

DIRECTORS' REPORT

To,
The Shareholders,

Your directors are pleased to submit the 18th Director's Report of the Company together with Standalone and Consolidated Audited Financial Statements along with Independent Auditor's Report for the financial year ended 31st March 2024.

1. FINANCIAL RESULTS

The summary of the Company's financial performance for the financial year 2023 - 2024 as compared to the previous financial year 2022 – 2023 is given below:

A. STANDALONE FINANCIAL RESULTS

(Amount in ₹ Million)

| Particulars | Year ended 31/03/2024 | Year ended 31/03/2023 |
|--|--------------------------|--------------------------|
| Revenue from Operations | 13,362.75 | 13,495.45 |
| Revenue from Other Income | 22.46 | 33.87 |
| Total Revenue | 13,385.21 | 13,529.32 |
| Total Expenses | 13,722.84 | 13,914.81 |
| Profit / (loss) before exceptional items and tax | (302.51) | (385.49) |
| Exceptional Items | - | - |
| Profit / (loss) before tax | (302.51) | (385.49) |
| Tax expense: | | |
| (1) Current tax (incl. Earlier Year) | - | - |
| (2) Deferred tax | | - |
| Profit/ (loss) for the period | (302.51) | (385.49) |
| Earnings per equity share (for discontinued and continuing operation): | | |
| (1) Basic | (5.21) | (6.7) |
| (2) Diluted | (5.21) | (6.7) |

B. CONSOLIDATED FINANCIAL RESULTS

(Amount in ₹ Million)

| Particulars | Year ended 31/03/2024 | Year ended 31/03/2023 |
|--|--------------------------|--------------------------|
| Revenue from Operations | 13,425.35 | 13,501.13 |
| Revenue from Other Income | 14.78 | 14.83 |
| Total Revenue | 13,440.13 | 13,515.96 |
| Total Expenses | 13,931.70 | 14,073.19 |
| Profit / (loss) before exceptional items and tax | (491.57) | (556.96) |
| Exceptional Items | - | - |
| Profit / (loss) before tax | (491.57) | (557.23) |
| Tax expense: | | |

| | | |
|--------------------------------------|----------|----------|
| (1) Current tax (incl. Earlier Year) | - | - |
| (2) Deferred tax | - | - |
| Profit/ (loss) for the period | (491.57) | (557.23) |
| Earnings per equity share: | | |
| (1) Basic | (8.45) | (9.69) |
| (2) Diluted | (8.45) | (9.69) |

2. FINANCIAL PERFORMANCE OF THE COMPANY

During the year, your Company has total revenue including other revenue of Rs. 13,385.21/- million as compared to total revenue of Rs. 13,529.32/- million in the previous year.

The net loss after tax was Rs. 302.51/- million against the net loss of Rs. 385.49 /- million in the previous year.

Due to change in regulatory aspects, business model has been changed to meet the regulatory requirements.

Further, as per the Reserve Bank of India (RBI) regulation of Payment Aggregator -Cross Border (PA- Cross Border) (CO.DPSS.POLC.No.S-786/02-14-008/2023-24) issued on October 31,2023, Company has made an application to RBI for Payment Aggregator - Cross Border (Import and Export) authorization under the Payment and Settlement Systems Act, 2007 on 6th August, 2024.

3. FINANCIAL PERFORMANCE OF THE SUBSIDIARIES

The Company has two subsidiaries, 7 wholly owned subsidiaries as on 31st March 2024. There has been no material change in the nature of the business of subsidiaries and wholly owned subsidiaries.

- a. PayMate Inc., a subsidiary of the Company, incorporated as a limited liability company in accordance with the provisions of the Delaware General Corporation Law was not engaged in any business during the current and previous financial year.

An application dated July 12, 2021, is filed with the Secretary of State, California Stock Corporation for voluntary winding-up of PayMate, Inc. and the application is pending with the California Franchise Tax Board.

- b. PayMate Payment Services Provider L.L.C., a wholly owned subsidiary of the Company, incorporated in United Arab Emirates recorded net loss of AED 65,01,993 for the year ended 31st March 2024 (Previous year loss of AED 61,06,946).
- c. PayMate India SPC is Company's wholly owned subsidiary Company incorporated in Oman on 4th January 2022 and it's yet to commence the operations.
- d. PayMate Fintech (Private) Limited is a wholly owned subsidiary of a Company incorporated in Sri Lanka as a Private Company with Limited Liability on 3rd May 2022 and it's yet to commence the operations.
- e. PAYMATE PTE. LTD. is Company's wholly owned subsidiary incorporated in Singapore on 16th August 2022 and it's yet to commence the operations.

- f. PayMate Payment Services SDN BHD is Company's wholly owned subsidiary Company incorporated in Malaysia on 22nd February 2023 and it's yet to commence the operations.
- g. DUNOMO is Company's wholly owned subsidiary incorporated in South Africa on 28th March 2023 and it's yet to commence the operations.
- h. DUNOMO is Company's wholly owned subsidiary incorporated in Australia on 12th April 2023 recorded net loss of AUD 2,320 for the year ended 31st March 2024.
- i. PayMate Fintech LLC – the Company is in the process of acquiring a 78% of the total share capital of PayMate Fintech LLC, organized and existing pursuant to the laws of the Kingdom of Saudi Arabia, which is incorporated on 28th February 2019 and it's yet to commence the operations.
- j. PayMate B2B Private Limited- is Company's wholly owned subsidiary Company incorporated in India on 16th April 2024 and it's yet to commence the operations.

Statement containing salient features of the subsidiaries is mentioned in form AOC -1 in Annexure A of the report.

4. DIVIDEND

Since the company has incurred losses during the year, your Directors do not recommend any dividend this year.

5. AMOUNTS TO BE TRANSFERRED TO RESERVES

During the year the company has not proposed to transfer any amount to the general reserve of the Company.

6. PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public falling within the ambit of Section 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014. Since the Company has not accepted any deposits during the financial year 2023-2024, there has been no non-compliance with the requirements of the Act.

During the year under review, pursuant to provisions of Rule 2(1)(c)(viii), the loan from Mr. Ajay Adishesann, Managing Director of the Company amounting to Rs. 35 million were outstanding in books of the Company as on 31st March 2024.

7. CHANGES IN SHARE CAPITAL

During the year under review, the Company undertook following corporate actions:

- Issue and allotment of 1,02,359 equity shares of Rs.1/- each
- Issue and allotment of 83,953 equity shares of Rs.1/- each
- Issue and allotment of 12,120 equity shares of Rs.1/- each
- Issue and allotment of 2,31,902 equity shares of Rs.1/- each
- Issue and allotment of 37,016 equity shares of Rs.1/- each
- Issue and allotment of 74,480 equity shares of Rs.1/- each

8. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The members of the Company's Board of Directors are eminent persons of proven competencies and integrity. Besides experience, strong financial acumen, strategic astuteness and leadership qualities, they have a significant degree of commitment towards the company and devote adequate time to the meetings. The Company recognizes and embraces the importance of a diverse board in its success.

The Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, industry experience and gender which will help the Company to retain its competitive advantage.

Mr. Ajay Adiseshann (DIN: 00099023), Chairman and Managing Director, who retires by rotation in 18th annual general meeting and being eligible will be reappointed as Chairman and Managing Director of the company.

Following are the Independent Directors of the Company:

- Mr. Kevin Christopher Phalen appointed on 18th December 2021
- Mr. Ashim Kumar Banerjee appointed on 7th March 2022.
- Ms. Monica Doshi appointed on 7th March 2022.

9. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR OTHERS

There are no significant and material orders passed by the regulators or others.

10. MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments affecting the financial position of your Company between the end of FY 2023-24 and the date of this report, which could have an impact on your Company's operation in the future or its status as a "Going Concern".

11. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory Auditors of the Company as well as the Internal Auditors of the Company and cover all offices and key business areas.

12. CORPORATE SOCIAL RESPONSIBILITY

Since the annual turnover of the financial year 2021-22 has surpassed the limits prescribed under provisions of Section 135 of the Companies Act, 2013 and Rules made there under, the provision relating Corporate Social responsibility is applicable to the Company. However, due to negative profit as per the latest audited financial statement, Company is not required to spend any amount on CSR activities.

The Company has adopted the Corporate Social Responsibility policy.

13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(3)(c) read with Section 134(5) of the Act with respect to Directors' Responsibility Statement, your Directors hereby confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures are made.
- b. appropriate accounting policies have been selected and applied consistently and estimates and judgments made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period.
- c. proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of Act have been taken for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- d. the annual accounts have been prepared on a going concern basis; and
- e. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. AUDITORS

M/s. MSKA & Associates, Chartered Accountants, (Firm Registration No. 105047W) was appointed as the Statutory Auditors of the Company for a period of five years from the Annual General Meeting held for the FY 2021-22 of the Company till conclusion of Annual General Meeting of the Company to be held for the Financial Year 2026 - 2027. M/s. MSKA & Associates, Chartered Accountants, (Firm Registration No. 105047W) had given their consent towards appointment as Auditors of the Company, which, if made shall be within the limits prescribed under Section 139 of the Companies Act, 2013.

The Company has received a certificate from the M/s. MSKA & ASSOCIATES, Chartered Accountants, (Firm Registration No. 105047W), Statutory Auditors to the effect that they are eligible to be appointed and not disqualified in accordance with the provisions of the Companies Act, 2013.

A. COMMENT ON STATUTORY AUDIT REPORT

There were no qualifications, reservations or adverse remarks made by Statutory Auditors in their report.

B. SECRETARIAL AUDITOR

The Board had appointed M/s. Aditya Shah & Associates (ACS- 58883, CP No. 22912), Practising Company Secretary, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the Financial Year 2023-2024.

The report of the Secretarial Auditor is annexed to this report as Annexure B. There are no qualifications/observation in the Secretarial Audit report for the FY 2023-24.

15. COMPOSITION OF AUDIT COMMITTEE

The Audit Committee of the Company comprises of:

- a. Monica Doshi (Independent and Non-Executive Director) - Chairperson.
- b. Ashim Kumar Banerjee - Member.
- c. Kevin Christopher Phalen - Member; and
- d. Vishvanathan Subramanian – Member

16. REMUNERATION POLICY

The Board of Directors and Nomination & Remuneration Committee, follows a policy concerning remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy also covers criteria for selection and appointment of Board Members and Senior Management and their remuneration. The Remuneration Policy available on the website of the company at the web link: <https://paymate.in/corporateGovernance.html#codes>.

17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANY ACT

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

18. PARTICULARS OF CONTRACT OR ARRANGEMENT RELATED PARTIES

The particulars of Contracts or Arrangements made with related parties, if any, are made in accordance with the provisions of Companies Act, 2013. Further, particulars of transactions with related parties, forms part of the Notes to the Financial Statements as required under AS-18.

19. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

During the year under review, except Mr. Ajay Adiseshann, Chairman and Managing Director and Mr. Vishvanathan Subramanian, Whole Time Director and Chief Financial Officer, the Company did not employ any such person whose particulars are required to be given under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

Details of remuneration to Mr. Ajay Adiseshann, Chairman and Managing Director and Mr. Vishvanathan Subramanian, Whole Time Director and Chief Financial Officer is given in the notes to the financial statements.

20. DECLARATION BY INDEPENDENT DIRECTORS

Company has duly received declaration from the Independent Directors in compliance with Section 149(6) of the Companies Act, 2013.

21. CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the company.

22. RISK MANAGEMENT SYSTEM

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor & take precautionary measures in respect of the events that may pose risks for the business. The Board is responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis by keeping Risk Management Report before the Board periodically.

23. WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has a Whistle Blower Policy to report genuine concerns or grievances, if any. The whistle blower policy has been posted on the website of the Company.

During the financial year 2023 - 2024, no cases under this mechanism were reported in the Company.

24. NUMBER OF BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on the Company's policies and strategy apart from other Board matters. During the year the Board of Directors met 10 (Ten) times.

The intervening gap between the two board meetings did not exceed 120 days.

25. ANNUAL RETURN

Pursuant to the requirement under Section 92(3) of the Companies Act, 2013, copy of the annual return can be accessed on our website <https://paymate.in/investorRelations.html>

26. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

During the financial year 2023 - 2024, your Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

27. REPORTING OF FRAUD

The auditors have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013, other than those which are reportable to the Central Government.

28. MAINTENANCE OF COST RECORDS

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013, and accordingly such accounts are not made and maintained by the Company.

29. POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has framed policy in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year 2023 - 2024, no cases in the nature of sexual harassment were reported at our workplace of the Company. Further, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year under review, the Company has not received any complaints of sexual harassment from any of the women employees of the Company.

30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are:

a) Conservation of Energy: -

The company's operations involve low energy consumption. However, the Company has taken necessary steps for conservation of Energy.

b) Technology Absorption: -

The company continues to use state of the art technology for improving the productivity and quality of its products & services. To create adequate infrastructure, the company continues to invest in the latest hardware and software.

c) Foreign Exchange Earnings and outgoings: -

During the year under review, company has spent the following expenditures in foreign currency.

Foreign Travel - ₹ 98,657/- (Previous Year ₹ 1,22,404 /-)

Professional Fees - ₹1,23,58,750/- (Previous Year ₹ 1,68,37,464/-)

Foreign currency earnings during the previous year are as under:

Type of Income: ₹7,62,16,197 /- (Previous Year ₹8,11,52,604/-)

31. ACKNOWLEDGEMENTS

The Directors express their sincere gratitude to the Ministry of Finance, Ministry of Electronics and Information Technology, Reserve Bank of India, Ministry of Corporate Affairs, Registrar of Companies, National Securities Depository Limited, other government and regulatory authorities, financial institutions, business associates, consultants and the bankers of the Company for their ongoing support.

The Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders and trust reposed by them in the Company. The Directors sincerely appreciate the commitment displayed by the employees of the Company resulting in satisfactory performance during the year.

For PayMate India Limited

AJAY
ADISESHAN

Digitally signed by
AJAY ADISESHAN
Date: 2024.10.07
19:19:53 +05'30'

Ajay Adiseshann
Chairman and Managing Director
(DIN: 00099023)
Date: 07.10.2024
Place: Mumbai

Annexure A**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

| Sl. No. | Particulars | Details | |
|---------|---|--|---|
| 1. | Name of the subsidiary | PayMate Payment Services Provider LLC (AED) | PayMate Inc. |
| 2. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | April- March | PayMate, Inc., a subsidiary of the Company, incorporated, as a limited liability company in accordance with the provisions of the Delaware General Corporation Law was not engaged in any business during the current and previous financial year. An application dated July 12, 2021 is filed with the Secretary of State, California Stock Corporation for voluntary winding-up of PayMate, Inc. and the application is pending with the California Franchise Tax Board. |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | Reporting Currency - AED AED to INR – 22.7125 | |
| 4. | Share capital | 3,00,000 | |
| 5. | Reserves & surplus | (1,67,13,789) | |
| 6. | Total assets | 42,01,109 | |
| 7. | Total Liabilities | 42,01,109 | |
| 8. | Investments | - | |
| 9. | Turnover | 4,95,436 | |
| 10. | Profit/(loss) before taxation | (65,01,993) | |
| 11. | Provision for taxation | - | |
| 12. | Profit/(loss) after taxation | (65,01,993) | |
| 13. | Proposed Dividend | - | |
| 14. | % of shareholding | 100% | |

| Sl. No. | Particulars | Details |
|---------|---|--|
| 1. | Name of the subsidiary | Dunomo Pty Ltd |
| 2. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | April- March |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | Reporting Currency - AUD AUD to INR – 54.1125 |
| 4. | Share capital | 100 |
| 5. | Reserves & surplus | (2,320) |

| | | |
|-----|-------------------------------|----------|
| 6. | Total assets | 54,239 |
| 7. | Total Liabilities | 54,239 |
| 8. | Investments | - |
| 9. | Turnover | 5,33,104 |
| 10. | Profit/(loss) before taxation | (2,320) |
| 11. | Provision for taxation | - |
| 12. | Profit/(loss) after taxation | (2,320) |
| 13. | Proposed Dividend | - |
| 14. | % of shareholding | 100% |

Names of subsidiaries which are yet to commence operations–

- PayMate India SPC is Company's wholly owned subsidiary Company incorporated in Oman on 4th January, 2022 and it's yet to commence the operations.
- PayMate Fintech (Private) Limited is a wholly owned subsidiary of a Company incorporated in Srilanka as a Private Company With Limited Liability on 3rd May, 2022 and it's yet to commence the operations.
- PAYMATE PTE. LTD. is Company's wholly owned subsidiary incorporated in Singapore on 16th August, 2022 and it's yet to commence the operations.
- PayMate Payment Services SDN BHD is Company's wholly owned subsidiary Company incorporated in Malaysia on 22nd February, 2023 and it's yet to commence the operations.
- DUNOMO is Company's wholly owned subsidiary incorporated in South Africa on 28th March, 2023 and it's yet to commence the operations.
- PayMate Fintech LLC – the Company is in the process of acquiring a 78% of the total share capital of PayMate Fintech LLC, organized and existing pursuant to the laws of the Kingdom of Saudi Arabia, which is incorporated on 28/02/2019 and it's yet to commence the operations.
- PayMate B2B Private Limited- is Company's wholly owned subsidiary Company incorporated in India on 16th April 2024 and it's yet to commence the operations.

Names of subsidiaries which have been ceased to be subsidiary during the year- NIL

Part "B": Associates and Joint Ventures: Not Applicable

Annexure B**Form No. MR-3****Secretarial Audit Report****For the Financial year ended 31st March, 2024*****[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]***

To,
The Members of,
PayMate India Limited,
(Formerly known as PayMate India Private Limited)
No.111, 1st Floor, 'A' Wing, Sundervilla S.V. Road,
Santacruz West, Mumbai – 400054.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Paymate India Limited (hereinafter called 'the Company') for the audit period covering the financial year ended 31st March, 2024. Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate actions and practices / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024, complied with the statutory provisions listed hereunder and that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st, March, 2024, according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992. ('The SEBI') is not applicable to the Company:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Government of India, as applicable under the Companies Act 2013;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Secretarial Standards, etc. applicable to the Company.

I further report that,

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii. Adequate notice is given to all the directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.
- iii. All decisions at Board Meetings and Committee Meetings are carried out on the basis of majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that as per the explanations given to me and the representations made by the Management and relied upon by me, there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

I further report that during the period under review, there were no event(s) or action(s) which had a major bearing on its affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except that there was fund raise in the company by way of allotment of securities.

Note: This report is to be read with our letter of the even date which is annexed as “ANNEXURE A” and forms an integral part of this report.

**For Aditya Shah & Associates,
Practicing Company Secretaries,**

**Sd/-
Aditya Shah
(Proprietor)**

**M. No.: 58883
COP. No.: 22912**

**Place: Mumbai
Date: 07.10.2024.
UDIN: A058883F001472878**

ANNEXURE A TO SECRETARIAL AUDIT REPORT

To,
The Members of,
PayMate India Limited,
(Formerly known as Paymate India Private Limited)
No.111, 1st Floor, 'A' Wing, Sundervilla S.V. Road,
Santacruz West, Mumbai – 400054.

Our Secretarial Audit Report of even date is to be read along with this annexure.

Management's Responsibility

1. Maintenance of secretarial record is the responsibility of the management of the company, device proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively. My examination was limited to verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

Auditor's Responsibility

2. My responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. I have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.
3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis.
4. ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
5. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
6. Due to inherent limitations of audit, there is an unavoidable risk that material mis-statements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the standards.
7. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
8. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

Disclaimer

9. The Secretarial Audit is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Aditya Shah & Associates,
Practicing Company Secretaries,**

**Sd/-
Aditya Shah
(Proprietor)**

**M. No.: 58883
COP. No.: 22912**

**Place: Mumbai
Date: 07.10.2024**

**By and on behalf of Board of Directors
For PayMate India Limited**

AJAY
ADISESHAN
Digitally signed by AJAY
ADISESHAN
Date: 2024.10.07 19:21:09
+05'30'

**Sd/-
Ajay Adiseshann
Chairman and Managing Director
(DIN: 00099023)
Date: 07.10.2024
Place: Mumbai**

| | Particulars | Notes | As at March 31, 2024 | As at March 31, 2023 |
|-----|--|--------|----------------------|----------------------|
| | ASSETS | | | |
| I | Non-current assets | | | |
| | (a) Property, plant and equipment | 5 | 6.49 | 5.90 |
| | (b) Other Intangible assets | 5 | - | 14.61 |
| | (c) Right-of-use assets | 6 | 3.55 | 8.14 |
| | (d) Financial assets | | | |
| | (i) Investments | 7 | 6.34 | 2.85 |
| | (ii) Other financial assets | 8 | 6.96 | 6.78 |
| | Total Non-current assets | | 23.34 | 38.28 |
| II | Current assets | | | |
| | (a) Financial assets | | | |
| | (i) Trade receivables | 9 | 3.01 | 6.28 |
| | (ii) Cash and cash equivalents | 10 | 50.83 | 6.71 |
| | (iii) Bank balances other than cash and cash equivalent | 11 | 0.43 | 3.25 |
| | (iv) Loans | 12 | 415.08 | 235.32 |
| | (v) Other financial assets | 13 | 233.14 | 211.43 |
| | (b) Other current assets | 14 | 297.46 | 338.06 |
| | Total Current assets | | 999.95 | 801.05 |
| | Total assets (I+II) | | 1,023.29 | 839.33 |
| | EQUITY AND LIABILITIES | | | |
| I | Equity | | | |
| | (a) Equity share capital | 15 (a) | 58.21 | 57.67 |
| | (b) Other equity instrument | 15 (b) | 1,839.08 | 1,839.08 |
| | (c) Other equity | 16 | (1,587.04) | (1,467.35) |
| | Total equity | | 310.25 | 429.40 |
| | Liabilities | | | |
| II | Non-current liabilities | | | |
| | (a) Financial liabilities | | | |
| | (i) Lease liabilities | 6 | - | 4.64 |
| | (b) Provisions | 17 | 16.40 | 14.60 |
| | Total Non - Current liabilities | | 16.40 | 19.24 |
| III | Current liabilities | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 18 | 35.00 | 35.00 |
| | (ii) Lease liabilities | 6 | 5.12 | 5.64 |
| | (iii) Trade payables | 19 | | |
| | Total outstanding dues of micro and small enterprises | | 0.01 | 0.14 |
| | Total outstanding dues of creditors other than micro and small enterprises | | 535.66 | 194.97 |
| | (c) Other current liabilities | 21 | 103.07 | 108.82 |
| | (b) Provisions | 20 | 17.78 | 46.12 |
| | Total Current liabilities | | 696.64 | 390.69 |
| | Total Equity and Liabilities (I+II+III) | | 1,023.29 | 839.33 |

See accompanying notes forming part of the standalone financial statements

1-51

As per our report of even date

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No.: 105047W

GOVINDAN

ANANTHAKRISHNAN

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ANANTHAKRISHNAN
Date: 2024.10.07 20:30:09
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Ananthkrishnan Govindan

Partner

Membership No: 205226

For and on behalf of the Board of Directors

PayMate India Limited

AJAY

ADISESHAN

Digitally signed by
AJAY ADISESHAN
Date: 2024.10.07
19:28:31 +05'30'

Ajay Adishesan

Chairman and Managing Director

DIN: 00099023

NANDA

HARISH

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by NANDA
HARISH
Date: 2024.10.07
18:23:27 +05'30'

Nanda Harish

General Counsel, Company Secretary and
Compliance Officer (ACS: 15495)

**Vishvanathan
Subramanian**

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Vishvanathan Subramanian
Date: 2024.10.07 19:20:45
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Vishvanathan Subramanian

Whole Time Director and CFO

DIN: 02153545

Place: Hyderabad

Date : October 7, 2024

Place: Mumbai

Date : October 7, 2024

PayMate India Limited

(CIN: U62090MH2006PLC205023)

Standalone Statement of Profit and Loss for the year ended March 31, 2024

(All amounts are in INR Millions, except for share data and unless otherwise stated)

| Particulars | Notes | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|-------|---------------------------|---------------------------|
| I Income | | | |
| Revenue from operations | 22 | 13,385.21 | 13,495.45 |
| Other income | 23 | 35.12 | 33.87 |
| Total Income | | 13,420.33 | 13,529.32 |
| II Expenses | | | |
| Cost of services | 24 | 13,376.85 | 13,382.37 |
| Employee benefit expense | 25 | 228.90 | 394.38 |
| Finance costs | 26 | 1.24 | 5.06 |
| Depreciation and amortisation expense | 5 | 22.11 | 21.87 |
| Other expenses | 27 | 93.74 | 111.13 |
| Total Expenses | | 13,722.84 | 13,914.81 |
| III Loss before tax (I - II) | | (302.51) | (385.49) |
| IV Tax expense | 34 | | |
| Current tax | | - | - |
| Total tax expense | | - | - |
| V Loss for the year (III - IV) | | (302.51) | (385.49) |
| VI Other comprehensive income | | 0.23 | 2.80 |
| Items that will not be reclassified to profit or loss | | | |
| Re-measurement gains on defined benefit plans | | 0.23 | 2.80 |
| VII Total comprehensive Loss for the year (V + VI) | | (302.28) | (382.69) |
| Earnings per share (Face value of INR 1/- each) Basic & Diluted - INR | 33 | (5.21) | (6.71) |

