021, 28 December 2021, 10 January 2022, 12 January 2022, 22 February 2022 and 24 June 2022 (hereinafter referred to as 'Agreement') each preference share shall be convertible into ordinary shares, either:

(i) at the option of the holder thereof, exercisable with written notice of 3 (three) business days to the Company; or

(ii) compulsorily convertible into ordinary shares at applicable conversion price on the occurrence of an IPO as per the Agreement.

The preference shares shall be convertible into such number of ordinary shares as determined by dividing the applicable reserve price divided by the applicable conversion price in respect of the preference shares, provided that the applicable conversion price shall be subject to full anti-dilution adjustment and proportional adjustment for issuance of bonus shares or stock splits, stock consolidations, issue of rights shares and the like.

25. **Share Capital (continued)**

Liquidation preference

(i) In the event of liquidation, after payment of creditors of the Company, the preference shares shall be entitled to receive in preference to ordinary shares, an amount equal to the applicable reserve price per share then held by each of them, plus returns at the rate of 10% per annum (in case of all series of preference share except series H, series I, series J, series K and series L) for the time period lapsed since the applicable reference date, or

(ii) In lieu of the amount specified in Clause (i) above, the value of the preference shares calculated on a fully diluted basis, as applicable.

Redemption

The preference shares are redeemable at the sole option of the Company, in either of the following events:

(i) In the event of default as per the Agreement.

(ii) The election of the investors to exercise their rights as per the Exit rights and trade sale clauses of the Agreement.

(4) During the year ended 31 March 2024, the Ordinary share capital of the Company has been increased by INR 289.97 million which comprises of 19,065 issue of ordinary shares (31 March 2023 - INR 1,380.96 million which comprises INR 655.96 million against issue of 83,484 ordinary shares (net of 12,911 own shares acquired and cancelled), INR 247.44 million against issue of 17,872 restricted and unvested ordinary shares). As at 31 March 2024, 3,723 restricted ordinary shares are vested from such restricted shares and remaining are unvested. INR 289.97 million (31 March 31 - INR 477.56 million) including cash received for excercised share options have been transferred from Employee share option reserve.

(5) During the year ended 31 March 2024, INR 2.82 million (31 March - Nil) was received as share application money against exercise of ESOP Grants by the employees. These shares were issued subsequently.

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26. Other Reserves

Group (In INR million)	Employee share option reserve	Restricted Shares reserve	Merger reserve	Foreign currency translation reserve	Total other reserves	Accumulated deficit
As at 1 April 2022	1,400.14	-	(1,372.66)	41.64	69.12	(42,920.87)
Issuance of ordinary shares related to share options exercised	(477.56)		-	-	(477.56)	-
Issuance of ordinary shares pertaining to restricted stock awards (refer note 25)	-	(247.44)	-	-	(247.44)	-
Net (Loss) for the year	-		-	-	-	(2,274.90)
Buyback of vested employee share options	(24.93)		-	-	(24.93)	(162.79)
Transfer to accumulated deficit on expiry or cancellation of employee share options	(3.20)		-	-	(3.20)	3.20
Employee share option expense net off forfeiture of share-options outstanding	1,923.32	83.64	-	-	2,006.96	-
Equity-settled share based payment replacement award	89.17	-			89.17	-
Own shared acquired during the period	-					(310.37)
Changes in non-controlling interest	-	-	-	-	-	(3.00)
Other comprehensive income/ (loss) for the year	-	-	-	-	-	47.23
Foreign currency translation differences	-	-	-	128.46	128.46	-
As at 31 March 2023	2,906.94	(163.80)	(1,372.66)	170.10	1,540.58	(45,621.48)
As at 1 April 2023	2,906.94	(163.80)	(1,372.66)	170.10	1,540.58	(45,621.48)
Issuance of ordinary shares related to share options exercised	(277.26)	-	-	-	(277.26)	-
Net (Loss) for the year	-	-	-	-	-	(3,394.24)
Transfer to accumulated deficit on expiry or cancellation of employee share options	(12.23)	-	-	-	(12.23)	12.23
Employee share option expense net off forfeiture of share-options outstanding	1,255.15	111.77	-	-	1,366.92	-
Other comprehensive income/ (loss) for the year	-	-	-	-	-	45.49
Foreign currency translation differences	-	-	-	17.81	17.81	-
As at 31 March 2024	3,872.60	(52.03)	(1,372.66)	187.91	2,635.82	(48,958.00)

26. **Other Reserves (continued)**

Company (In INR million)	**Employee share option reserve**	**Restricted shares reserve**	**Total other reserves**	**Accumulated deficit**
As at 1 April 2022	1,400.14	-	1,400.14	(37,109.24)
Issuance of ordinary shares on exercise of share-based awards	(477.56)	-	(477.56)	-
Issuance of ordinary shares pertaining to restricted stock options	-	(247.44)	(247.44)	-
Employee share-option expense, net-off forfeiture of share-options outstanding	1,923.32	83.64	2,006.96	-
Transfer to accumulated deficit on expiry or cancellation of employee share-options	(3.20)	-	(3.20)	(3.20)
Net (Loss) for the year	-	-	-	(2,655.98)
Buyback of employee shares	(24.93)	-	(24.93)	(162.79)
Buyback of employee shares				(310.37)
Equity-settled share based payment replacement award	89.17	-	89.17	-
As at 31 March 2023	2,906.93	(163.79)	2,743.14	(40,235.19)
As at 1 April 2023	2,906.93	(163.79)	2,743.14	(40,235.19)
Issuance of ordinary shares related to share options exercised	(277.26)	-	(277.26)	-
Employee share-option expense, net-off forfeiture of share-options outstanding	1,255.02	111.77	1,366.79	-
Transfer to accumulated deficit on expiry or cancellation of employee share-options	(12.23)	-	(12.23)	-
Net (Loss) for the year	-	-	-	(1,712.15)
As at 31 March 2024	3,872.47	(52.03)	3,820.44	(41,947.34)

Nature and purpose of other reserves

(a) Employee share option reserve

Employee share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options and is reduced by the expiry or exercise of the share options.

(b) Merger reserve

In the financial year ended 31 March 2015, the Company acquired Pine Labs Private Limited (a subsidiary entity). The acquisition was accounted for using pooling of interest method, and the difference between the consideration paid/transferred and the equity 'acquired' was accounted within equity as merger reserve, separate from other reserves. The reserve is restricted in nature and shall be derecognised in the event of loss of control over subsidiary company.

27. **Operating Segments (continued)**

Nature and purpose of other reserves (continued)

(c) Foreign currency translation reserve

The foreign currency translation reserve relates to exchange gains and losses arising from the translation of the functional currency of foreign operations to the presentation currency of the Company.

(d) Restricted shares reserve

On 24 June 2022, the Company acquired 100% equity stake in Brokentusk Technologies Private Limited along with its subsidiaries ("Setu"). The Founder Sellers of Setu have been granted vested stock options of the Company which have been simultaneously exercised into restricted ordinary shares of the Company. An amount equivalent to the fair value of these restricted shares on date of acquisition has been debited to restricted shares reserve, which would be amortised to the statement of profit or loss and other comprehensive income over the period in which the underlying performance and service conditions associated with the restricted shares issued are fulfilled.

27. **Operating Segments**

In reviewing the operational performance of the Group and allocating resources, the chief operating decision maker of the Group ("CODM"), who is the Group's Chief Executive Officer ("CEO"), reviews the financial performance and forecasts, performance of key product lines, new product buildout/performance review, and other reviews such as employee performance, functional reviews and ad-hoc-reviews. The Group has a defined organization structure where the Group's CEO is placed at top of the hierarchy of the organization and is the only member of the management team with the authority to make or approve significant strategic and key operating decisions for the Group and evaluates the performance of the business (subject to oversight by the Parent Company's Board of Directors). The Group's operating segments are strategic business units that offer different products and services. For each of the operating segments, the CODM reviews performance based on segment's adjusted gross profit. The financial review does not include breakups or details of assets and liabilities of these operating segments.

Segment A - Digital Payments
Segment B - Issuing

Digital payments

Under this segment, the Group provides technology platforms (under the brand name of "Pine labs", "Qfix", "Mosambee", "Benow", "Setu" and "Fave") (collectively referred as "Digital payments platforms") that are made available to merchants to enable acceptance of instore or online digital payments. These technology platforms and infrastructure allow merchants to accept debit cards, credit cards, prepaid instruments wallets, QR codes, Unified Payment Interface (UPI), loyalty points, pay later, online fee collection, etc. and provide application programming interface ("API") modules to customers for building financial products that facilitate bill payments, credit and savings to enable purchases made by consumers. The merchants on digital payments platforms span across sectors and cities primarily in India and Malaysia. The Group monetizes the platforms by charging subscription-based or transaction-based fees from merchants, acquiring and issuing banks, Non Banking Financial Companies (NBFC's) and consumer brand partners. The Group provides deal vouchers and ecards to end customers and a smart payment application for consumers to pay and save under brand name "Fave". In addition the Group also generates revenue from selling of POS (Digital checkout points) devices and providing services with respect to sale of such devices to its customers and from other sources, including digitzation of fuel stations, integration fees, merchant lending, sales of paper rolls, loyalty and analytics services and fees from other partnerships.

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27. **Operating Segments (continued)**

Issuing

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

Until 31 March 2023, Consumer app business was a separate operating segment and was reported separately for internal reporting purposes and in financial statements as well. Effective 1 April 2023, the Group has undergone an internal restructuring after which the CODM has started reviewing the Consumer app business together with Digital payments business. Following this change of segmentation, the Group has restated the corresponding items of the segment information for previous period as well.

Information about reportable segments operating performance:

Group	**Digital Payments**	**Issuing**	**Consolidated**
(In INR million)			
For year ended 31 March 2024			
Revenue	12,502.56	4,930.14	17,432.70
Gross profit	5,624.44	2,462.12	8,086.55
Add: Depreciation, amortisation and impairment expense*	2,527.65	314.48	2,842.13
Employee share option expense*	46.70	26.71	73.41
Adjusted gross profit	8,198.79	2,803.31	11,002.09
Less: Depreciation, amortisation and impairment expense*			(2,842.13)
Employee share option expense*			(73.41)
Selling and marketing expenses			(4,697.70)
Product and technology development expenses			(3,527.31)
General and administrative expenses			(3,776.83)
Impairment losses on trade and other receivables, contract assets and other advances			(181.11)
Other income, net			312.36
Finance income			479.47
Finance cost			(662.64)
Loss before income tax			(3,967.21)
Income tax credit			570.84
Loss for the year			(3,396.37)

27. **Operating Segments (continued)**

Group	**Digital Payments**	**Issuing**	**Consolidated**
(In INR million)			
For year ended 31 March 2023			
Revenue	11,434.72	4,446.37	15,881.09
Gross profit	5,599.76	2,578.17	8,177.93
Add: Depreciation, amortisation and impairment expense*	1,797.14	293.69	2,090.83
Employee share option expense*	62.23	18.24	80.47
Adjusted gross profit	7,459.13	2,890.10	10,349.22
Less: Depreciation, amortisation and impairment expense*			(2,090.83)
Employee share option expense*			(80.47)
Selling and marketing expenses			(4,419.19)
Product and technology development expenses			(3,092.31)
General and administrative expenses			(3,993.39)
Impairment losses on trade and other receivables, contract assets and other advances			(244.41)
Other income, net			223.15
Finance income			824.10
Finance cost			(372.08)
Loss before income tax			(2,896.20)
Income tax credit			621.11
Loss for the year			(2,275.09)

* Components of "Depreciation, amortisation and impairment expenses" and "Employee share option expense" included in cost of sales, adjusted separately.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 4. The segment's profitability measure, i.e. Adjusted Gross Profit represents the profit/(loss) earned by each segment adjusted for the component of depreciation, amortisation and impairment expenses and employee share option expense which are recognised as part of cost of sales, and without allocation of selling and marketing expenses, product and technology development expenses, general and administrative expenses, other income (net), finance income, finance costs and income tax expense. This is the measure reported to the Group's CODM for the purpose of resource allocation and assessment of segment performance.

Geographic information

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

	Group	
	2024	**2023**
(In INR million)		
Revenue from external customers		
Singapore	674.55	635.67
India	15,497.11	14,522.66
Others	1,261.04	722.76
	17,432.70	15,881.09

27. **Operating Segments (continued)**

Geographic information (continued)

The revenue information above is based on the locations of the customers. The Group's revenues from its major products and services are disclosed in Note 5.

	Group	
	2024	**2023**
(In INR million)		
Non-current assets		
Singapore	602.03	939.24
India	20,639.86	22,624.51
Others	302.20	317.51
	21,544.09	23,881.26

Non-current assets for this purpose excludes financial assets, deferred tax and non-current tax assets.

Revenues from two customers of the Group amounted to INR 6,119.51 million (INR 5,410.55 million for the year ended 31 March 2023) which is individually more than 10% of the Group's total revenues. Out of this, revenue of INR 3,001.38 million for the year ended 31 March 2024 (INR 3,073.47 million for the year ended 31 March 2023) is included in Digital Payments segment. The balance revenue is included in Issuing segment.

28. **Share-Based Payment Arrangements**

(a) **Employee Stock Option Plan - Pine Labs Limited**

The Group had formulated the Employees Stock Option Plan 2014 ("Plan") which was approved by the Board. The maximum number of Options to be granted shall be determined by the Board from time to time and recorded in relevant resolutions approved by the Board. The options are denominated in US Dollars ("USD").

Vesting conditions

Options granted to a Participant(s), under each Grant, shall vest subject to the condition that the Participant continues to be in employment with the group during the term required as per their respective vesting schedule. Vesting period ranges from immediate vesting to vesting over 12 months, 18 months, 21 months, 22 months, 24 months, 39 months, 40 months, 42 months, 44 months, 45 months, 46 months, 47 months and 48 months based on their respective approved vesting schedule.

Further there are few options granted for vesting of which are conditional upon certain performance measures/criteria. The performance of such grants are measured over vesting period of the options granted which ranges from 9 months to 45 months. The performance measures for these grants include probability of achievement of the individual performance and probability of achievement of the factors for respective subsidiary performance i.e. (net revenue, adjusted EBITDA and new product development).

Exercise period is the period from the Vesting Date, as may be determined by the Board from time to time, within which the Vested Options must be exercised, i.e. 60 months from each Vesting Date or 12 months from the date of termination of services for any reasons, including but not limited to, death and Permanent Disability, whichever is earlier or as may be determined by the Board in some specific cases. If the Participant does not exercise his Vested Options during the Exercise Period, the Vested Options shall lapse.

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28. **Share-Based Payment Arrangements (continued)**

(a) **Employee Stock Option Plan - Pine Labs Limited (continued)**

The number and weighted average exercise prices of share options including replacement awards [refer note (c) below] outstanding during the year are as follows:

	2024			2023		
Group	**No. of Option**	**Weighted average exercise price**		**No. of Option**	**Weighted average exercise price**	
	2024	In INR million	US$	**2023**	In INR million	US$
Options outstanding at the beginning of the year	545,253	702.81	9.52	557,684	688.66	9.42
Options granted during the year	220,530	22,005.35	264.50	72,800	635.62	8.00
Forfeited during the year	(26,818)	608.51	8.02	(28,491)	599.46	8.00
Buyback of vested employee share options during the year	-	-	-	(6,005)	550.31	7.57
Exercised during the year	(19,065)	597.54	8.00	(50,735)	599.96	8.24
Outstanding at the end of the year	719,900	7,233.96	87.72	545,253	702.81	9.52
Vested options outstanding at the end of year (exercisable)*	410,944	696.40	9.53	323,535	690.00	9.61

* Out of total exercisable options, employees have paid INR 2.82 million (31 March 2023 - Nil) (disclosed as share application money) for exercise of options, however, shares for such options have been granted subsequent to the balance sheet date.

The weighted average share price at the date of exercise for share options exercised during the year was INR 11,691.64 (31 March 2023 - INR 17,466.44).

The share options outstanding at 31 March 2024 had an exercise price ranging from INR 0.00 to INR 29,535.11 (31 March 2023 - INR 0.00 to INR 3,368.19) and a weighted average remaining contractual life of 4.23 years (31 March 2023 – 3.98 years).

The weighted average fair value of options granted during the year was INR 4,297.92 per option (31 March 2023 - INR 16,525.37).

28. **Employee Share Option Scheme (continued)**

(a) **Employee Stock Option Plan - Pine Labs Limited (continued)**

Inputs for measurement of grant date fair values

Equity-settled options

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

	Group	
	2024	**2023**
Weighted average share price	INR 10,130.91	INR 18,255.07
Expected volatility	43.27% - 54.90%	34.89% - 45.29%
Expected life share option (years)	2.50 - 4.75	2.58 - 4.66
Risk free rate	3.61% - 4.71%	2.60% - 4.44%
Expected dividend yield	0%	0%

The Group recognised expenses of INR 1,366.92 millon and INR 2,006.96 million related to equity-settled share-based payment transactions during the year ended 31 March 2024 and 31 March 2023 respectively.

Cash settled awards

The fair value of the cash settled awards was determined using the Monte Carlo simulation model with the following assumptions

	Group	
	2024	**2023**
Weighted average share price	INR 9,337.88	INR 13,269.81
Expected volatility	25.0% - 48.2%	39.3% - 41.6%
Expected life of awards (years)	0.1 - 1.1	2 - 3
Risk free rate	5.4% - 5.0%	4.5% - 4.0%

The Group has issued to certain employees, awards that require the Group to pay the intrinsic value of the option to the employee at the end of the specified period as per the agreement. These options have contractual life ranging from 0.1 to 1.1 years (March 2023 - 2 to 3 years). The Group has recorded liabilities of INR 521.45 million as at 31 March 2024 (31 March 2023 - INR 819.68 million). Fair value of the awards is determined by using the Monte Carlo simulation model using the assumptions noted in the above table. The Group recorded employee share option (gain) of INR (307.61) million and expense (31 March 2023 – (gain) of INR (415.02) million). The total intrinsic value at 31 March 2024 and 31 March 2023 was INR 520.22 million and INR 826.27 million, respectively.

(b) **Replacement awards (equity settled)**

(i) **Fave Group Pte Limited ("Fave")**

In connection with the acquisition of Fave during the year ended 31 March 2021, the Group replaced 15,086 equity-settled share-based payment awards held by employees of Fave with 3,399 equity settled share-based payment awards of the Company (the replacement awards) with a vesting period of 2 years. The details of the replacement awards were as follows:

28. **Employee Share Option Scheme (continued)**

(b) **Replacement awards (equity settled) (continued)**

(i) **Fave Group Pte Limited ("Fave") (continued)**

Terms and conditions of replacement awards

Vesting Period	Vesting Period from the grant date of replacement awards
1/3rd of grants	Within 2 months
1/3rd of grants	Within 11 months
1/3rd of grants	Within 23 months

Fair value of acquiree awards and replacement awards at the date of acquisition are INR 6,367.34 and INR 17,214.68 respectively.