See accompanying notes forming part of the standalone financial statements

1-51

As per our report of even date

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No.:105047W

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ANANTHAKRISHNA

ANANTHAKRISHNAN

Date: 2024.10.07 20:31:15

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Ananthakrishnan Govindan

Partner

Membership No: 205226

For and on behalf of the Board of Directors

PayMate India Limited

AJAY

Digitally signed by

ADISESHAN

AJAY ADISESHAN

Date: 2024.10.07

19:28:57 +05'30'

Ajay Adishesan

Chairman and Managing Director

DIN: 00099023

Vishvanathan

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Subramanian

Vishvanathan

Subramanian

Date: 2024.10.07

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Vishvanathan Subramanian

Whole Time Director and CFO

DIN: 02153545

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by NANDA

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Date: 2024.10.07

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Nanda Harish

General Counsel, Company Secretary and

Compliance Officer (ACS: 15495)

Place: Hyderabad

Date : October 7, 2024

Place: Mumbai

Date : October 7, 2024

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|---------------------------|---------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Loss for the year | (302.51) | (385.49) |
| <u>Adjustments for:</u> | | |
| Depreciation and amortisation expenses | 22.11 | 21.87 |
| Finance costs | 0.01 | 3.70 |
| Interest received | (26.47) | (25.69) |
| Provision for Gratuity | 3.73 | 3.34 |
| Provision for PLI | 16.46 | 16.87 |
| Unrealised Foreign exchange gain | (4.33) | 10.00 |
| Share Based payments to employees | (11.13) | 163.43 |
| Liabilities no longer required written back | - | (1.33) |
| Other miscellaneous income | 3.39 | 6.86 |
| Operating loss before working capital changes | (298.74) | (186.44) |
| <u>Changes in working capital:</u> | | |
| <u>Adjustments for (increase) / decrease in operating assets:</u> | | |
| Trade receivables | 3.27 | 52.67 |
| Loans | (179.76) | (152.42) |
| Other financial assets | (18.89) | (73.34) |
| Other non-financial assets | (15.35) | (88.33) |
| <u>Adjustments for increase / (decrease) in operating liabilities:</u> | | |
| Other financial liabilities | - | - |
| Provisions | (28.83) | 5.52 |
| Trade payables | 340.69 | 194.67 |
| Other non- financial liabilities | (5.75) | 45.15 |
| Cash used in operations | (203.36) | (202.52) |
| Net income tax refunded | 55.95 | (5.54) |
| Net cash flow used in operating activities (A) | (147.41) | (208.05) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Payment for property, plant and equipment | (2.98) | (2.87) |
| Purchase of Investments | - | - |
| (Investments)/Proceeds from bank deposits | - | - |
| Interest received | 5.69 | 5.39 |
| Net cash flow from / (used in) investing activities (B) | 2.72 | 2.52 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Short term borrowings | - | 35.00 |
| Repayment of Lease Liabilities | (5.68) | (5.05) |
| Repayment of interest on lease liabilities | (1.23) | (1.36) |
| Issue of Share Capital | 195.70 | 99.59 |
| Expenses on IPO | - | 80.04 |
| Finance costs paid | 0.01 | (3.70) |
| Net cash flow from / (used in) financing activities (C) | 188.81 | 204.52 |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | 44.12 | (1.01) |
| Add: Cash and cash equivalents at the beginning of the year | 6.71 | 7.40 |
| Cash and cash equivalents at the end of the year | 50.83 | 6.39 |

Reconciliation of cash and cash equivalents as per the cash flow statement

| Cash and cash equivalents comprise (Refer note 10) | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Cash on hand | 0.04 | 0.00 |
| Foreign Currency in hand | - | - |
| Balances with banks : | | |
| (i) In current accounts | 42.82 | 2.45 |
| (ii) Deposits with maturity of less than 3 months | 7.97 | 4.25 |
| Cash and cash equivalents at the end of the year | 50.83 | 6.71 |

See accompanying notes forming part of the standalone financial statements

1-51

As per our report of even date

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.:105047W

GOVINDAN
ANANTHAKRISHNAN
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ANANTHAKRISHNAN
Date: 2024.10.07 20:32:23
+05'30'

Ananthakrishnan Govindan

Partner

Membership No: 205226

For and on behalf of the Board of Directors

PayMate India Limited

AJAY

ADISESHAN

Ajay Adishesan

Chairman and Managing Director

DIN: 00099023

NANDA
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Digitally signed by NANDA
HARISH
Date: 2024.10.07
18:24:22 +05'30'

Nanda Harish

General Counsel, Company Secretary and

Compliance Officer (ACS: 15495)

Digitally signed by AJAY
ADISESHAN
Date: 2024.10.07 19:29:30
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Vishvanathan
Subramanian
Date: 2024.10.07
19:22:20 +05'30'

Vishvanathan Subramanian

Whole Time Director and CFO

DIN: 02153545

Place: Hyderabad
Date : October 7, 2024

Place: Mumbai
Date : October 7, 2024

(a) Share Capital

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|--|----------------------|----------|----------------------|----------|
| | Number of shares | Amount | Number of shares | Amount |
| (1) Equity share capital | | | | |
| (i) Equity Shares of ₹ 1/- issued, subscribed and fully paid | | | | |
| Opening balance | 57,668,782 | 57.67 | 57,408,690 | 57.41 |
| Add: Issue of shares | 541,830 | 0.54 | 260,092 | 0.26 |
| Closing balance | 58,210,612 | 58.21 | 57,668,782 | 57.67 |
| (2) Preference share capital | | | | |
| (i) Preference Shares | | | | |
| Opening balance | 31,585 | 1,839.08 | 31,585 | 1,839.08 |
| Add: Issue of shares | - | - | - | - |
| Closing balance | 31,585 | 1,839.08 | 31,585 | 1,839.08 |

(b) Other equity

| Particulars | Securities premium account | Retained earnings / (deficit) | Other comprehensive income | Foreign currency translation Reserve | Share options outstanding Account | Share application money pending allotment | Total other equity |
|--|----------------------------|-------------------------------|----------------------------|--------------------------------------|-----------------------------------|---|--------------------|
| Balance as at April 1, 2022 | 296.24 | (2,004.31) | (2.18) | (0.31) | 361.30 | - | (1,349.26) |
| Loss for the year | - | (385.49) | - | - | - | - | (385.49) |
| Other comprehensive income / (losses) | - | - | - | 0.31 | - | - | 0.31 |
| Re-measurement gains on defined benefit plans net of tax | - | - | 2.80 | - | - | - | 2.80 |
| Addition to securities premium | 99.33 | - | - | - | - | - | 99.33 |
| Share application money pending allotment | - | - | - | - | - | 1.52 | 1.52 |
| Share based payment to employees | - | - | - | - | 163.44 | - | 163.44 |
| Balance as at March 31, 2023 | 395.57 | (2,389.80) | 0.62 | - | 524.74 | 1.52 | (1,467.35) |
| Balance as at April 1, 2023 | 395.57 | (2,389.80) | 0.62 | - | 524.74 | 1.52 | (1,467.35) |
| Loss for the year | - | (302.51) | - | - | - | - | (302.51) |
| Re-measurement gains on defined benefit plans net of tax | - | - | 0.23 | - | - | - | 0.23 |
| Addition to securities premium | 195.24 | - | - | - | - | - | 195.24 |
| Share application money pending allotment | - | - | - | - | - | (1.52) | (1.52) |
| Share based payment to employees | - | - | - | - | (11.13) | - | (11.13) |
| Balance as at March 31, 2024 | 590.81 | (2,692.31) | 0.85 | - | 513.61 | - | (1,587.04) |

See accompanying notes forming part of the standalone financial statements

1-51

As per our report of even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W
GOVINDAN
ANANTHAKRISHNAN
Ananthkrishnan Govindan
Partner
Membership No: 205226

Digitally signed by GOVINDAN ANANTHAKRISHNAN
Date: 2024.10.07 20:33:23 +05'30'

For and on behalf of the Board of Directors
PayMate India Limited
AJAY
ADISESHAN
Ajay Adiseshan
Chairman and Managing Director
DIN: 00099023

Digitally signed by AJAY ADISESHAN
Date: 2024.10.07 19:29:56 +05'30'

NANDA
HARISH

Digitally signed by NANDA HARISH
Date: 2024.10.07 18:24:43 +05'30'

Nanda Harish
General Counsel, Company Secretary and
Compliance Officer (ACS: 15495)

Vishvanathan
Subramanian
Vishvanathan Subramanian
Whole Time Director and CFO
DIN: 02153545

Digitally signed by Vishvanathan Subramanian
Date: 2024.10.07 19:22:54 +05'30'

Place: Hyderabad
Date : October 7, 2024

Place: Mumbai
Date : October 7, 2024

1. General Information

PayMate India Limited (the "Company") is a Public Limited Company domiciled in India and was incorporated on May 12, 2006 under the provisions of the Companies Act, 1956 applicable in India. Its registered and principal office of business is located at No.111, 1st Floor, 'A' Wing, Sundervilla S.V.Road, Santacruz (West) Mumbai Maharashtra 400054 India. The Company is primarily engaged in the business of providing comprehensive digital workflow tied to payments which enable greater control and transparency along with better cash flows and an end to end reconciliation for a superior experience for Enterprise and SME in closed-loop supply chains.

The Board of Directors approved the standalone financial statements for the year ended 31 March 2024 and authorised for issue on **September 30, 2024**.

2. Material accounting policies

Material accounting policies adopted by the company are as under:

2.01 Basis of Preparation of standalone Financial Statements

(a) Statement of Compliance with Ind AS

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied to all the years presented unless otherwise stated.

(b) Basis of measurement

The standalone financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value or revalued value as required by relevant Ind AS:-

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
- ii) Share based payment transactions
- iii) Leasing transactions that are within the scope of Ind AS 116
- iv) Impairment of non-financial assets

The Company has prepared the standalone financial statements on the basis that it will continue to operate as a going concern.

(c) Classification between Current and Non-current

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

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle
 - ii. Held primarily for the purpose of trading
 - iii. Expected to be realised within twelve months after the reporting period, or
 - iv. 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:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

(d) Use of estimates

The preparation of standalone financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying standalone financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the standalone financial statements. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

Refer Note 3.1 for detailed discussion on estimates and judgments.

2.02 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Freehold land is carried at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives

The company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

| Property, plant and equipment | Useful Life |
|-------------------------------|--------------|
| Leasehold improvement* | Lease period |
| Computer & Software | 3-5 Years |
| Office Equipment | 5 Years |
| Furniture & Fittings | 10 Years |

* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

2.03 Other Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

(a) Patents, copyrights and other rights

Separately acquired patents and copyrights are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(b) Research and development

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

(i) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

(ii) Its intention to complete and its ability and intention to use or sell the asset

(iii) How the asset will generate future economic benefits

(iv) The availability of resources to complete the asset

(v) The ability to measure reliably the expenditure during development

(c) Computer software Application

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Development Cost that are directly attributable to the design and testing of identifiable and unique software products are recognised as intangible assets where criteria mentioned in point (b) above are met. Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

| Intangible | Useful life |
|-------------|-------------|
| Patents | 5 Years |
| Application | 5 Years |

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are not amortised. Such intangible assets are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss. when the asset is derecognised.

2.04 Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition/ as per agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

2.05 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the standalone financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone financial statements are presented in Indian rupee (INR), which is the company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.06 Fair value measurement

The company 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 accessible to the company.

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

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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The company's management determines the policies and procedures for fair value measurement such as derivative instrument.

PayMate India Limited

(CIN: U62090MH2006PLC205023)

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

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

- ▶ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.07 Revenue from contract with customer

(a) Sale of Services

Revenue is measured based on the consideration specified in a contract with a customer's net of variable consideration e.g. discounts, volume rebates, any payments made to a customer (unless the payment is for a distinct good or service received from the customer) and excludes amount collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to the customer. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Where the Company acts as an agent for selling goods or services, only the commission income is included within revenue. The specific revenue recognition criteria described below must also be met before revenue is recognised. Typically, the Company has a right to payment before or at the point that services are delivered. Cash received before the services are delivered is recognised as contract liability. The amount of consideration does not contain a significant financing component as payment terms are less than one year.