During the year, the Group has recorded Nil (31 March 2023 - INR 2.98 million) as employee share option expense for these replacement awards.

(ii) **Synergistic Financials Networks Private Limited ('Mosambee')**

In connection with the acquisition of Mosambee (refer Note 39), the Group replaced 106,691 equity-settled share-based payment awards held by employees of Mosambee with 7,334 equity settled share-based payment awards of the Company (the replacement awards). The details of the replacement awards along with vesting periods are summarised below.

Terms and conditions of replacement awards

Vesting Period	Vesting Period from the grant date of replacement awards	Vesting schedule
For options with a vesting period of 24 months	In a series of 24 successive equal monthly installments over 24 months	100%
For options with a immediate vesting period	Immediate vesting	100%
For options with a vesting period of 12 months	After completion of 12 months	100%
For options with a vesting period of 29 months	After completion of 17 months	43%
	After completion of 29 months	57%

Fair value of acquiree awards and replacement awards at the date of acquisition are INR 371.61 million and INR 137.30 million, respectively.

During the year, the Group has recorded 16.36 million (31 March 2023 - INR 21.11 million) as employee share option expense for these replacement awards.

(d) **Restricted ordinary shares- Brokentusk Technologies Private Limited ("Setu")**

On 24 June 2022, the Company acquired 100% equity stake in Brokentusk Technologies Private Limited along with its subsidiaries ("Setu"). The Founder Sellers of Setu have been granted 17,872 vested stock options of the Company which have been simultaneously exercised into restricted ordinary shares of the Company. Vesting of these restricted ordinary shares is linked to various performance and employment conditions post acquisition by Pine Labs Limited. The details of the restricted ordinary shares were as follows.

28. **Employee Share Option Scheme (continued)**

(d) **Restricted ordinary shares- Brokentusk Technologies Private Limited ("Setu") (continued)**

Terms and conditions of restricted ordinary shares

(i) Performance based 8,936 restricted ordinary shares ('Performance stock'), shall vest subject to the condition that the Participant continues to be in employment with the group during the term required as per their respective vesting schedule. Vesting period for these performance stock is conditional upon certain performance measures/criteria as defined in the agreement for restricted ordinary shares. The performance is measured over vesting period ranges from 21 months to 32 months. The performance measures for these grants include probability of achievement of the factors for respective subsidiary performance i.e. (net revenue, adjusted EBITDA and new product development).

(ii) Remaining 8,936 restricted ordinary shares ('Remaining stock'), shall vest subject to the condition that the Participant continues to be in employment with the group during the term required as per their respective vesting schedule. Vesting period ranges from 21 months to 32 months based on their respective vesting schedule as defined in the agreement for restricted ordinary shares.

A summary of Restricted Ordinary Shares activity during the year is set out below:

	2024			2023		
	No. of Options	**Weighted average grant date fair value**		**No. of Options**	**Weighted average grant date fair value**	
		US$	INR		US$	INR
Restricted Shares outstanding at the beginning of the year	17,872	19,779	252.50	-	-	-
Granted during the year	-	-	-	17,872	19,779	252.50
Vested during the year	3,723	19,779	252.50	-	-	-
Forfeited during the year	-	-	-	-	-	-
Outstanding at the end of the year	14,149	19,779	252.50	17,872	19,779	252.50
Expected to vest (basis terms and conditions mentioned above)	8,787	19,779	252.50	12,510	19,779	252.50

An amount equivalent to the fair value of these restricted shares amounting to INR 247.44 million on date of acquisition has been debited to restricted shares reserve, which would be amortised to the statement of profit or loss and other comprehensive income over the period in which the underlying performance and service conditions associated with the restricted shares issued are fulfilled.

During the year, the Group has recorded INR 111.77 million (31 March 2023 - INR 83.64 million) as employee share option expense for these restricted shares.

29. **Loss Per Share (EPS)**

The basic and diluted earnings/(loss) per share are as follows:

	Group	
	2024	**2023**
(In INR million)		
Loss		
(Loss) for the purposes of basic earnings per share attributable to owners of the Company	(3,394.24)	(2,274.90)
(Loss) for the purposes of basic and diluted earnings per share	(3,394.24)	(2,274.90)

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29. **Loss Per Share (EPS) (continued)**

	Group 2024	Group 2023
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share #	1,830,032	1,794,338
Weighted average number of ordinary shares for the purposes of basic earnings per share	1,830,032	1,794,338
Basic EPS (In INR)	(1,854.74)	(1,267.82)
Diluted EPS (In INR)	(1,854.74)	(1,267.82)

There are potential equity shares during the year ended 31 March 2024 and 31 March 2023 in the form of redeemable convertible preference shares and stock-based awards granted to employees, which are anti-dilutive in nature and hence, ignored in the calculation of diluted earnings/(loss) per share and accordingly the diluted earnings/(loss) per share is the same as basic earnings/(loss) per share.

As at 31 March 2024, the Company has not included 14,149 restricted ordinary shares (31 March 2023 - 17,872 restricted shares) for calculation of basic earnings per share considering there are restrictions/vesting conditions against such shares (refer note 28).

30. **Investment in Other Entities**

	Company 2024	Company 2023
(In INR million)		
Equity investments, at cost	38,747.26	39,921.56

(a) **Material subsidiaries**

The Group's material subsidiaries are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary 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.

	2024		2023		
Name of entity	**Ownership interest held by the Group**	**Ownership interest held by non-controlling interest**	**Ownership interest held by the Group**	**Ownership interest held by non-controlling interest**	**Principal activities**
Directly owned subsidiaries					
Pine Labs Private Limited, India	99.89%	0.11%	99.89%	0.11%	Payment solutions, pay later solutions, prepaid instruments solutions, prepaid cards, fuel station digitisation and; issuing, processing and distribution of prepaid cards
Synergistic Financial Networks Private Limited, India (refer note (a))	88.34%	-	81.04%	-	Payment Solutions and transaction processing

30. **Investment in Other Entities (continued)**

(a) **Material subsidiaries (continued)**

Synergistic Financial Networks Private Limited ("the Company") is a wholly owned subsidiary of Pine Labs Limited which was acquired on 12 April 2022 (refer note 39). Pursuant to the Options agreement, the potential voting rights held by Pine Labs have in-substance ownership interest as they give Pine Labs current access to returns associated with remaining ownership interest of Mosambee. Accordingly, the remaining ownership interest has been accounted for under the anticipated acquisition method as 100% interest in Mosambee at acquisition date.

(b) **Non-controlling interests (NCI)**

Set out below is summarised financial information for the subsidiaries with non-controlling interests that are material to the Group. The amounts disclosed for the subsidiaries are before inter-company eliminations.

Summarised balance sheet

	2024	2023
(In INR million)		
Current asset	63,586.06	57,125.68
Current liabilities	56,136.31	49,464.67
Net current assets	7,449.75	7,661.01
Non-current assets	15,513.11	16,907.41
Non-current liabilities	2,518.38	2,724.69
Net non-current assets	12,994.73	14,182.72
Net assets	20,444.48	21,843.73
Accumulated NCI	23.28	25.01

Summarised statement of profit and loss and comprehensive loss

	2024	2023
(In INR million)		
Revenue	13,166.52	12,819.99
(Loss) for the year	(1,872.12)	(166.89)
(Loss) for the period attributable to NCI	(2.13)	(0.19)
Other comprehensive income/(loss)	48.60	47.03
Other comprehensive income/(loss) attributable to NCI	0.05	0.05
Total comprehensive loss for the year allocated to NCI	(2.08)	(0.14)

31. **Related Party Relationships And Transactions**

(a) **List of related parties are provided below:**

(i) Entity having significant influence over the company:

Peak XV Partners Pine Investment Holdings (formerly known as Sequoia Pine Investment Holdings)

(ii) Subsidiaries

Name	**Country of Incorporation**	**Subsidiary**
Pine Labs Investments Pte Ltd	Singapore	Directly owned subsidiary
Pine Labs Private Limited	India	Directly owned subsidiary
Pine Labs Digital Solutions Private Limited (formerly knowns as Pine Labs Finance Private Limited)	India	Directly owned subsidiary (step down subsidiary till 19 November 2023)
Pine Labs Holding (Thailand) Limited	Thailand	Directly owned subsidiary
Pine Labs Private Limited, Thailand	Thailand	Step-down subsidiary
PT Pine Labs Indonesia (Liquidated on 18 April 2024)	Indonesia	Directly owned subsidiary
Pine Labs Payment Service Provider LLC	Dubai	Step-down subsidiary (Directly owned subsidiary till 22 December 2023)
Pine Payment Solutions Sdn Bhd	Malaysia	Step-down subsidiary (Directly owned subsidiary till 20 December 2023)
Qwikcilver Solutions Private Limited	India	Step-down subsidiary (till 14 September 2022, thereafter merged into Pine Labs Private Limited)
Qwikcilver Solutions Pte Ltd	Singapore	Directly owned subsidiary
Qwikcilver Solutions Pty Limited	Australia	Directly owned subsidiary
Fave Group Pte Ltd	Singapore	Directly owned subsidiary
Pine Labs, Inc, Philippines	Philippines	Directly owned subsidiary
Qfix Infocomm Private Limited	India	Directly owned subsidiary

31. **Related Party Relationships And Transactions (continued)**

(a) **List of related parties are provided below: (continued)**

(ii) Subsidiaries (continued)

Name	**Country of Incorporation**	**Subsidiary**
Mopay Services Private Limited	India	Step-down subsidiary
Fave Asia Technologies Sdn Bhd	Malaysia	Step-down subsidiary
Beeconomic Singapore Pte Ltd	Singapore	Step-down subsidiary
Fave Asia Sdn Bhd	Malaysia	Step-down subsidiary
Fave Singapore Pte Ltd (Struck off with effect from 7 April 2022)	Singapore	Step-down subsidiary
PT Disdus Indonesia	Indonesia	Step-down subsidiary
KFit Hong Kong Ltd (Dissolved with effect from 9 September 2022)	Hong Kong	Step-down subsidiary
KFit Taiwan Ltd (Dissolved with effect from 11 January 2023)	Taiwan	Step-down subsidiary
Synergistic Financial Networks Private Limited (with effect from 12 April 2022)	India	Directly owned subsidiary
Grapefruit Payment Solutions Private Limited (with effect from 12 April 2022)	India	Step-down subsidiary
Cashless Technologies India Private Limited (with effect from 12 April 2022)	India	Step-down subsidiary
Brokentusk Technologies Private Limited (with effect from 24 June 2022)	India	Directly owned subsidiary
Setu Payments Private Limited [(with effect from 24 June 2022) (struck off with effect from 24 January 2023)	India	Step-down subsidiary
Anumati Technologies Private Limited (with effect from 24 June 2022)	India	Step-down subsidiary
Pine Labs Vietnam Company Limited (with effect from 16 June 2022)	Vietnam	Directly owned subsidiary
Pine Labs Hong Kong Limited (incorporated on 29 August 2022)	Hong Kong	Directly owned subsidiary
Groupon International Travel (M) Sdn Bhd (dissolved with effect 21 June 2023)	Malaysia	Step-down subsidiary
Qwikcilver Solutions Inc (incorporated on 27 September 2023)	United States of America	Step-down subsidiary

31. **Related Party Relationships And Transactions (continued)**

(a) **List of related parties are provided below: (continued)**

(iii) Others

Name	**Country of Incorporation**	
Dreamplug Technologies Private Limited	India	Company in which key managerial personnel has significant influence
Dreamplug Paytech Solutions Private Limited (with effect from 14 October 2022	India	Company in which key managerial personnel has significant influence
Qwikcilver ESOS Trust	India	ESOS Trust (till 14 September 2022, thenafter dissolved)

(b) **Related parties**

Nature of relationship	**Name of key management personnel**
Chief Executive Officer and Director	Bairavarasu Amrish Rau
Director	Pradyumna Agarwal (till 13 January 2023)
Director	Asanka Haren Edirimuni Rodrigo
Director	Arijit Ranjan Sarker (till 1 February 2024)
Director	Shailendra Jit Singh
Chief Financial Officer and Director	Marc Kay Mathenz
Director	Kunal Naresh Shah
Director	Piyush Gupta
Director	Lal Samrat Ashok (with effect from 13 January 2023)

(c) **Transactions with party on which key managerial personnel has significant influence**

	Group	
	2024	**2023**
(In INR million)		
Revenue from contracts with customers*	851.48	1,173.50

*It represents gross billing to customer excluding taxes and not revenue recognised.

31. **Related Party Relationships And Transactions (continued)**

(d) **Key management personnel compensation**

	Group	
	2024	**2023**
(In INR million)		
Short-term employees benefits	90.83	92.91
Long-term employees benefits	-	0.30
Employee share-based payment	383.88	703.27
Reimbursement of expenses	6.22	3.34
	480.93	799.82

(e) **Transactions with key managerial personnel**

	Group	
	2024	**2023**
(In INR million)		
Payment received towards issuance of ordinary shares related to share options exercised	3.47	-

(f) **Outstanding balances receivable/(payable)**

	Group	
	2024	**2023**
(In INR million)		
Key managerial personnel	(19.40)	(30.06)
Party on which key managerial personnel has significant influence	(1.73)	0.48
	(21.13)	(29.58)

Terms and conditions of transactions with related parties

All the above-mentioned transactions with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

32. **Leases**

This note provides information for leases where the Group is a lessee. The Group has taken on lease office premises, furniture and fittings and certain vehicles. Lease contracts are typically entered for a term of 2 years to 15 years, including extension options. The Group has also entered into certain sale and leaseback transactions with a Financial Institution. As explained in detail in Note 21, such transactions have not been recognised as leases as per the guidance provided in FRS 116.

Extension and termination options

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

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32. **Leases (continued)**

(i) **Right-of-use asset**

Group (In INR million)	**Building**	**Furniture and Fittings**	**Vehicles**	**Total**
Cost				
As at 1 April 2022	621.40	2.04	-	623.44
Additions through business combination (refer Note 39)	85.90	-	-	85.90
Additions	618.75	-	48.56	667.31
Termination/end of lease contracts	(4.34)	-	-	(4.34)
Foreign currency translation reserve	0.25	-	-	0.25
As at 31 March 2023	1,321.96	2.04	48.56	1,372.56
Additions	282.95	13.46	64.81	361.22
Termination/end of lease contracts	(116.86)	-	(1.35)	(118.21)
Foreign currency translation reserve	(6.51)	-	-	(6.51)
As at 31 March 2024	1,481.54	15.50	112.02	1,609.06
Accumulated amortisation				
As at 1 April 2022	223.08	0.34		223.42
Charge for the year	177.85	0.94	3.63	182.42
Termination/end of lease contracts (refer note below)	(3.76)	-	-	(3.76)
Foreign currency translation reserve	(0.61)	-	-	(0.61)
As at 31 March 2023	396.56	1.28	3.63	401.47
Charge for the year	222.39	1.09	22.90	246.38
Termination/end of lease contracts	(93.05)	-	(0.08)	(93.13)
Foreign currency translation reserve	(5.36)	-	-	(5.36)
As at 31 March 2024	520.54	2.37	26.45	549.36
Carrying amount				
As at 31 March 2023	925.40	0.76	44.93	971.09
As at 31 March 2024	961.00	13.13	85.57	1,059.70

32. **Leases (continued)**

(i) **Right-of-use asset (continued)**

Company (In INR million)	**Total**
Cost	
As at 1 April 2022	-
Additions	90.19
As at 31 March 2023	90.19
Additions	-
As at 31 March 2024	90.19
Accumulated amortisation	
As at 1 April 2022	-
Charge for the year	19.44
Foreign currency translation reserve	1.11
As at 31 March 2023	20.55
Charge for the year	27.25
Foreign currency translation reserve	0.18
As at 31 March 2024	47.98
Carrying amount	
As at 31 March 2023	69.65
As at 31 March 2024	42.21

(ii) **Lease liability**

	Group		**Company**	
	2024	**2023**	**2024**	**2023**
(In INR million)				
As at 1 April	1,086.63	474.73	77.12	-
Additions through business combination (refer note 39)	-	87.26	-	-
Additions	345.38	646.87	-	88.78
Accretion of interest	108.92	85.08	3.58	3.62
Payments*	(299.20)	(206.25)	(31.94)	(14.64)
Termination/end of lease contracts	(28.34)	(0.52)		-
Foreign currency translation reserve	(0.93)	(0.54)	(0.77)	(0.63)
As at 31 March	1,212.46	1,086.63	47.99	77.12
(In INR million)				
Current	207.79	190.87	31.16	29.13
Non-current	1,004.67	895.76	16.83	47.99
	1,212.46	1,086.63	47.99	77.12

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

32. **Leases (continued)**

(iii) **Contractual maturities of lease liabilities on an undiscounted basis are as given below:**

	Group		Company	
	2024	**2023**	**2024**	**2023**
(In INR million)				
Not later than one year	310.65	269.98	33.03	32.80
Later than one year and not later than five years	770.32	747.51	17.05	50.08
Later than five years	619.99	492.83	-	-

(iv) **Amounts recognised in the statement of profit and loss**

	Group	
	2024	**2023**
(In INR million)		
Amortisation charge on right-of-use assets	246.38	182.42
Interest expense on lease liabilities (included in finance costs)	108.92	85.08
Expense related to short-term leases* (included in general and administrative expenses)	43.83	33.69
	399.13	301.19

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

33. **Commitments**

Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the consolidated financial statements.