(b) Service Fee from Merchants:

The Company earns service fee from merchants and recognises such revenue when the control in services have been transferred by the Company i.e. as and when services have been provided by the Company. Such service fee is generally determined as a percentage of transaction value executed by the merchants.

The Company derives its revenue primarily from the transaction Fees and related services and licensing income. The Company recognises revenue on transaction fees immediately upon completion of successful transaction and the collectability is reasonably assured.

(c) Other income

(i) Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(ii) Dividend Income

Dividend income is recorded when the right to receive payment is established.

2.08 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year/period end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

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

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

2.09 Leases

The company as a lessee

The company's lease asset classes primarily consist of leases for buildings taken to conduct its business in the ordinary course. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

. Lease liabilities include the net present value of the following lease payments:

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

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

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

2.10 Impairment of non-financial assets

The company assesses at each year end whether there is any objective evidence that a non financial asset or a company of non financial assets is impaired. If any such indication exists, the company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets are companyed together into the smallest company of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or companys of assets (the "cash-generating unit").

2.11 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

If the company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.12 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise balance with banks, cash on hand, cheques/ draft on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include balance with banks, cash on hand, cheques/ draft on hand and short-term deposits net of bank overdraft.

2.13 Financial instruments

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

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the company does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

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

(ii) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Borrowing Cost: Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(iii) **Derecognition**

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

(c) **Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contract are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

(d) **Offsetting financial instruments**

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

2.14 Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability portion of an optionally convertible preference shares is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument since it meets Ind AS 32, Financial Instruments: Presentation, criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not subsequently re-measured.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

2.15 Employee Benefits

(a) **Short-term obligations**

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

(b) **Other long-term employee benefit obligations**

(i) **Defined contribution plan**

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

Gratuity: The company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

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

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under defined benefit plans can be encashed only on discontinuation of service by employee.

(c) Share-based payments

Employees (including senior executives) of the company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. 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 Companies' best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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.

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

2.16 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.17 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of directors monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the Summary Statements.

The operating segments have been identified on the basis of the nature of products/services. Further:

- i. Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter - segment revenue. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result.
- ii. Expenses which relate to the company as a whole and not allocable to segments are included under unallocable expenditure.
- iii. Income which relates to the company as a whole and not allocable to segments is included in unallocable income.
- iv. Segment results include margins on inter-segment sales which are reduced in arriving at the profit before tax of the company.
- v. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the company as a whole and not allocable to any segment.
- vi. Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated business.

2.18 Rounding off amounts

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

3 Significant accounting judgments, estimates and assumptions

The preparation of standalone financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

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

(a) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 35.

(b) Taxes

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

The company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the company has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation. Refer Note 34.

(c) Defined benefit plans (gratuity benefits and compensated absences)

The cost of the defined benefit plans such as gratuity and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 30.

(d) Useful lives of Property, plant and equipment

PayMate India Limited

(CIN: U62090MH2006PLC205023)

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end uncertainty. Information about such litigations is disclosed in notes to the financial statements.

4.1 Standards (including amendments) issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company

5 Property, plant and equipment and other Intangible assets

| Carrying amounts of | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------|-------------------------|-------------------------|
| Tangible Assets | | |
| Computers and softwares | 3.70 | 5.32 |
| Office equipments | 0.33 | 0.26 |
| Furniture and fittings | 2.47 | 0.33 |
| Total | 6.49 | 5.90 |
| Intangible Assets | | |
| Patent rights | - | - |
| Application | - | 14.61 |
| Total | - | 14.61 |

| Description of Assets | Property Plant and equipment | | | | Intangible assets | | |
|--|------------------------------|----------------------|---------------------------|-------|-------------------|-------------|-------|
| | Computers and softwares | Office equipments | Furniture and fittings | Total | Patent rights | Application | Total |
| I. Gross Carrying Value | | | | | | | |
| Balance as at March 31, 2022 | 16.11 | 0.67 | 0.86 | 17.64 | 0.24 | 73.05 | 73.29 |
| Additions | 2.84 | 0.03 | - | 2.87 | - | - | - |
| Disposals | - | - | - | - | - | - | - |
| Balance as at March 31, 2023 | 18.95 | 0.70 | 0.86 | 20.51 | 0.24 | 73.05 | 73.29 |
| Balance as at March 31, 2023 | 18.95 | 0.70 | 0.86 | 20.51 | 0.24 | 73.05 | 73.29 |
| Additions | 1.38 | 0.15 | 2.29 | 3.82 | - | - | - |
| Disposals | 0.84 | - | - | 0.84 | - | - | - |
| Balance as at March 31, 2024 | 19.48 | 0.8519 | 3.15 | 23.48 | 0.24 | 73.05 | 73.29 |
| II. Accumulated depreciation and impairment | | | | | | | |
| Balance as at March 31, 2022 | 11.16 | 0.36 | 0.47 | 11.99 | 0.24 | 43.83 | 44.07 |
| Depreciation / amortisation expense for the period | 2.47 | 0.08 | 0.06 | 2.61 | - | 14.61 | 14.61 |
| Disposals | - | - | - | - | - | - | - |
| Balance as at March 31, 2023 | 13.63 | 0.44 | 0.53 | 14.60 | 0.24 | 58.44 | 58.68 |
| Balance as at March 31, 2023 | 13.63 | 0.44 | 0.53 | 14.60 | 0.24 | 58.44 | 58.68 |
| Depreciation / amortisation expense for the period | 2.18 | 0.0831 | 0.15 | 2.41 | - | 14.61 | 14.61 |
| Disposals | 0.02 | - | - | 0.02 | - | - | - |
| Balance as at March 31, 2024 | 15.79 | 0.53 | 0.68 | 16.99 | 0.24 | 73.05 | 73.29 |
| III. Net block (I-II) | | | | | | | |
| Balance as at March 31, 2023 | 5.32 | 0.26 | 0.33 | 5.90 | - | 14.61 | 14.61 |
| Balance as at March 31, 2024 | 3.70 | 0.33 | 2.47 | 6.49 | - | - | - |

5 Property, plant and equipment and other Intangible assets (continued)

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

3 Depreciation and amortisation

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-------------------------------|------------------------------|------------------------------|
| Property, plant and equipment | 2.39 | 2.61 |
| Right of use assets | 5.11 | 4.65 |
| Other intangibles | 14.61 | 14.61 |
| Total | 22.11 | 21.87 |

6. Right of use assets and Lease Liabilities

The company has lease contracts for office units. The company's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease

The company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2018 and applied the standard to its leases, under modified retrospective

The company has elected not to apply the requirements of Ind AS 116 "Leases" to short-term leases of all assets that have a lease term of 12 months or less and leases for

(i) Movement in Right of use assets and Lease liabilities is given below:

| Description | Right of use assets (Buildings) |
|---|---------------------------------|
| Cost as at April 01, 2018 | - |
| Due to transition to Ind AS 116 on April 01, 2018 | 31.39 |
| Additions | - |
| Disposals | - |
| Cost as at March 31, 2019 | 31.39 |
| Ind AS 116 Transition adjustment | - |
| Additions | - |
| Disposals | - |
| Cost as at April 1, 2021 | 31.39 |
| Additions | - |
| Disposals | - |
| Cost as at September 30, 2020 | 31.39 |
| Additions | - |
| Disposals | - |
| Balance as at March 31, 2022 | 31.39 |
| Accumulated depreciation as at April 1, 2018 | |
| Depreciation for the year | - |
| Disposals | - |
| Forex restatement adjustment | - |
| Additions | - |
| Disposals | - |
| Balance as at March 31, 2023 | 31.39 |
| Accumulated depreciation as at April 1, 2018 | |
| Depreciation for the year | 4.65 |
| Disposals | - |
| Additions | 0.52 |
| Disposals | - |
| Balance as at March 31, 2024 | 31.91 |
| Accumulated depreciation as at April 1, 2021 | 13.95 |
| Ind AS 116 transition adjustment | - |
| Depreciation for the year | 4.65 |
| Disposals | - |
| Accumulated depreciation as at March 31, 2022 | 18.60 |
| Depreciation for the period | 4.65 |
| Disposals | - |
| Accumulated depreciation as at September 30, 2020 | 23.25 |
| Depreciation for the year | 4.65 |
| Disposals | - |
| Accumulated depreciation as at March 31, 2023 | 23.25 |
| Depreciation for the period | 3.49 |
| Disposals | - |
| Accumulated depreciation as at December 31, 2021 | 26.74 |
| Net carrying amount as at April 1, 2019 | 17.44 |
| Net carrying amount as at March 31, 2020 | 12.79 |
| Note: The above statement should be read with accompanying notes forming part of the standalone financial statements. | 8.14 |
| Net carrying amount as at April 01, 2021 | 17.44 |
| Depreciation for the year | 5.11 |
| Disposals | - |
| Accumulated depreciation as at March 31, 2024 | 28.36 |
| Balance as at March 31, 2023 | 8.14 |
| Balance as at March 31, 2024 | 3.55 |

Lease Liability: Set out below are the carrying amounts of lease liabilities and the movements during the year:

| | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------------------|----------------------|----------------------|
| Opening balance | 10.28 | 15.33 |
| Recognised on adoption of Ind AS 116 | - | - |
| Additions during the year | 0.52 | - |
| Disposal during the period / year | - | - |
| Accretion of interest | 1.23 | 1.36 |
| Payment of lease liabilities | (6.90) | (6.42) |
| Closing balance | 5.12 | 10.28 |
| Current Lease liabilities | 5.12 | 5.64 |
| Non-Current Lease liabilities | - | 4.64 |

(ii) Payments recognised as expenses and income

| | For the period / year ended | |
|--|-----------------------------|-------------|
| | 31/Mar/2024 | 31/Mar/2023 |
| Short term leases and low value assets | - | - |
| | - | - |

(ii) Contractual maturities of lease liabilities on undiscounted basis

| | As at March 31, 2024 | As at March 31, 2023 |
|----------------------|----------------------|----------------------|
| Less than one year | 5.31 | 6.42 |
| One to five years | - | 4.81 |
| More than five years | - | - |
| | 5.31 | 11.23 |

7 Investments

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Investment in equity instruments | | |
| Unquoted equity shares | | |
| Subsidiary | | |
| PayMate Payments Services Provider LLC (300 equity shares of AED 1000/- each, fully paid up) | 6.34 | 2.85 |
| Subsidiary | | |
| PayMate Inc (1,000 equity shares at US \$ 1 each, fully paid up) | 0.04 | 0.04 |
| Less: Impairment in value of investments | (0.04) | (0.04) |
| Total | 6.34 | 2.85 |

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Aggregate book value of: | | |
| Quoted investments | - | - |
| Unquoted investments | 6.38 | 2.89 |
| Aggregate market value of: | | |
| Quoted investments | - | - |
| Aggregate amount of impairment in value of Investments | (0.04) | (0.04) |

8 Other Financial Assets

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Security Deposits | 6.96 | 6.47 |
| In Deposit accounts with maturity for more than 12 months | - | 0.31 |
| Total | 6.96 | 6.78 |

9 Trade receivables (Unsecured)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-------------------------------|-------------------------|-------------------------|
| Trade receivables | | |
| Unsecured | | |
| -Considered good | 3.01 | 6.28 |
| Receivables credit impaired | - | - |
| | 3.01 | 6.28 |
| Allowance for credit impaired | | |
| Unsecured | | |
| -Considered good | - | - |
| Total | 3.01 | 6.28 |

Ageing of Trade Receivables :

As at March 31, 2024

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|--|--|--------------------|-------------------|-------------|-------------|-------------------|-------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1- 2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables - considered good | - | 2.27 | 0.17 | 0.24 | 0.34 | - | 3.01 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables- considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| Total | - | 2.27 | 0.17 | 0.24 | 0.34 | - | 3.01 |

As at March 31, 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|--|--|--------------------|-------------------|-------------|-----------|-------------------|-------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1- 2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables - considered good | 1.55 | 1.00 | (0.05) | 3.78 | - | - | 6.28 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables- considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| Total | 1.55 | 1.00 | (0.05) | 3.78 | - | - | 6.28 |

There are no trade or other receivable which are either due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

10 Cash and Cash Equivalents

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Cash on hand | 0.04 | 0.00 |
| Balances with banks : | | |
| (i) In current accounts | 42.82 | 2.45 |
| (ii) Deposits with maturity of less than 3 months | 7.97 | 4.25 |
| Total | 50.83 | 6.71 |

Fixed Deposit with Banks includes interest receivable of ₹ 0.42 Mn as at March 31, 2024 (As at March 31, 2023 ₹0.99 Mn).

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of reporting period and prior periods.

11 Other balances with banks

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Deposit with maturity for more than 3 months but less than 12 months | 0.43 | 3.25 |
| Total | 0.43 | 3.25 |

Short-term bank deposits includes interest receivable of ₹ 0.02 Mn as at March 31, 2024 (As at March 31, 2023 ₹0.59 Mn).

**12 Financial assets - Loans
(Unsecured and considered good)**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------|----------------------|----------------------|
| Loan to related party | 415.08 | 235.32 |
| Total | 415.08 | 235.32 |

Refer Note No.32 for related party disclosures

12.01 The details of loans given to related parties are as follows:

| Type of Borrower | Loans/Advances granted Individually or Jointly with other. | Repayable on demand | Terms/Period of repayment is specified (Yes / No) | As at March 31, 2024 | | As at March 31, 2023 | |
|------------------|--|---------------------|---|---|------------|---|------------|
| | | | | Amount outstanding as at the balance sheet date | % of Total | Amount outstanding as at the balance sheet date | % of Total |
| Related Party | Individually | Yes | No | 415.08 | 100% | 235.32 | 100% |

12.02 Details of loans given, investment made and guarantee given covered u/s 186(4) of the Companies Act, 2013

Loans given by the Company

| Name of the Company | Rate of Interest (P.A) | Due Date | Secured/ unsecured | Purpose of Loan | As at March 31, 2024 | As at March 31, 2023 |
|---|------------------------|----------------|--------------------|-----------------------------|----------------------|----------------------|
| PayMate Payment Services Provider LLC - Subsidiary of PayMate India Limited | 6% | Not Applicable | Unsecured | Working Capital Requirement | 415.08 | 235.32 |

13 Other Financial Assets

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Financial instruments at amortised cost | | |
| Unsecured | | |
| - Considered good | | |
| Security deposits | 194.93 | 194.93 |
| Advance to Staff | 2.35 | 1.34 |
| Accrued Interest from related party | 35.86 | 15.16 |
| Total | 233.14 | 211.43 |

14 Other current assets

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Tax deducted at source | 53.81 | 109.76 |
| Prepaid expenses | 3.71 | 1.53 |
| Share issue expenses (refer note 14.1) | 165.12 | 165.12 |
| Balances with government authorities | 74.71 | 61.65 |
| Other Current Assets | 0.11 | - |
| Total | 297.46 | 338.06 |

Note No 14.1: In accordance with the Companies Act 2013 ("the Act") and also as per the Offer Agreement entered between the Company and the selling shareholders, the selling shareholders shall reimburse the share issue expenses in proportion to the respective shares offered for sale. Accordingly, the Company will partly recover the expenses incurred in connection with the Issue on completion of Initial Public Offer (IPO). The Company's share of expenses shall be adjusted against securities premium to the extent permissible under Section 52 of the Act on successful completion of IPO. The entire amount has been carried forward and disclosed under the head "Share issue expenses" under "other current financial assets" (to the extent of not written off or adjusted). The amount which is receivable from the selling shareholders is not disclosed separately as the amount is not determinable at this stage pending completion of the IPO.

PayMate India Limited

(CIN: U62090MH2006PLC205023)

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts are in INR Millions, except for share data and unless otherwise stated)

15 Equity Share Capital

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|----------------------|-----------------|----------------------|-----------------|
| | Number of shares | Amount | Number of shares | Amount |
| (a) Authorised: | | | | |
| (i) Equity Share Capital | | | | |
| Equity Shares of ₹ 1/- each | 217,482,804.00 | 217.48 | 217,482,804 | 217.48 |
| (ii) Preference Share Capital | | | | |
| (Instruments in the nature of equity) | | | | |
| 10% Non-Cumulative participating fully convertible Preference shares of Rs. 1,263,699.83 each | 114 | 144.06 | 114 | 144.06 |
| 10% Non-Cumulative participating fully convertible Preference shares of Rs. 9,59,772.10 each | 293 | 281.21 | 293 | 281.21 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 64,740 each | 357 | 23.11 | 357 | 23.11 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 1,58,456.7 each | 3,254 | 515.62 | 3,254 | 515.62 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 1,55,655.54 each | 312 | 48.55 | 312 | 48.55 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 14,781.84 each | 3,862 | 57.09 | 3,862 | 57.09 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 14,694.45 each | 3,862 | 56.75 | 3,862 | 56.75 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 12,681.34 each | 1,820 | 23.08 | 1,820 | 23.08 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 12,642.48 each | 1,820 | 23.01 | 1,820 | 23.01 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 12,726.16 each | 2,042 | 25.99 | 2,042 | 25.99 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 12,669.53 each | 2,042 | 25.87 | 2,042 | 25.87 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 46,905.46 each | 1,938 | 90.90 | 1,938 | 90.90 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 46,883.44 each | 2,544 | 119.27 | 2,544 | 119.27 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 46,905.42 each | 1,513 | 70.97 | 1,513 | 70.97 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 56,741.97 each | 909 | 51.58 | 909 | 51.58 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 56,770.44 each | 318 | 18.05 | 318 | 18.05 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 67,176.16 each | 1,817 | 122.06 | 1,817 | 122.06 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 73.72 each | 1 | - | 1 | - |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 51,264.37 each | 2,768 | 141.91 | 2,768 | 141.91 |
| Total | 217,514,390 | 2,056.57 | 217,514,390 | 2,056.57 |

PayMate India Limited

(CIN: U62090MH2006PLC205023)

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts are in INR Millions, except for share data and unless otherwise stated)

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|----------------------|--------------|----------------------|--------------|
| | Number of shares | Amount | Number of shares | Amount |
| Issued, Subscribed and Fully paid-up: | | | | |
| 15 (a) Equity Share Capital | | | | |
| Equity Shares of ₹ 1/- each | 58,210,612 | 58.21 | 57,668,782 | 57.67 |
| Total equity shares | 58,210,612 | 58.21 | 57,668,782 | 57.67 |
| 15 (b) Preference Share Capital (Instruments in the nature of equity) | | | | |
| 10% Non-Cumulative participating fully convertible Preference shares of ₹ 12,63,699.83 each (each of the Series D4 preference shares shall be converted to a maximum of 4,530 equity shares upon conversion as per the conversion ratio based on the commercial terms & conditions laid down in the investment agreement to be converted on or before 05/03/2042) | 114 | 144.06 | 114.00 | 144.06 |
| 10% Non-Cumulative participating fully convertible Preference shares of ₹ 9,59,772.10 each (each of the Series D3 preference shares shall be converted to a maximum of 9,060 equity shares upon conversion as per the conversion ratio based on the commercial terms & conditions laid down in the investment agreement to be converted on or before 24/08/2041) | 293 | 281.21 | 293 | 281.21 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 64,740 each - (to be converted on or before 06/09/2040 at a conversion ratio of 1,510 equity shares for each preference share held) | 357 | 23.11 | 357 | 23.11 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 1,58,456.7 each - (to be converted on or before 13/08/2039 at a conversion ratio of 1,510 equity shares for each preference share held) | 3,254 | 515.62 | 3,254 | 515.62 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 1,55,655.54 each - (to be converted on or before 22/04/2039 at a conversion ratio of 1,510 equity shares for each preference share held) | 312 | 48.56 | 312 | 48.56 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 51,264.37 each (to be converted on or before 11/09/2037 at a conversion ratio of 1,510 equity shares for each preference share held) | 1,529 | 78.38 | 1,529 | 78.38 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 51,264.37 each (to be converted on or before 11/09/2037 at a conversion ratio of 1,510 equity shares for each preference share held) | 1,239 | 63.52 | 1,239 | 63.52 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 67,176.16 each (to be converted on or before 14/09/2034 at a conversion ratio of 1,510 equity shares for each preference share held) | 1,817 | 122.06 | 1,817 | 122.06 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 56,770.44 each (to be converted on or before 27/02/2032 at a conversion ratio of 1,510 equity shares for each preference share held) | 318 | 18.05 | 318 | 18.05 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 56,741.97 each (to be converted on or before 27/02/2032 at a conversion ratio of 1,510 equity shares for each preference share held) | 909 | 51.58 | 909 | 51.58 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 46,905.46 each (to be converted on or before 25/05/2031 at a conversion ratio of 1,510 equity shares for each preference share held) | 2,544 | 119.27 | 2,544 | 119.27 |

PayMate India Limited

(CIN: U62090MH2006PLC205023)

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts are in INR Millions, except for share data and unless otherwise stated)

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | Number of shares | Amount | Number of shares | Amount |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 46,905.42 each (to be converted on or before 25/05/2031 at a conversion ratio of 1,510 equity shares for each preference share held) | 1,938 | 90.90 | 1,938 | 90.90 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 46,883.44 each (to be converted on or before 18/09/2029 at a conversion ratio of 1,510 equity shares for each preference share held) | 1,513 | 70.97 | 1,513 | 70.97 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 12,669.53 each (to be converted on or before 24/03/2028 at a conversion ratio of 1,510 equity shares for each preference share held) | 2,042 | 25.87 | 2,042 | 25.87 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 12,726.16 each (to be converted on or before 24/03/2028 at a conversion ratio of 1,510 equity shares for each preference share held) | 2,042 | 25.99 | 2,042 | 25.99 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 12,642.48 each (to be converted on or before - 22/10/2027 at a conversion ratio of 1,510 equity shares for each preference share held) | 1,820 | 23.01 | 1,820 | 23.01 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 12,681.34 each (to be converted on or before 22/10/2027 at a conversion ratio of 1,510 equity shares for each preference share held) | 1,820 | 23.08 | 1,820 | 23.08 |
| 10% Non-Cumulative participating fully convertible Preference shares of ₹ 14,781.84 each (to be converted on or before 15/11/2026 at a conversion ratio of 1,510 equity shares for each preference share held) | 3,862 | 57.09 | 3,862 | 57.09 |
| 10% Non-Cumulative participating fully convertible Preference shares of ₹ 14,694.45 each (to be converted on or before 15/11/2026 at a conversion ratio of 1,510 equity shares for each preference share held) | 3,862 | 56.75 | 3,862 | 56.75 |
| Total preference shares (Instruments in the nature of equity) | 31,585 | 1,839.08 | 31,585 | 1,839.08 |
| Total | | 1,897.29 | | 1,896.75 |

(i) Reconciliation of equity shares outstanding at the beginning and at the end of the year :

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | Number of shares | Amount | Number of shares | Amount |
| (1) Equity share capital | | | | |
| (i) Equity Shares of ₹ 1/- each with voting rights | | | | |
| Opening balance | 57,668,782 | 57.67 | 57,408,690 | 57.41 |
| Add: Issue of shares | 541,830 | 0.54 | 260,092 | 0.26 |
| Closing balance | 58,210,612 | 58.21 | 57,668,782 | 57.67 |
| (2) Preference share capital | | | | |
| (i) Preference Shares (Refer note 13(b)) | | | | |
| Opening balance | 31,585 | 1,839.08 | 31,585 | 1,839.08 |
| Add: Issue of shares | - | - | - | - |
| Closing balance | 31,585 | 1,839.08 | 31,585 | 1,839.08 |

(ii) Terms / rights attached to the Equity Shares:

The Company has only one class of equity shares having a par value of Rs. 1 per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividends in Indian Rupees, proposed by the Board of Directors and subject to the approval of the shareholders in the Annual General Meetings. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shareholders holding more than 5% of the share capital:

| Name of the Shareholder | As at March 31, 2024 | | As at March 31, 2023 | |
|---|-----------------------|--------------|-----------------------|--------------|
| | Number of shares held | % of holding | Number of shares held | % of holding |
| Equity Shares | | | | |
| Mr. Ajay Adishesan | 33,029,200 | 56.74% | 33,029,200 | 57.27% |
| Mr. Probir Roy | 6,196,221 | 10.64% | 6,325,221 | 10.97% |
| Mr. Alexander Kuruvilla | 3,260,090 | 5.60% | 3,260,090 | 5.65% |
| Mr. Dhruv Singh | 3,775,000 | 6.49% | 3,775,000 | 6.55% |
| Mrs. Uma Vishvanathan | 4,096,630 | 7.04% | 4,096,630 | 7.10% |
| Preference Shares | | | | |
| M/s. Lightbox Ventures I | 20,716 | 65.59% | 20,716 | 65.59% |
| M/s. IPO Wealth Holdings Pty Ltd. | 2,768 | 8.76% | 2,768 | 8.76% |
| M/s. Mayfield FVCI Ltd. | 2,544 | 8.05% | 2,544 | 8.05% |
| M/s. VISA International Service Association | 2,229 | 7.06% | 2,229 | 7.06% |

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(iv) Details of Shares held by Promoters at the end of the year

| Promoter Name | Year | Number of shares held | % of holding of Equity shares | % change during the year |
|--------------------|----------------------|-----------------------|-------------------------------|--------------------------|
| Mr. Ajay Adishesan | As at March 31, 2024 | 33,029,200 | 56.74% | (0.53%) |

v) i) For details of shares reserved for issue under Employee Stock Option Plan (ESOP) of the Parent Company, refer Note 35.

ii) There are no shares bought back during the period of five years immediately preceding the reporting date.