	Group	
	2024	**2023**
(In INR million)		
Property, plant and equipment and intangible assets	106.41	494.28

34. **Fair Value of Assets And Liabilities**

The fair values of financial assets and financial liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	2024		2023	
Group **(In INR million)**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
(a) Measured at fair value through profit or loss (FVTPL)				
Call option for acquiring stake in an Indian entity (refer (iii) below)	2.93	2.93	0.16	0.16
(b) Measured at fair value through other comprehensive income (FVTOCI)				
Investment in equity instruments (refer (iii) below)	212.90	212.90	177.68	177.68
(c) Measured at amortised cost				
Term deposits (including interest accrued)	1,463.29	1,463.29	7,877.22	7,877.22
Security deposits	174.34	174.34	171.43	171.43
Restricted cash and cash equivalents	42,420.63	42,420.63	37,250.39	37,250.39
Loan and advances to employees	10.07	10.07	11.13	11.13
Receivable for cashback and subvention schemes	7,729.74	7,729.74	5,205.47	5,205.47
Other receivables	15.53	15.53	15.36	15.36
Finance lease receivable	114.26	114.26	-	-
Trade and other receivables, net	6,664.55	6,664.55	6,197.25	6,197.25
Cash and cash equivalents	8,793.60	8,793.60	6,142.15	6,142.15

	2024		2023	
Group **(In INR million)**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial liabilities				
(a) Measured at fair value through profit or loss (FVTPL)				
Liability for cash settled share based payments (refer (iii) below)	521.46	521.46	819.68	819.68
Deferred consideration (refer (iii) below)	1,245.94	1,245.94	2,069.35	2,069.35
(b) Measured at amortised cost				
Borrowings	5,313.46	5,313.70	3,295.21	3,295.45
Lease liabilities	1,212.46	1,212.46	1,086.63	1,086.63
Trade and other payables	7,422.14	7,422.14	5,875.55	5,875.55
Payable towards cashback and subvention schemes	3,156.56	3,156.56	3,645.40	3,645.40
Security deposits received	23.44	23.44	22.29	22.29
Employee benefits payable	688.95	688.95	1,071.27	1,071.27
Deferred consideration	6.30	6.30	52.56	52.56

34. **Fair Value of Assets And Liabilities (continued)**

Fair value hierarchy

	2024			
Particulars (In INR million)	**Level 1**	**Level 2**	**Level 3**	**Total**
Call option for acquiring stake in an Indian entity (refer (iii) below)	-	-	2.93	2.93
Investment in equity instruments FVTOCI (refer (iii) below)	-	-	212.90	212.90
Total Assets	-	-	215.83	215.83
Liability for cash settled share based payments (refer (iii) below)	-	-	521.46	521.46
Deferred consideration (refer (iii) below)	-	-	1,245.94	1,245.94
Total liabilities	-	-	1,767.40	1,767.40

	2023			
Particulars (In INR million)	**Level 1**	**Level 2**	**Level 3**	**Total**
Call option for acquiring stake in an Indian entity (refer (iii) below)	-	-	0.16	0.16
Investment in equity instruments FVTOCI (refer (iii) below)	-	-	177.68	177.68
Total Assets	-	-	177.84	177.84
Liability for cash settled share based payments (refer (iii) below)	-	-	819.68	819.68
Deferred consideration (refer (iii) below)	-	-	2,069.35	2,069.35
Total liabilities	-	-	2,889.03	2,889.03

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

Financial assets at fair value through profit or loss

	As at 31 March	
	2024	**2023**
Call option for acquiring stake in an indian entity		
Opening balance as at April 1	0.16	-
Acquired through business combination (refer Note 39)	-	13.95
Gain/(Loss) recognised in profit or loss-change in fair value	2.77	(13.79)
Closing balance	2.93	0.16

34. **Fair Value of Assets And Liabilities (continued)**

Financial assets at fair value through other comprehensive income

	As at 31 March	
Investment in equity instruments	**2024**	**2023**
Opening balance as at April 1	127.70	90.35
Gain recognised through other comprehensive income		
- change in fair value	35.18	37.35
Closing balance	162.88	127.70

Financial assets at fair value through other comprehensive income

	As at 31 March	
Investment in equity instruments	**2024**	**2023**
Opening balance as at April 1	49.98	-
Acquired through business combination (refer Note 39)	-	49.90
Gain recognised through other comprehensive income		
- change in fair value	0.04	0.08
Closing balance	50.02	49.98

Financial liabilities at fair value through profit or loss

	As at 31 March	
Liability for cash settled share based payments	**2024**	**2023**
Opening balance as at April 1	819.68	1,294.27
Payment of liability	-	(154.39)
Proceeds on issuance of ordinary shares related to cash settled award exercised	-	7.76
Gain recognised in profit or loss-change in fair value	(307.61)	(415.02)
Foreign exchange loss	9.38	87.07
Closing balance	521.45	819.68

	As at 31 March	
Deferred consideration	**2024**	**2023**
Opening balance as at April 1	2,069.35	-
Acquired through business combination (refer Note 39)	-	2,275.00
Payment of liability	(851.78)	(388.11)
Foreign exchange loss	28.37	182.46
Closing balance	1,245.94	2,069.35

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

(i) Cash and cash equivalents, restricted cash and cash equivalents, interest accrued on term deposits, trade and other receivables, receivables for cashback and subvention schemes, loan to employees, other receivables, finance lease receivable, trade and other payables and other financial liabilities approximate to their fair value largely due to the short-term nature of these instruments.

(ii) For all other financial instruments, the carrying amount is either the fair value, or approximates the fair value.

(iii) Valuation techniques and significant unobservable inputs

34. **Fair Value of Assets And Liabilities (continued)**

The following tables show the valuation techniques used in measuring Level II and Level III fair values at 31 March 2024 and 31 March 2023 for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described as follows:

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Call option for acquiring stake in an indian entity	Black-Scholes model: The valuation model considers the share price on measurement date and commercially agreed exercise price, expected term of the instrument, risk free rate, expected volatility and expected dividend rate.	Expected term: 0.75 year (31 March 2023 - 0.23 year) Expected Volatility - 47% (31 March 2023 - 54%) Risk free rate: 6.80% (31 March 2023 - 6.88%)	The estimated fair value would increase (decrease) if: - the expected term were higher (lower) - the expected volatility were higher (lower) - the risk free rate were higher (lower)
Investment in equity instruments FVTOCI	a) Net Asset Method: Net asset value is calculated as the book value of total assets after deduction of book value of total liabilities. b) Average of net book value and the value estimated considering the commercially agreed exercise price.	a) Book value of total assets after deduction of book value of total liabilities. b) Average of net book value of entity and the value estimated considering the commercially agreed exercise price.	The estimated fair value would increase (decrease) if the book value increase/(decrease)
Liability for cash settled share based payments	The fair value of the cash settled awards is determined using the Monte Carlo simulation model.	Expected Volatility - 25.0% - 48.2% (31 March 2023 - 39.3% - 41.6%) Risk free rate: 5.0%-5.4% (31 March 2023 - 4.0% - 4.5%)	The estimated fair value would increase (decrease) if: - the expected volatility were higher (lower) - the risk free rate were higher (lower)
Deferred consideration	The fair value has been determined at the price at which shares of the parent company were issued in the most recent primary round of funding, as per the terms of the underlying agreement.	As per the terms of the underlying agreement	The estimated fair value would increase (decrease) if the expected pricing of the underlying agreement increase/(decrease)

(v) There have been no transfers between level I, level II and level III fair value measurements.

35. **Financial Risk Management Objectives And Policies**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group are accountable to the Board. This process provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

(i) **Market risk**

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

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

(1) **Foreign currency risk**

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

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

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35. **Financial Risk Management Objectives And Policies**

(i) **Market risk (continued)**

(1) **Foreign currency risk (continued)**

Exposure to currency risk

The following table analyses foreign currency risk from financial assets and liabilities as of 31 March 2024 and 31 March 2023:

		Group		Company	
	Currency	**2024**	**2023**	**2024**	**2023**
(In INR million)					
Trade and other receivables	MYR	0.06	0.07	-	-
	SGD	-	-	-	30.86
	EUR	30.50	4.86	-	-
	USD	90.78	55.69	-	2,519.79
Trade and other payables	USD	(1,956.75)	(216.70)	(1,842.77)	(3,258.08)
	SGD	(1.43)	(4.99)	(1.15)	(0.68)
	MYR	(45.60)	(5.01)	-	-
	IDR	(0.32)	(0.01)	-	-
	PHP	(0.64)	-	-	-
	THB	(1.10)	(0.18)	-	-
	EURO	14.01	-	-	-
Cash and cash equivalents, term deposits and interest thereon	USD	3,215.97	5,291.66	3,149.85	5,190.07
	SGD	16.46	0.89	-	-
	EURO	1.41	0.43	-	-
	AUD	33.26	-	-	-

Sensitivity

The Group is mainly exposed to the fluctuations in USD.

The following table details the Group's sensitivity to a 5% increase and decrease in currency units against USD. 5% is the rate used in order to determine the sensitivity analysis, considering the past trends and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates.

A positive number below indicates an increase in profit and other reserves where INR strengthens 5% against USD. For a 5% weakening of INR against USD, there would be a comparable impact on the profit and other reserves, and the balances below would be negative.

Impact on profits/(loss)/other components of equity

	Group	
Particulars	**2024**	**2023**
(In INR million)		
Increase by 5% in foreign exchange rate	67.50	256.53
Decrease by 5% in foreign exchange rate	(67.50)	(256.53)

35. **Financial Risk Management Objectives And Policies (continued)**

(i) **Market risk (continued)**

(2) **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 Group's debt interest obligations, except in case of borrowings from a financial institution. Further, the Group engages in financing activities at both fixed and market linked rates. Any changes in the market linked interest rates environment may impact future rates of market linked borrowing. The board continuously monitors the prevailing interest rates in the market.

Sensitivity

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

Impact on profits/(loss)/other components of equity

	Group	
Particulars (In INR million)	**2024**	**2023**
INR - borrowings (increase by 100 basis points)	(23.34)	(13.78)
INR - borrowings (decrease by 100 basis points)	23.34	13.78

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

(ii) **Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade and other receivables and contract assets) and from its financing activities, including deposits with banks, mutual funds and financial institutions, and other financial assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Financial assets are written off when there are indicators that there is no reasonable expectation of recovery.

35. **Financial Risk Management Objectives And Policies (continued)**

(ii) **Credit risk (continued)**

Trade and other receivables and contract assets

Trade and other receivables and contract assets are non-interest bearing and are generally on 15 to 90 days credit term. The Group has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

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

The carrying amounts of financial assets represent the maximum credit risk exposure. The Group does not hold collateral as security except in case of issuing business in India where the Group holds insurance cover for trade receivable basis internal assessment for specified customers.