16 Other equity

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Securities premium account | 590.81 | 395.57 |
| Retained earnings/(deficit) | (2,692.31) | (2,389.48) |
| Employees Stock option outstanding | 513.61 | 524.74 |
| Share application money pending allotment | - | 1.52 |
| Other items of other comprehensive income | 0.85 | 0.31 |
| Total | (1,587.04) | (1,467.34) |

(A) Securities premium (SP)

| | | |
|--|---------------|---------------|
| Opening balance | 395.57 | 296.24 |
| Add : Securities premium credited on share issue | 195.24 | 99.33 |
| Closing balance | 590.81 | 395.57 |

Securities premium is used to record the premium on issue of shares. Security premium record premium on issue of shares to be utilized in accordance with the Act.

(B) Retained earnings/(deficit)

| | | |
|------------------------|-------------------|-------------------|
| Opening balance | (2,389.80) | (2,004.31) |
| Loss for the year | (302.51) | (385.49) |
| Closing balance | (2,692.31) | (2,389.80) |

Retained earnings represent the Company's undistributed earnings after taxes.

(C) Employee Stock options outstanding account (ESOOA)*

| | | |
|---|---------------|---------------|
| Balance at the beginning of the year | 524.74 | 361.30 |
| Add: Employee stock option expense/(paid) | (11.13) | 163.44 |
| Closing Balance | 513.61 | 524.74 |

*ESOOA recognizes the fair value of options as at the grant date spread over the vesting period. (Refer note 35)

The employee stock options reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 35 for details of these plans.

(D) Share application money pending allotment

| | | |
|--|----------|-------------|
| Opening balance | 1.52 | - |
| Less: exercise of share options | (195.79) | (99.62) |
| Receipt of share application money pending allotment | 194.27 | 101.14 |
| Closing balance | - | 1.52 |

Share application money pending allotment refers to the funds received by a company from investors for the subscription of shares that have not yet been formally allotted.

(E) Other items of other comprehensive income

| | | |
|--|-------------|-------------|
| Opening balance | 0.62 | (2.18) |
| Remeasurements of the defined benefit liabilities / (asset) net of tax | 0.23 | 2.80 |
| Closing balance | 0.85 | 0.62 |

Includes cumulative impact of amounts (net of tax effect) recognized through other comprehensive income and has not been transferred to Equity or Profit and loss, as applicable.

17 Provisions

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------|-------------------------|-------------------------|
| Provision for employee benefits | | |
| Gratuity [Refer note 30] | 16.40 | 14.60 |
| Total | 16.40 | 14.60 |

| Movement In Provisions: | Non Current | | Current | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Opening balance | 14.60 | 11.98 | 1.34 | 3.41 |
| Charged/ (Credited) to statement of profit and loss | 3.01 | 5.36 | 0.49 | (2.02) |
| Benefits paid during the year | (1.20) | (2.74) | - | (0.05) |
| Closing balance | 16.40 | 14.60 | 1.83 | 1.34 |

18 Short-term borrowings

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Unsecured, Loans from Related Parties | | |
| unsecured loans from Directors (Refer Note 32) | 35.00 | 35.00 |
| Total | 35.00 | 35.00 |

Unsecured Loan from Director's is interest free and repayable on demand .

19 Trade payables (at amortised cost)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Trade payables | | |
| - Total outstanding dues of micro and small enterprises | 0.01 | 0.14 |
| - Total outstanding dues of creditors other than micro and small enterprises | 535.66 | 194.97 |
| Total | 535.67 | 195.11 |

Trade payables ageing schedule as on March 31, 2024

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|-----------------------------|--|-------------------|-------------|-------------|-------------------|---------------|
| | Less than 6 months | 6 months - 1 year | 1- 2 years | 2-3 years | More than 3 years | |
| (i) MSME | 0.01 | - | - | - | - | 0.01 |
| (ii) Others | 520.28 | 9.74 | 0.19 | 5.45 | - | 535.66 |
| (iii) Disputed Dues - MSME | - | - | - | - | - | - |
| (iv) Disputed Dues - Others | - | - | - | - | - | - |
| (v) Unbilled dues | - | - | - | - | - | - |
| Total | 520.29 | 9.74 | 0.19 | 5.45 | - | 535.67 |

Trade payables ageing schedule as on March 31, 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|-----------------------------|--|-------------------|-------------|-------------|-------------------|---------------|
| | Less than 6 months | 6 months - 1 year | 1- 2 years | 2-3 years | More than 3 years | |
| (i) MSME | 0.14 | - | - | - | - | 0.14 |
| (ii) Others | 183.18 | 0.57 | 7.23 | 3.98 | - | 194.97 |
| (iii) Disputed Dues - MSME | - | - | - | - | - | - |
| (iv) Disputed Dues - Others | - | - | - | - | - | - |
| (v) Unbilled dues | - | - | - | - | - | - |
| Total | 183.32 | 0.57 | 7.23 | 3.98 | - | 195.11 |

(i) Based on the information available with the Group, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

(ii) Trade payables are non-interest bearing and are normally settled on 60-day terms or as per agreed terms

(iii) Other payables are non-interest bearing and have an average term of six months or as per agreed terms

20 Provisions

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Provision for Expenses | 15.95 | 44.78 |
| Provision for gratuity [Refer note 30] | 1.83 | 1.34 |
| Total | 17.78 | 46.12 |

21 Other Current Liabilities

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|------------------------|-------------------------|-------------------------|
| Statutory remittances | 11.43 | 14.06 |
| Salary & PLI payable | 35.15 | 43.41 |
| Advance from customers | 56.49 | 51.35 |
| Total | 103.07 | 108.82 |

18 Short-term borrowings

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Unsecured, Loans from Related Parties | | |
| unsecured loans from Directors (Refer Note 32) | 35.00 | 35.00 |
| Total | 35.00 | 35.00 |

Unsecured Loan from Director's is interest free and repayable on demand .

19 Trade payables (at amortised cost)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Trade payables | | |
| - Total outstanding dues of micro and small enterprises | 0.01 | 0.14 |
| - Total outstanding dues of creditors other than micro and small enterprises | 535.66 | 194.97 |
| Total | 535.67 | 195.11 |

Trade payables ageing schedule as on March 31, 2024

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|-----------------------------|--|-------------------|-------------|-------------|-------------------|---------------|
| | Less than 6 months | 6 months - 1 year | 1- 2 years | 2-3 years | More than 3 years | |
| (i) MSME | 0.01 | - | - | - | - | 0.01 |
| (ii) Others | 520.28 | 9.74 | 0.19 | 5.45 | - | 535.66 |
| (iii) Disputed Dues - MSME | - | - | - | - | - | - |
| (iv) Disputed Dues - Others | - | - | - | - | - | - |
| (v) Unbilled dues | - | - | - | - | - | - |
| Total | 520.29 | 9.74 | 0.19 | 5.45 | - | 535.67 |

Trade payables ageing schedule as on March 31, 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|-----------------------------|--|-------------------|-------------|-------------|-------------------|---------------|
| | Less than 6 months | 6 months - 1 year | 1- 2 years | 2-3 years | More than 3 years | |
| (i) MSME | 0.14 | - | - | - | - | 0.14 |
| (ii) Others | 183.18 | 0.57 | 7.23 | 3.98 | - | 194.97 |
| (iii) Disputed Dues - MSME | - | - | - | - | - | - |
| (iv) Disputed Dues - Others | - | - | - | - | - | - |
| (v) Unbilled dues | - | - | - | - | - | - |
| Total | 183.32 | 0.57 | 7.23 | 3.98 | - | 195.11 |

(i) Based on the information available with the Group, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

(ii) Trade payables are non-interest bearing and are normally settled on 60-day terms or as per agreed terms

(iii) Other payables are non-interest bearing and have an average term of six months or as per agreed terms

20 Provisions

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Provision for Expenses | 15.95 | 44.78 |
| Provision for gratuity [Refer note 30] | 1.83 | 1.34 |
| Total | 17.78 | 46.12 |

21 Other Current Liabilities

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|------------------------|-------------------------|-------------------------|
| Statutory remittances | 11.43 | 14.06 |
| Salary & PLI payable | 35.15 | 43.41 |
| Advance from customers | 56.49 | 51.35 |
| Total | 103.07 | 108.82 |

22 Revenue from operations

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Revenue from contracts with customers | | |
| Transaction fees | 13,362.75 | 13,467.06 |
| Other operating revenue | 22.46 | 28.39 |
| Total | 13,385.21 | 13,495.45 |

23 Other income

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Interest income from | | |
| - financial assets | | |
| related party | 20.76 | 9.96 |
| fixed deposits | 0.49 | 0.02 |
| - income tax refund | 5.21 | 5.26 |
| - on lease deposit | 0.50 | 0.45 |
| Liabilities no longer required written back | - | 1.33 |
| Unrealised Foreign exchange gain | 4.33 | 10.00 |
| Other miscellaneous income | 3.83 | 6.86 |
| Total | 35.12 | 33.87 |

24 Cost of services

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Bank transaction fees and payment gateway fees | 13,376.85 | 13,382.37 |
| Total | 13,376.85 | 13,382.37 |

25 Employee benefit expenses

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Salaries, wages, bonus and other allowances | 228.15 | 220.62 |
| Contributions to provident fund and other funds (Refer Note 30) | 6.75 | 6.14 |
| Gratuity expense (Refer Note 30) | 3.73 | 3.31 |
| Employee stock option scheme compensation (Refer Note 35) | (11.13) | 163.43 |
| Staff welfare expenses | 1.40 | 0.88 |
| Total | 228.90 | 394.38 |

26 Finance costs

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| (a) Interest expense on financial liabilities at amortised cost: | | |
| (i) Lease liabilities | 1.23 | 1.36 |
| (b) Interest on delay payment of statutory dues | 0.01 | 3.70 |
| Total | 1.24 | 5.06 |

PayMate India Limited

(CIN: U62090MH2006PLC205023)

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts are in INR Millions, except for share data and unless otherwise stated)

27 Other expenses

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|------------------------------|------------------------------|
| Power | 0.38 | 0.39 |
| Insurance expenses | 0.40 | 0.37 |
| Repairs and maintenance (Others) | 0.48 | 1.79 |
| Rates and taxes | 2.97 | 2.94 |
| Legal and professional fees | 30.44 | 50.06 |
| Information technology expenses | 23.18 | 25.27 |
| Travelling and conveyance expenses | 3.48 | 5.81 |
| Audit fees (Refer Note - 27.1) | 5.72 | 5.00 |
| Advertisement and marketing expenses | 21.41 | 13.59 |
| Penalty | - | 0.20 |
| Office expenses | 2.00 | 3.27 |
| Telephone charges | 2.14 | 1.38 |
| Bank charges | 0.75 | 0.39 |
| Membership and registration | 0.21 | 0.68 |
| Miscellaneous expenses | 0.17 | 0.01 |
| Total | 93.74 | 111.13 |

27.1 Payments to auditors:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Payments to auditors comprises (net of input tax) | | |
| Statutory audit fees | 5.50 | 5.00 |
| In other capacity: | | |
| Certificates | 0.12 | - |
| Reimbursement of expenses | 0.10 | - |
| Total | 5.72 | 5.00 |

28 Contingent liabilities and commitments

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| (i) Contingent liabilities: | | |
| (a) Bank guarantee given to various parties | 0.52 | 0.50 |
| (b) Service tax demand* | 1.19 | 1.19 |
| (c) Legal cases# | 3.75 | - |
| (ii) Commitments: | | |
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for | - | - |

* Service tax demand is pertaining to the FY 2012-13 to 2017-18 and the dispute is pending before Commissioner, Central Excise & Service Tax, Mumbai.