The Group's credit risk exposure in relation to trade and other receivables and contract assets under FRS 109 as at 31 March 2024 and 31 March 2023 are set out as follows:

Group **Particulars** **(In INR million)**	**Not past due**	**0-6 months**	**6-12 months**	**More than 12 months**	**Total**
As at 31 March 2024					
Trade and other receivables and contract assets -gross carrying amount					
- Not impaired	5,149.95	2,129.24	274.72	283.54	7,837.45
- Impaired	99.39	176.71	83.85	202.60	562.55
	5,249.34	2,305.95	358.57	486.14	8,400.00
Loss allowances	(99.39)	(176.71)	(83.85)	(202.60)	(562.55)
Net carrying amount	5,149.95	2,129.24	274.72	283.54	7,837.45
As at 31 March 2023					
Trade and other receivables and contract assets -gross carrying amount					
- Not impaired	4,593.22	2,770.99	113.03	30.66	7,507.90
- Impaired	37.74	183.83	88.02	181.03	490.62
	4,630.96	2,954.82	201.05	211.69	7,998.52
Loss allowances	(37.74)	(183.83)	(88.02)	(181.02)	(490.62)
Net carrying amount	4,593.22	2,770.99	113.03	30.67	7,507.90

35. **Financial Risk Management Objectives And Policies (continued)**

(ii) **Credit risk (continued)**

Trade receivables and contract assets (continued)

The loss allowances for trade and other receivables and contract assets as at period end reconcile to the opening loss allowances as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
(In INR million)				
Movement in allowance accounts:				
As at 1 April	490.62	287.95	-	-
Acquired through business combination		16.31	-	-
Charge for the year *	117.93	228.98	-	-
Written off	4.24	(49.11)	-	-
Utilised during the year	(48.01)	-	-	-
Foreign currency translation differences	(2.23)	6.49	-	-
As at March	562.55	490.62	-	-

* The amount does not include impairment loss recorded on advances/recoverable for cashback INR 6.24 million (31 March 2023 - advances to vendors of INR 1.28 million).

Finance lease receivable

During the year ended 31 March 2024, the Group as a dealer lessor recognised sale of certain digital check-out points as finance lease. The Group recognised revenue at the commencement date at the present value of the lease payments accruing to the lessor, discounted using a market rate of interest.

During the year ended 31 March 2024, the Group recognised interest income on lease receivables of INR 0.77 million (31 March 2023 - Nil).

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

Amounts receivable under finance leases:

	Group	
	2024	**2023**
< 1 year	33.11	-
1 to 2 years	33.11	-
2 to 3 years	33.11	-
More than 3 years	33.11	-
Total undiscounted lease receivables	132.44	-
Less: unearned finance income	18.18	-
Net investment in the lease	114.26	-

35. **Financial Risk Management Objectives And Policies (continued)**

(ii) **Credit risk (continued)**

Other financial instruments and term deposits

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

Cash and cash equivalents, restricted cash and cash equivalents and term deposits

The Group held cash and cash equivalents of INR 8,793.60 million (31 March 2023 - INR 6,142.15 million), restricted cash and cash equivalents of INR 42,420.63 million (31 March 2023 - INR 37,250.39 million) and term deposits of INR 1,424.95 million (31 March 2023 - INR 7,793.08 million) with banks which are considered to have low credit risk.

Security deposits

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

(iii) **Liquidity risk**

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group closely monitors its liquidity position and deploys a cash management system. It maintains adequate sources of financing including loans, cash credit, and overdraft from banks. It has access to domestic and international capital markets across debt, equity and hybrids. At the balance sheet date, among other financial assets, the Group held short term bank deposits of INR 1,086.80 million (31 March 2023 - INR 7,724.72 million) that are expected to readily generate cash inflows for managing liquidity risk.

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35. **Financial Risk Management Objectives And Policies (continued)**

(iii) **Liquidity risk (continued)**

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments (both principal and interest payments). The contractual maturity is based on the earliest date on which the Group may be required to pay.

	Group As at 31 March 2024				
	< 1 year	**1 to 2 years**	**2 to 5 years**	**> 5 years**	**Total**
(In INR million)					
Interest bearing borrowings	4,328.11	736.48	499.94	-	5,564.53
Lease liabilities	310.65	273.62	496.70	619.99	1,700.96
Trade and other payables	7,422.14	-	-	-	7,422.14
Payable towards cashback schemes	3,156.56	-	-	-	3,156.56
Liability for cash settled share based payments	260.72	260.73	-	-	521.45
Employee benefit payable	688.95	-	-	-	688.95
Security deposits received	5.15	-	18.29	-	23.44
Deferred consideration	1,252.24	-	-	-	1,252.24
	17,424.52	**1,270.83**	**1,014.93**	**619.99**	**20,330.27**

	Group As at 31 March 2023				
	< 1 year	**1 to 2 years**	**2 to 5 years**	**> 5 years**	**Total**
(In INR million)					
Interest bearing borrowings	1,941.24	890.24	812.42	-	3,643.90
Lease liabilities	269.98	246.61	500.90	492.83	1,510.32
Trade and other payables	5,875.55	-	-	-	5,875.55
Payable towards cashback schemes	3,645.40	-	-	-	3,645.40
Liability for cash settled share based payments	-	409.84	409.84	-	819.68
Employee benefit payable	1,033.39	37.88	-	-	1,071.27
Security deposits received	5.45	-	16.84	-	22.29
Deferred consideration	893.33	1,228.59	-	-	2,121.92
	13,664.33	**2,813.14**	**1,740.00**	**492.82**	**18,710.32**

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35. **Financial Risk Management Objectives And Policies (continued)**

(iii) **Liquidity risk (continued)**

	Company As at 31 March 2024				
	< 1 year	**1 to 2 years**	**2 to 5 years**	**> 5 years**	**Total**
(In INR million)					
Lease liabilities	33.03	17.05	-	-	50.08
Trade payables	46.70	-	-	-	46.70
Statutory liabilities	1.19	-	-	-	1.19
Purchase consideration payable	1,252.27	-	-	-	1,252.27
Liability for cash settled share					-
based payments	260.72	260.72	-	-	521.44
Intercompany payables	3.47	-	-	-	3.47
Employee benefit payable	29.80	-	-	-	29.80
Other payables	44.43	-	-	-	44.43
	1,671.61	277.77	-	-	1,949.38

	Company As at 31 March 2023				
	< 1 year	**1 to 2 years**	**2 to 5 years**	**> 5 years**	**Total**
(In INR million)					
Lease liabilities	32.80	33.03	17.05	-	82.88
Trade payables	57.60	-	-	-	57.60
Statutory liabilities	8.26	-	-	-	8.26
Purchase consideration payable	893.33	1,228.59	-	-	2,121.92
Liability for cash settled share					-
based payments	-	409.84	409.84	-	819.68
Intercompany payables	585.43	-	-	-	585.43
Employee benefit payable	150.60	37.88	-	-	188.48
	1,728.02	1,709.34	426.89	-	3,864.25

There is no undrawn amount againt the term loan facility of the Group. The Group also has access to financing facilities (excluding term loan) as described below. The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

	Group		Company	
	2024	**2023**	**2024**	**2023**
(In INR million)				
Secured cash credit and other facility including non-fund based:				
- amount used	3,248.94	703.03	-	-
- amount unused	3,762.75	3,871.97	-	-

36. Capital Management

For the purpose of the Group's capital management, capital includes ordinary share capital, convertible preference shares and all other equity reserves attributable to the equity holders of the Company. 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. The Group's focus is to keep strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Group. The Group is not subject to any externally imposed capital requirements.

37. Assets Pledged As Security

As at 31 March 2024, in respect of borrowings and other financing facilities from banks, the Group carries sanctioned limits of INR 9,794.11 million (31 March 2023 - INR 7,811.47 million). Against these sanctioned limits, the outstanding loans amounted to INR 5,232.23 million as at 31 March 2024 (31 March 2023 - INR 2,827.56 million). As per the terms of the agreements with the lenders, the Group has pledged, as per the sanction/hypothecation letter certain property, plant and equipment having gross book value of INR 3,500.00 million as at 31 March 2024 (31 March 2023 - gross block INR 3,000.00 million) and inventories, trade and other receivables, cash and cash equivalents ,term deposits and other current assets having a total carrying value of INR 13,476.01 million as at 31 March 2024 (31 March 2023 - INR 11,580.37 million) of the respective group entities which have availed these limits. The repayment liabilities against these limits are restricted to the outstanding balances of borrowings including interest and applicable charges if any.

38. Contingent Liabilities

		Group		Company	
		2024	**2023**	**2024**	**2023**
	(In INR million)				
(i)	Bonus payable for the financial year 2014-15 (refer to a(i) below)	0.46	0.46	-	-
(ii)	Employee provident fund liability including interest (refer to a(ii) below)	3.41	3.41	-	-
(iii)	Indirect tax matters (refer to a(iiia) & a(iiib) below)	503.29	441.32	-	-
(iv)	Legal compliance of labour laws	5.94	0.04	-	-
		513.10	445.23	-	-

(a) (i) In one of the subsidiary company in India, as per an additional requirement introduced under Payment of Bonus Act, 1965, from year 2016 onwards, the statutory bonus shall be included and paid as a part of the salary for all the eligible employees. Since it was not specifically called out if such requirement needs to be complied retrospectively, the excess amount of INR 0.46 million relating to FY 2014-15 has been considered under contingent liabilities by the subsidiary in consultation with their legal counsel.

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

38. **Contingent Liabilities (continued)**

(iiia) In one of the subsidiary company in India, in August 2018, one of the regulatory authorities, the Directorate General of Goods and Services Tax intelligence ("Department"), issued a show cause notice ("SCN"), and subsequently passed an order dated 30 December 2021 confirming the demand alleging non-payment of service tax on various transactions over a period of five years between 2012 and 2017. The subsidiary company has filed an appeal in CESAT against the abovesaid order. On the basis of internal evaluation and in consultation with the legal counsel, the subsidiary company has considered an amount of INR 481.04 million (31 March 2023 - INR 428.73 million) after considering net breakage retained by the company excluding interest (including penalty) under contingent liabilities. The subsidiary company has deposited INR 10.28 million (refer Note 20) as payment under protest against aforesaid appeal filed.

(iiib) In February 2022, one of the subsidiaries in Singapore received a letter from Inland Revenue Authority of Singapore (“IRAS”) indicating applicability of Goods and Services Tax ("GST") on breakage revenue related to a particular revenue stream for the period April 2020 onwards. Subsequently, in February 2023, IRAS issued a letter waiving off GST on breakage for the period April 2020 till April 2022. For the period April 2022 onwards, the subsidiary has filed a response/ appeal to IRAS justifying the non-applicability of abovementioned GST amounting to INR 22.25 million (31 March 2023 - INR 12.59 million) for the period up to 31 March 2024. The subsidiary has deposited the GST amount of INR 23.17 million (refer Note 20) for the period 21 April 2022 to 31 March 2024 under protest.

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

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

(c) The Company had executed an indemnity letter in favour of one of its Indian resident individual shareholders, indemnifying such shareholder against costs, expenses, penalties, liabilities etc. arising out of any claim/demand from any Indian or Singapore Government authority in respect of transaction relating to transfer of shares of Progressa Investments Private Limited (now known as M/s Pine Labs Limited) to the shareholder, and other transactions listed in the indemnity letter dated 2 May 2014, as amended vide Amended and Reinstated Indemnity Letter dated 1 December 2021, restricting the Company’s obligation up to 31 March 2025 not exceeding an amount of US$10 million. Based on management’s view and basis legal advice obtained on this matter, the Company does not anticipate any substantial claims being raised by such shareholder on the Company, and hence, presently no amounts have been provided in the books of account in respect of the above arrangement.

39. **Business Combination**

(1) **Acquisition of Synergistic Financial Networks Private Limited**

On 12 April 2022, the Company acquired Synergistic Financials Networks Private Limited along with its subsidiaries ("Mosambee"). Mosambee is engaged in the business of providing merchant technology solutions including payments, payment VAS and merchant business solutions. It provides a comprehensive Europay, Mastercard, and Visa (EMV) and AADHAAR compliant tablet based mobile Point of Sale (POS) system providing end to end payment solutions for Bank, Cash, Cheque, Debit and Credit Card transactions.

The Company acquired 76.7% voting interest by entering into a share purchase agreement ('SPA'). Pursuant to the SPA, read with the Options agreement executed on 5 April 2022, Pine Labs has written a put option to the shareholders holding the remaining 23.3% fully paid equity shares of Mosambee to sell the shares to the Acquirer and the remaining shareholders have granted a call option to the Acquirer for purchasing the remaining 23.3% fully paid equity shares of Mosambee within the time period and at the exercise price as defined in the Options agreement. As on the acquisition date, pursuant to the Options agreement, the potential voting rights held by Pine Labs have in-substance ownership interest as they give Pine Labs current access to returns associated with remaining ownership interest of Mosambee. Accordingly, the remaining ownership interest has been accounted for under the anticipated acquisition method as 100% interest in Mosambee at acquisition date.

A. **Fair value measurement**

The fair value of identifiable assets acquired and liabilities assumed of Mosambee on the acquisition date was as follows:

(In INR million)	**Fair value recognised on acquisition date**
Property, plant and equipment	51.83
Identifiable intangible assets	1,219.57
Intangible assets under development	15.10
Right-of-use assets	28.58
Non-current tax assets (net)	37.08
Cash and cash equivalents	303.85
Financial assets at amortised cost	500.11
Inventories	40.50
Contract assets	53.47
Trade receivables, net	125.07
Other current assets	86.45
Contract liabilities	(26.28)
Lease liabilities	(28.03)
Trade and other payables, including employee benefit obligations	(629.68)
Deferred tax liabilities (net)	(249.67)
Total identifiable assets acquired and liabilities assumed	1,527.95
Goodwill	5,816.85
	7,344.80

39. **Business Combination (continued)**

(1) **Acquisition of Synergistic Financial Networks Private Limited (continued)**

B. Purchase consideration transferred

(In INR million)	**Fair value recognised on acquisition date**
Satisfied by:	
Cash as on the acquisition date	4,928.07
Deferred consideration for option shares at acquisition date (refer (i) below)	2,275.00
Replacement share based payment awards (refer (ii) below)	89.17
Cash consideration payable (refer (iii) below)	52.56
Total consideration	7,344.80

C. Analysis of cash flows on acquisition

Cash consideration	4,928.07
Less; Cash and cash equivalents balances acquired	311.63
Net cash flow on acquisition	4,616.44

(i) represents amount attributable to financial liability towards 23.3% options shares (refer note H below)..

(ii) represents amount attributable to settlement and replacement of vested share-based payment awards of Mosambee as on the acquisition date. (refer note F below)

(iii) As per the share purchase agreement transfer of some of the shares with NRI shareholders (0.92% voting interest) was subject to RBI compliances. The consideration related to those shares was held in escrow account for a period of six months from date of acquisition. Pending RBI compliances amount held in escrow account was repaid back to acquirer in October 2022. Further in December 2023, shares with NRI shareholders (0.92% voting interest) has been acquired by the acquirer and accordingly this consideration has been paid to NRI shareholders.

The goodwill of INR 5,816.85 million arising from the acquisition comprises the value of expected synergies and other benefits from acquisition of Mosambee with those of the Group and is entirely allocated to the Mosambee business CGU ('Cash Generating Unit') which represents the lowest level within the Group at which goodwill is monitored for internal management purposes and not higher than the Group's operating segments. None of the goodwill is expected to be deductible for income tax purposes.

The deferred tax liability primarily comprises the tax effect of amortisation of identifiable intangibles acquired at the date of acquisition.

39. **Business Combination (continued)**

(1) **Acquisition of Synergistic Financial Networks Private Limited (continued)**

D. Intangible assets acquired

For details of identifiable intangible assets acquired, amount, useful life, method of valuation, and period of amortisation refer below:

Name of intangible assets	Amount	Method of valuation (on date of acquisition)	Method of amortisation	Expected amortisation period
Order Backlog	86.00	Multi-Period Excess Earnings Method	Straight line basis over estimated useful life	3 years
Customer Relationships	242.00	Multi-Period Excess Earnings Method	Straight line basis over estimated useful life	4 years
Customer Relationships	141.00	Multi-Period Excess Earnings Method	Straight line basis over estimated useful life	6.5 years
Developed Technology	446.00	Relief from Royalty Method and Replacement Cost Method	Straight line basis over estimated useful life	5 years
Developed Technology	53.00	Relief from Royalty Method and Replacement Cost Method	Straight line basis over estimated useful life	4.5 years
Brand/ Tradename/ Trademark	165.00	Relief from Royalty Method	Straight line basis over estimated useful life	5.5 years
Brand/ Tradename/ Trademark	22.00	Relief from Royalty Method	Straight line basis over estimated useful life	3 years
Merchant Network	35.00	Replacement Cost Method	Straight line basis over estimated useful life	5 years
Non-Compete	19.00	With and Without Method	Straight line basis over estimated useful life	4.6 years
Softwares	10.57	Net book value	Straight line basis over estimated useful life	3 years

39. **Business Combination (continued)**

(1) **Acquisition of Synergistic Financial Networks Private Limited (continued)**

E. Revenue and profit contribution

From the date of acquisition, Mosambee contributed total revenue of INR 1,839.37 million and pre-tax profit of INR 54.48 million to the Group's consolidated statement of profit and loss and other comprehensive income for the year ended 31 March 2023.

Had the business combination occurred on 1 April 2022, Mosambee would have contributed total revenue of INR 1,876.07 million and pre-tax profit of INR 48.60 million. Therefore, the Group's consolidated total revenue would have been INR 15,917.79 million and the pre-tax loss would have been INR 2,962.61 million for the year ended 31 March 2023.

F. Settlement and replacement of share-based payment awards of acquiree (i.e. Mosambee)

As per the terms of the acquisition related agreements, the Group is required to settle the outstanding share-based payment awards of Mosambee by issue of share-based payment awards of Pine Labs (replacement awards). The portion of settlement or replacement, attributable to vested and unvested share-based payment awards of Mosambee as on the acquisition date has been considered as part of purchase consideration at acquisition date.

The total value of the replacement awards is INR 137.30 million. The consideration for the business combination includes INR 89.17 million pertaining to employees of Mosambee (existing) when the acquiree's awards will be substituted by the replacement awards, which relates to past service. Balance amount of INR 48.13 million will be recognised as post-acquisition compensation cost.

G. Acquisition-related costs

Acquisition-related costs (included in general and administrative expenses) in the consolidated statement of profit or loss and other comprehensive income amount to INR 12.10 million for the year ended 31 March 2023.

H. Transfer of 11.64% fully paid equity shares under call option

As on 24 March 2023, pursuant to options agreement, the Company entered into a share purchase agreement with one of the remaining shareholders for the purchase of an additional 4.34% of fully paid equity shares of Mosambee. Pursuant to this transaction, the shareholding of the Company in Mosambee was increase to 81.04%. The Company has paid an upfront consideration of INR 387.48 million and the amount is reduced to the deferred consideration payable. The actual consideration for the transfer of these shares shall be determined as per the event defined in the options agreement executed on 5 April 2022, and accordingly, the remaining liability for these shares shall be settled at that time.