An Arbitration Petition filed before the High Court of Delhi by 91 Springboard Business Hub Private Limited, for recovery of Rs. 37,45,307/-. The matter is currently pending before the Arbitrator.

29 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| (i) The amounts remaining unpaid to micro and small supplies as at end of the period / year | | |
| - Principal | 0.01 | 0.14 |
| - Interest | - | - |
| (ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year/period; | - | - |
| (iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act; | - | - |
| (iv) The amount of interest accrued and remaining unpaid at the end of each accounting year / period ; and | - | - |
| (v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act. | - | - |

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

30 Employee benefit plans**30.1 Defined contribution plans - provident fund**

The Company makes Provident Fund scheme contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised the following contributions in the Statement of profit and loss.

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|----------------|---------------------------|---------------------------|
| Provident fund | 6.75 | 6.14 |

30.2 Defined benefit plan - gratuity

The Company provides for Gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for Gratuity. The amount of Gratuity payable on retirement/ termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months, restricted to a sum of Rs. 20 lakhs. The Group does not fund the liability.

This defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|---------------------------|---------------------------|
| <u>Components of employer expense</u> | | |
| Current service cost | 2.52 | 2.31 |
| Past service cost | - | - |
| Interest cost | 1.21 | 1.00 |
| Expected return on plan assets | - | - |
| Recognised in statement of profit and loss | 3.73 | 3.31 |
| Re-measurement - actuarial (gain)/loss recognised in OCI | (0.23) | (2.80) |
| Total expense recognised in the Statement of total comprehensive income | 3.50 | 0.50 |
| <u>Other Comprehensive Income (OCI)</u> | | |
| Actuarial (gain)/loss due to DBO experience | (0.69) | (0.37) |
| Actuarial (gain)/loss due to DBO financial assumption changes | 0.26 | (1.76) |
| Actuarial (gain)/loss due to DBO demographic assumption changes | 0.20 | (0.68) |
| Actuarial (gain)/loss arising during period | (0.23) | (2.80) |
| Actual return on plan assets (greater)/less interest on plan assets | - | - |
| Actuarial (gains)/ losses recognized in OCI | (0.23) | (2.80) |

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|---------------------------|---------------------------|
| <u>Defined Benefit Cost</u> | | |
| Service cost | 2.52 | 2.31 |
| Net interest on net defined benefit liability / (asset) | 1.21 | 1.00 |
| Actuarial (gains) / losses recognized in OCI | (0.23) | (2.80) |
| Defined Benefit Cost | 3.50 | 0.50 |
| <u>Change in defined benefit obligation (DBO) during the year</u> | | |
| Present value of DBO at beginning of the year | 15.93 | 15.43 |
| Current service cost | 2.52 | 2.31 |
| Past service cost | - | - |
| Interest cost | 1.21 | 1.00 |
| Actuarial (gains) / losses | (0.23) | (2.80) |
| Benefits paid | (1.20) | - |
| Present value of DBO at the end of the year | 18.23 | 15.93 |

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| <u>Actual contribution and benefit payments for year</u> | | |
| Actual benefit payments | (1.20) | - |
| Actual contributions | 1.20 | - |
| <u>Change in fair value of assets during the year</u> | | |
| Plan assets at beginning of the year | - | - |
| Expected return on plan assets | - | - |
| Actual company contributions | 1.20 | - |
| Actuarial gain / (loss) | - | - |
| Benefits paid | (1.20) | - |
| Plan assets at the end of the year | - | - |
| Actual return on plan assets | - | - |

| | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Current and Non Current Liability portion | | |
| Particulars | | |
| Current Liability | 1.83 | 1.34 |
| Non Current Asset / (Liability) | 16.40 | 14.60 |
| Net Asset/(Liability) | 18.23 | 15.93 |
| <u>Net asset / (liability) recognised in the Balance Sheet</u> | | |
| Present value of defined benefit obligation | 18.23 | 15.93 |
| Fair value of plan assets | - | - |
| Funded status [Surplus / (Deficit)] | (18.23) | (15.93) |
| Net asset / (liability) recognised in the Balance Sheet | (18.23) | (15.93) |
| <u>Composition of the plan assets is as follows:</u> | | |
| Discount rate | 7.09% | 7.30% |
| Attrition Rate | 10.00% | 9.00% |
| Expected return on plan assets | NA | NA |
| Salary escalation | 8.00% | 8.00% |

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

| Gratuity Plan | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Estimate value of obligation if discount rate higher by 1% | (1.12) | (1.07) |
| Estimated value of obligation if discount rate is lower by 1% | 1.26 | 1.21 |
| Estimate value of obligation if salary growth rate is higher by 1% | 0.67 | 0.60 |
| Estimate value of obligation if salary growth rate is lower by 1% | (0.66) | (0.71) |
| Estimate value of obligation if attrition rate is higher by 1% | 0.17 | 0.17 |
| Estimate value of obligation if attrition rate is lower by 1% | (0.20) | (0.20) |

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Maturity profile of defined benefit obligation:

| Maturity profile, if it ensues | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------------|----------------------|----------------------|
| With in 1 year | 1.89 | 1.38 |
| 1-2 Year | 1.97 | 1.56 |
| 2-3 Year | 1.96 | 1.61 |
| 3-4 Year | 1.91 | 1.61 |
| 4-5 Year | 1.86 | 1.56 |
| Above 5 years | 9.52 | 7.72 |

PayMate India Limited

(CIN: U62090MH2006PLC205023)

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts are in INR Millions, except for share data and unless otherwise stated)

31 Segment Reporting

The Company is a Payment Aggregator and its operations predominantly relate to providing B2B payments and services. Board of Directors (Chief Operating Decision Maker “CODM”) reviews the information at the revenue level and does not allocate operating costs and expenses, assets and liabilities across business units, as the CODM does not use such information to allocate resources or evaluate the performance of the business units. The way the CODM reviews the performance, management of the Company has concluded that it constitutes a single segment as per Ind AS 108 ‘Operating Segments’. Hence, no separate disclosure is required for segments.

The Company has revenues primarily from customers domiciled in India. Substantially all of the Company’s non-current operating assets are domiciled in India.

An analysis of the Company’s revenue is as follows:

a) Revenue From External Customers

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---------------|------------------------------|---------------------------|
| India | 13,308.99 | 13,414.03 |
| Singapore | 53.77 | 53.03 |
| Rest of World | - | - |
| Total | 13,362.75 | 13,467.06 |

b) Non-Current assets (other than Financial instruments)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---------------|------------------------------|---------------------------|
| India | 17.00 | 35.43 |
| Singapore | - | - |
| Rest of world | - | - |
| Total | 17.00 | 35.43 |

32 Related party transactions

(a) Related Parties

| a) Related Parties | | | |
|---|--|----------------------------------|------------------------|
| Name of related parties | Country of incorporation and principal place of business | Proportion of ownership interest | |
| | | Sunday, March 31, 2024 | Friday, March 31, 2023 |
| i) Holding Company | | | |
| PayMate India Limited | India | 100% | 100% |
| ii) Subsidiaries | | | |
| PayMate Payment Services Provider LLC | Dubai | 100% | 100% |
| PayMate Inc # | United States of America | 100% | 100% |
| PayMate Fintech (Pvt) Ltd | Sri Lanka | 100% | 100% |
| PayMate India SPC | Oman | 100% | 100% |
| PayMate Pte Ltd | Singapore | 100% | 100% |
| PayMate Fintech LLC | Kingdom of Saudi Arabia (KSA) | 78% | 78% |
| PayMate Payment Services Sdn. Bhd. | Malaysia | 100% | 100% |
| Dunomo (Pty) Ltd | South Africa | 100% | 100% |
| Dunomo Pty Ltd | Australia | 100% | 100% |
| iii) Company having Common Directors | | | |
| Bloom Ventures Private Limited | | | |
| iv) KeyManagerial Persons | | | |
| Ajay Adishesan - Chairman and Managing Director | | | |
| S Vishvanathan - Whole Time Director and CFO | | | |
| Uma Vishvanathan - Relative of Director | | | |

(b) Transaction during the year

| Particulars | Related Party | Nature of Relationship | Year ended March 31, 2024 | Year ended March 31, 2023 |
|----------------------------------|----------------------------------|---|---------------------------|---------------------------|
| A) Directors Remuneration | Ajay Adishesan S Vishvanathan | Chairman and Managing Director Whole Time Director and CFO | 20.40 10.20 | 20.40 10.20 |
| B) Salary | Uma Vishvanathan | Relative of Director | - | 0.85 |
| C) Loans Taken | Ajay Adishesan | Chairman and Managing Director | 26.55 | 35.00 |
| D) Loans Repaid | Ajay Adishesan | Chairman and Managing Director | 26.55 | - |
| D) Advance from Customers | PayMate Pte Ltd | Singapore | - | 35.00 |
| E) Advance from Customers Repaid | PayMate Pte Ltd | Kingdom of Saudi Arabia (KSA) | - | 35.00 |

(c) Balance outstanding as at the balance sheet date

| Particulars | Related Party | Nature of Relationship | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------|---|--|----------------------|----------------------|
| A) Remuneration Payable | PayMate Fintech LLC Dunomo (Pty) Ltd | Chairman and Managing Director Relative of Director | 1.12 0.59 | 1.06 0.61 |
| B) Short term borrowings | PayMate Fintech LLC | Chairman and Managing Director | 35.00 | 35.00 |

(d) Transactions within the Group:

| Particulars | Name of the related party | Nature of Relationship | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---------------------------------------|--|---------------------------|---------------------------|
| Transactions by the Company with the subsidiary: | | | | |
| A) Loan given | PayMate Payment Services Provider LLC | Wholly Owned Subsidiary of PayMate India Limited | 415.08 | 152.42 |
| B) Interest income on loan given | PayMate Payment Services Provider LLC | Wholly Owned Subsidiary of PayMate India Limited | 20.76 | 9.96 |

(e) Amounts due (to)/ from related parties:

| Particulars | Name of the related party | | As at March 31, 2024 | As at March 31, 2023 |
|--|---------------------------------------|--|----------------------|----------------------|
| A) Short term loans and advances (Note 12) | PayMate Payment Services Provider LLC | Wholly Owned Subsidiary of PayMate India Limited | 415.08 | 235.32 |
| B) Interest Receivable (Note 13) | PayMate Payment Service Provider LLC | Wholly Owned Subsidiary of PayMate India Limited | 35.86 | 15.16 |
| C) Investments (Note 7) | PayMate Payment Services Provider LLC | Wholly Owned Subsidiary of PayMate India Limited | 6.34 | 2.85 |

PayMate, Inc. has filed an application dated July 12, 2021 with the Secretary of State, California Stock Corporation for voluntary winding-up. As on the date March 31, 2024, the application is pending with the California Franchise Tax Board

33 Earnings per equity share

Basic earnings per share amounts is calculated by dividing the profit/(loss) for the year attributable to equity holders by the weighted average number of equity shares outstanding during the period / year. Diluted earnings per share amounts is calculated by dividing the profit/(Loss) attributable to equity holders (after adjusting for dividend on the convertible preference shares) by the weighted average number of equity shares outstanding during the period / year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Earnings per equity share | | |
| Loss attributable to equity shareholders | (302.51) | (385.49) |
| Original number of equity shares (post share split)* | 384,440 | 380,708 |
| Add: Impact of bonus issue | 57,665,960 | 57,106,182 |
| Weighted average number of equity shares for basic EPS (Nos.) | 58,050,400 | 57,486,890 |
| Effect of dilutive equivalent share options | 11,435,324 | 11,968,213 |
| Effect of dilutive equivalent Compulsory convertible preference shares | 50,249,780 | 50,249,780 |
| Weighted average number of equity shares for dilutive EPS (Nos.) | 119,735,504 | 119,704,883 |
| Par value per equity share (₹) | 1.00 | 1.00 |
| Earning/(loss) per share - Basic (₹) | (5.21) | (6.71) |
| Earning/(loss) per share - Diluted (₹)# | (5.21) | (6.71) |

*The Company on December 18, 2021, has split the Rs. 10 equity share into 10 shares of Re. 1 each. Accordingly, the earnings per share has been adjusted for subdivision of shares for the current and previous years presented in accordance with the requirements of Indian Accounting Standard (Ind AS) 33 - Earnings per share.

#The conversion of above mentioned potential equity shares would decrease loss per share from continuing ordinary activities, these are anti-dilutive in nature and thus the effects of anti-dilutive potential equity shares are not considered in calculating diluted earning per share.