On 9 November 2023, pursuant to the options agreement, the Company has exercised its call option for acquiring an additional 7.3% of fully paid equity shares of Mosambee for a consideration of INR 851.78 million. Accordingly, the shareholding of the Company in Mosambee is now increased to 88.34%. Also, the Company has paid an additional consideration of INR 111.68 million for settlement of the remaining liability for the transfer of 4.34% fully paid equity shares of Mosambee executed on 24 March 2023, as mentioned above.

39. **Business Combination (continued)**

(2) **Acquisition of Brokentusk Technologies Private Limited**

On 24 June 2022, the Company has acquired 100% equity stake in Brokentusk Technologies Private Limited along with its subsidiaries ("Setu"). Setu is an application programming interface ('API') infrastructure start-up, which offers APIs across bill payments, savings, credit and payments. It provides developers with modular APIs that allows them to build financial products for the specific needs of their users.

The Company has paid net cash of INR 1,311.26 million to selling shareholders and issued 32,749 ordinary shares of the Company to certain selling shareholders. Further, the Founder Sellers have also been granted vested stock options of Pine Labs Limited which have been simultaneously exercised into restricted ordinary shares of the Company. Vesting of these restricted ordinary shares is linked to various performance and employment conditions post-acquisition by the Company.

A. Fair value measurement

The fair value of identifiable assets acquired and liabilities assumed of Setu on the acquisition date was as follows:

(In INR million)	**Fair value recognised on acquisition date**
Property, plant and equipment	32.53
Identifiable intangible assets	470.90
Right-of-use assets	57.31
Non-current tax assets (net)	16.40
Cash and bank balance	15.91
Financial assets at amortised cost	773.61
Trade receivables	25.41
Other assets (including contract assets)	18.86
Financial asset at fair value through other comprehensive income	49.90
Fair value of call option for acquiring stake in an Indian entity	13.95
Lease liabilities	(59.23)
Trade and other payables, including employee benefit obligations and contract liabilities	(323.61)
Deferred tax liabilities (net)	(128.32)
Total identifiable assets acquired and liabilities assumed	963.63
Goodwill	995.36
	1,958.99

B. Purchase consideration transferred

Satisfied by:	
Cash as on the acquisition date	1,311.26
Consideration in shares	647.73
Total consideration transferred	1,958.99

C. Analysis of cash flows on acquisition

Cash consideration	1,311.26
Less; Cash and cash equivalents balances acquired (including restricted cash)	30.07
Net cash flow on acquisition	1,281.19

39. **Business Combination (continued)**

(2) **Acquisition of Brokentusk Technologies Private Limited (continued)**

C. Analysis of cash flows on acquisition (continued)

The goodwill of INR 995.36 million arising from the acquisition comprises the value of expected synergies and other benefits from acquisition of Setu with those of the Group and is entirely allocated to the Setu business CGU ("Cash Generating Unit") which represents the lowest level within the Group at which goodwill is monitored for internal management purposes and not higher than the Group's operating segments. None of the goodwill is expected to be deductible for income tax purposes.

The deferred tax liability primarily comprises the tax effect of amortisation of identifiable intangibles acquired at the date of acquisition.

D. Intangible assets acquired

For details of identifiable intangible assets acquired, amount, useful life, method of valuation, and period of amortization refer below:

Name of intangible assets	Amount	Method of valuation (on date of acquisition)	Method of amortisation	Expected amortisation period
Customer relationship	69.00	Multiperiod Excess Earnings Method	Straight line basis over estimated useful life	7 years
Technology	291.00	Relief from Royalty Method and Replacement Cost Method	Straight line basis over estimated useful life	5 years
Non Compete	31.90	With and Without Method	Straight line basis over estimated useful life	5 years
Trademark	79.00	Relief from Royalty Method	Straight line basis over estimated useful life	4 years

E. Revenue and profit contribution

From the date of acquisition, Setu contributed total revenue of INR 108.27 million and pre-tax loss of INR 534.21 million to the Group's consolidated statement of profit and loss and other comprehensive income for the period ended 31 March 2023.

Had the business combination occurred on 1 April 2022, Setu would have contributed total revenue of INR 129.18 million and pre-tax loss of INR 633.57 million. Therefore, the Group's consolidated total revenue would have been INR 15,902.00 million and the pre-tax loss would have totaled to INR 3,056.10 million for the period ended 31 March 2023.

F. Acquisition-related costs

Acquisition-related costs (included in general and administrative expenses) in the consolidated statement of profit or loss and other comprehensive income amount to INR 8.16 million for the year ended 31 March 2023.

40. **Impairment Testing For Cash Generating Units (CGU) Containing Goodwill**

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

	Group	
	2024	**2023**
(In INR million)		
Digital payments	5,816.85	5,816.85
Mosambee (refer note (i) below)	995.36	995.36
Setu (refer note (ii) below)	234.15	234.15
Other digital payments (refer note (iii) below)	7,046.36	7,046.36
Issuing (refer note (iv) below)	4,590.96	4,590.96
Consumer app (refer note (v) below)	277.08	273.24
	11,914.40	11,910.56

Notes:

(i) The acquisition of Synergistic Financial Networks Private Limited ("Mosambee") in April 2022 resulted in the recognition of goodwill of INR 5,816.85 million which was allocated to Mosambee CGU. As a result of the acquisition, management monitors operations of Mosambee business as a separate CGU and accordingly makes decisions for the same.

(ii) The acquisition of Brokentusk Technologies Private Limited ("Setu") in June 2022 resulted in the recognition of goodwill of INR 995.36 million which was allocated to Setu CGU. As a result of the acquisition, management monitors operations of Setu business as a separate CGU and accordingly makes decisions for the same.

(iii) The acquisition of Qfix Infocomm Private Limited ("Qfix") in March 2022 resulted in the recognition of goodwill of INR 234.15 million which was allocated to identified CGU i.e. Digital payments CGU. As a result of the acquisition, management decided to monitor and review the financial performance of Qfix business as a part of the digital payments CGU.

(iv) The acquisition of erstwhile Qwikcilver Solutions Private Limited ("Qwikcilver") in April 2019 resulted in the recognition of goodwill of INR 4,590.96 million which was allocated to Issuing CGU. As a result of the acquisition, management monitors operations of issuing business as a separate CGU and accordingly makes decisions for the same.

(v) The acquisition of Fave Group Pte Limited ("Fave") in July 2020 resulted in the recognition of goodwill of INR 277.08 million (including the impact of foreign currency translation difference of INR3.84 million during the year ended 31 March 2024). As a result of the acquisition, management monitors operations of Consumer App business as a separate CGU and accordingly makes decisions for the same..

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

40. **Impairment Testing For Cash Generating Units (CGU) Containing Goodwill (continued)**

Notes:

(vii) Key assumptions used in estimation of value in use were as follows:

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

	Group	
	2024	**2023**
Digital payments		
Mosambee		
Discount rate (pre-tax)*	18.86%	20.42%
Terminal growth rate	4.50%	4.50%
Revenue growth rate	25% - 50%	22% - 47%
EBITDA margin	28% - 33%	30% - 33%
Setu		
Discount rate (pre-tax)*	21.87%	25.62%
Terminal growth rate	4.50%	4.50%
Revenue growth rate	43% - 93%	35% - 177%
EBITDA margin	(11)% - 26%	(48)% - 30%
Other digital payments		
Discount rate (pre-tax)*	17.38%	18.89%
Terminal growth rate	4.5%	4%
Revenue growth rate	19% - 28%	33% - 49%
EBITDA margin	7% - 24%	17% - 34%
Issuing business		
Discount rate (pre-tax)*	18.05%	18.74%
Terminal growth rate	4.5%	4.5%
Revenue growth rate	27% - 34%	30% - 32%
EBITDA margin	24% - 36%	33% - 35%
Consumer App		
Discount rate (pre-tax)*	21.23%	22.70%
Terminal growth rate	2%	2%
Revenue growth rate	5% - 25%	34% - 55%
EBITDA margin	(24)% - 23%	(17)% - 18%

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

40. **Impairment Testing For Cash Generating Units (CGU) Containing Goodwill (continued)**

(viii) Sensitivity Analysis

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

(ix) Based on the above, no impairment was identified as of 31 March 2024 and 31 March 2023 as the recoverable value of the CGUs exceeded their respective carrying value.

41. The Board of Directors of the Company (hereinafter referred to as "Transferor Company") and Pine Labs Private Limited (hereinafter referred to as "Transferee Company") on 13 December 2023 (modification of the scheme approved on 7 February 2024) and 8 February 2024 respectively, have approved the draft Scheme of Arrangement ('Scheme') between Transferor Company and the Transferee Company under Section 210 read with Section 212 of the Companies Act 1967 of Singapore, Sections 230 to 232 of the Companies Act, 2013 of India read with Section 234 of the Companies Act, 2013 of India and other applicable provisions of the Companies Act 1967 of Singapore, the Companies Act, 2013 of India and rules thereunder to effect an amalgamation between Transferor Company and Transferee Company. The said scheme is approved by the General division of the Honorable High Court of the Republic of Singapore (the "Court") subsequent to the balance sheet date. However, the scheme is still pending with Honorable National Company Law Tribunal ('NCLT') Chandigarh bench and for other necessary regulatory approvals. No condition existed on the balance sheet date which require any adjustment to be made to the consolidated financial statements.