34 Income Tax :

| Particulars | Year ended March 31, 2024 | | Year ended March 31, 2023 | |
|---------------------------|---------------------------------|----------------------------------|---------------------------------|----------------------------------|
| | Statement of profit and loss | Other comprehensive income | Statement of profit and loss | Other comprehensive income |
| Current Tax | - | - | - | - |
| Deferred tax | - | - | - | - |
| Income tax expense | - | - | - | - |

As the company is incurring losses, the provision for Income tax does not arise.

Deferred Tax

The Company has unabsorbed depreciation and unused tax losses at the end of the year. The net deferred tax asset has not been recognised on such losses and unabsorbed depreciation, as the probable taxable profits for the entity are low before the unused tax losses or unabsorbed depreciation expires and also on consideration of prudence. The Company has not made deferred tax assets on the following.

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Accumulated unabsorbed depreciation loss | 131.90 | 121.15 |
| Accumulated unabsorbed business loss | 967.14 | 820.28 |
| Total | 1,099.04 | 941.43 |
| Unused tax losses which expire in financial years: | | |
| 2022-23 | 5.66 | 5.66 |
| 2023-24 | 48.00 | 48.00 |
| 2024-25 | 44.44 | 44.44 |
| 2025-26 | 49.12 | 49.12 |
| 2026-27 | 71.50 | 71.50 |
| 2027-28 | 209.63 | 209.63 |
| 2028-29 | 148.14 | 148.14 |
| 2029-30 | 243.80 | 243.80 |
| 2030-31 | 146.86 | - |

35 Employee Stock Option plan

The stock compensation expense/credit recognised for employee services received during the year ended March 31, 2024 and year ended March 31, 2023 were ₹ (11.3) Million and ₹ 163.43 Million respectively.

ESOP scheme 2014

The Board of Directors of the Parent Company at its meeting held on December 18, 2021, ratified the PayMate Employees Stock Option Plan-I 2014 ("ESOP Plan"). At the said meeting, the Board authorised the Compensation Committee for the superintendence of the ESOP Plan. ESOP is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the Company. Employees covered under Stock Option Plans are granted an option to purchase shares of the Company at the respective exercise prices, subject to requirements of vesting conditions. These options generally vest in tranches over a period of one to five years from the date of grant. Upon vesting, the employees can acquire one equity share for every option. The normal Exercise Period is 5 years from the date the options become vested options or such period as extended by the Compensation committee.

The fair value of equity-settled award is estimated on

| Particulars | ESOP Plan | ESOP Plan | ESOP Plan | ESOP Plan | ESOP Plan | ESOP Plan | ESOP Plan | ESOP Plan | ESOP Plan | ESOP Plan | ESOP Plan | ESOP Plan | ESOP Plan |
|---|------------------------|------------------------|------------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-----------|------------------------|------------------------|-----------|
| Grant Date | 12-02-2024 (Vest 2) | 12-02-2023 (Vest 2) | 03-07-2023 (Vest 2) | 6-03-2023 (Vest 2) | 18-01-2023 (Vest 2) | 03-11-2022 (Vest 2) | 01-09-2022 (Vest 2) | 19-02-2022 (Vest 2) | 19-02-2022 (Vest 1) | 20-1-2022 | 24-11-2021 (Vest 2) | 24-11-2021 (Vest 1) | |
| Weighted average share price* (₹) | 506 | 506 | 114.16 | 114.16 | 114.16 | 114.16 | 114.16 | 114.16 | 105.35 | 105.35 | 105.35 | 52.66 | 52.66 |
| Exercise price (₹) | 506 | 506 | 114.16 | 114.16 | 114.16 | 114.16 | 114.16 | 114.16 | 1 | 1 | 1 | 1 | 1 |
| Expected volatility (%) | 31.06% | 31.06% | 26.54% | 27.27% | 29.37% | 28.45% | 34.87% | 38.63% | 41.35% | 38.79% | 37.03% | 39.36% | |
| Expected life of the option (years) | 3.5 | 4 | 4 | 4 | 4 | 4.5 | 4 | 4.74 | 3.74 | 3.65 | 4.5 | 3.5 | |
| Expected dividends (%) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | |
| Risk-free interest rate (%) | 7.11 | 7.12 | 7.065 | 7.425 | 7.245 | 7.43 | 7.065 | 5.71% | 5.37% | 5.37% | 5.55% | 5.18% | |
| Weighted average fair value as on grant date* (₹) | 506 | 506 | 114.16 | 114.16 | 114.16 | 114.16 | 114.16 | 104.59 | 104.53 | 104.53 | 52.66 | 52.66 | |

*The aforementioned shares are post subdivision of equity shares (refer note 13).

A summary of the general terms of grants under stock option plan

| Name of Plan | Number of options reserved under the plan as at March 31, 2024 | Number of options reserved under the plan as at March 31, 2023 |
|---|--|--|
| PayMate Employees Stock Option Plan-I 2014* | 24,160,000 | 24,160,000 |

*The aforementioned shares are post subdivision of equity shares (refer note 13).

The outstanding position as at each year end are summarised below:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Outstanding at the beginning of the year | 12,193,250 | 11,270,640 |
| Granted during the year | 852,274 | 922,610 |
| Exercised during the year | - | - |
| Modification during the year | - | - |
| Expired during the year | - | - |
| Adjustment | 74,670 | - |
| Cancelled during the year | 454,510 | - |
| Forfeited during the period/year | - | - |
| Outstanding at the end of the year | 12,516,345 | 12,193,250 |
| Exercisable at the end of the year | 11,198,160 | 10,742,140 |

*The aforementioned shares are post subdivision of equity shares (refer note 13).

| The following table summarises information about outstanding stock options: | | |
|---|------------|------------|
| Number of options* | 12,516,345 | 12,193,250 |
| Weighted average remaining life | 4.00 | 4.00 |

*The aforementioned shares are post subdivision of equity shares (refer note 13).

The fair value of the awards are estimated using the Black-Scholes Model for time and non-market performance-based options.

36 Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2024 & March 31, 2023 is as follows:

| Particulars | Amortised cost | |
|------------------------------|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Financial assets | | |
| Investment | 6.34 | 2.85 |
| Trade receivable | 3.01 | 6.28 |
| Cash and cash equivalents | 50.83 | 6.71 |
| Other bank balances | 0.43 | 3.25 |
| Loans | 415.08 | 235.32 |
| Other financial assets | 240.10 | 218.21 |
| Total assets | 715.79 | 472.62 |
| Financial liabilities | | |
| Borrowings | 35.00 | 35.00 |
| Lease liabilities | 5.12 | 10.28 |
| Trade payables | 535.67 | 195.11 |
| Total liabilities | 575.79 | 240.39 |

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Financial risk management

The Companies activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

| Risk | Exposure arising from | Measurement | Management |
|----------------|--|--|---|
| Credit risk | Trade receivables, security deposits, bank deposits and loans. | Ageing analysis. Credit score of customers/ entities. | Monitoring the credit limits of customers and obtaining security deposits |
| Liquidity risk | Borrowings | Cash flow forecasts managed by finance team under the overview of Senior Management. | Working capital management by Senior Management. The excess liquidity is channelised through bank deposits. |

The Companies risk management is carried out by the Senior Management under policies approved by the Board of Directors. The Board of Directors provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk and liquidity risk.

Risk management framework

The Companies board of directors have overall responsibility for the Companies risk management framework. The board of directors are responsible for developing and monitoring the Companies risk management policies. The board of directors monitors the compliance with the Companies risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Companies risk management policies are to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Companies activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Companies receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The companies exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|---------------------------|---------------------------|
| Revenue from top customer | 10,768.90 | 1,504.02 |
| Revenue from top 5 customers (other than above customer) | 2,572.41 | 6,149.69 |

One customer accounted for more than 80% of the revenue for the year ended March 31, 2024.

Liquidity risk

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

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

As at March 31, 2024

| | Carrying value | Less than 1 year | 1-5 years | More than 5 years | Total |
|-----------------------|----------------|------------------|-------------|-------------------|---------------|
| Lease liabilities | 5.12 | 5.31 | - | - | 5.31 |
| Short-term borrowings | 35.00 | 35.00 | - | - | 35.00 |
| Trade payables | 535.67 | 530.03 | 5.64 | - | 535.67 |
| Total | 575.79 | 570.34 | 5.64 | - | 575.97 |

As at March 31, 2023

| | Carrying value | Less than 1 year | 1-5 years | More than 5 years | Total |
|-----------------------|----------------|------------------|--------------|-------------------|---------------|
| Lease liabilities | 10.28 | 6.42 | 4.81 | - | 11.23 |
| Short-term borrowings | 35.00 | 35.00 | - | - | 35.00 |
| Trade payables | 195.11 | 183.89 | 11.21 | - | 195.11 |
| Total | 240.39 | 225.31 | 16.03 | - | 241.34 |

Foreign Currency risk

The Companies exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. dollars). A significant portion of the Companies revenues are in these foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Companies revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The companies management meets on a periodic basis to formulate the strategy for foreign currency risk management.

Consequently, the company management believes that the payables in foreign currency and its assets in foreign currency shall mitigate the foreign currency risk mutually to some extent

The following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2024 & March 31, 2023.

| Particulars | As at | Amount in USD | INR (in MM) |
|----------------------------|-----------|---------------|-------------|
| Assets - Trade receivables | 31-Mar-24 | - | - |
| | 31-Mar-23 | 12,605.64 | 1.04 |

Foreign currency sensitivity analysis

The following table details the Companies sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A negative number below indicates an decrease in profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be positive.

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---------------------------|---------------------------|
| Impact on profit or (loss) for the period / year in case on 5% strengthening of INR | - | (0.05) |
| Impact on profit or (loss) for the period / year in case on 5% weakening of INR | - | 0.05 |

Capital management

The Companies objective when managing capital is to safeguard its ability to continue as going concern so that the Company is able to provide minimum return to share holders and benefit for other stakeholders; and maintain an optimal capital structure to reduce the cost of capital.

The Company maintains its financial framework to support the pursuit of value growth for shareholders, which ensuring a secure financial base. In order to maintain or adjust the capital structure, the Company may vary the distribution of dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Company consists of debt and total equity of the Company.

The companies management review the capital structure of the Company on quarterly basis. As part of the review, the management considers the cost of capital and the risks associated with each class of capital requirements and maintenance of adequate liquidity.

Gearing Ratio (Net Debt to Equity Ratio)

| Particulars | As at | |
|---|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Debt | 35.00 | 35.00 |
| Less: Cash and cash equivalents | 50.83 | 6.71 |
| Net Debt | (15.83) | 28.29 |
| (a) Share capital | 1,897.29 | 1,896.75 |
| (b) Other Equity | (1,587.04) | (1,467.35) |
| Total Equity | 310.25 | 429.40 |
| Net Debt to total equity ratio (without considering other Equity) | -0.83% | 1.49% |
| Net Debt to total equity ratio (considering other Equity) | -5.10% | 6.59% |

37 Revenue from contract with customers

Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contract with customers:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Income from sale of services | 13,362.75 | 13,467.06 |
| | 13,362.75 | 13,467.06 |
| India | 13,308.99 | 13,414.03 |
| Outside India | 53.77 | 53.03 |
| | 13,362.75 | 13,467.06 |
| Timing of revenue recognition | | |
| Services transferred over time | - | - |
| Services transferred at a point of time | 13,362.75 | 13,467.06 |
| Total revenue from contracts with customers | 13,362.75 | 13,467.06 |
| Reconciliation of revenue recognised with the contracted price is as follows: | | |
| Contract price | 13,362.75 | 13,467.06 |
| Less: Discounts and disallowances | - | - |
| Total revenue from contracts with customers | 13,362.75 | 13,467.06 |

Contract balances

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------------------|-------------------------|-------------------------|
| Trade receivables | 3.01 | 6.28 |
| Contract assets | - | - |
| Contract liabilities | - | - |

The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses. The Company does not have any unhedged foreign currency exposure as at 31 March 2023.

38 Details of Benami Property held

The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

39 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

40 Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

41 Wilful Defaulter:

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

42 Compliance with approved Scheme(s) of Arrangements:

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

43 Corporate Social Responsibility :

Under Section 135 of the Companies Act, 2013, companies meeting certain criteria must spend at least 2% of their average net profits from the last three financial years on CSR activities. Although the company falls under this provision, no CSR contributions were made this year due to a lack of profits in the preceding three years. Consequently, the requirements to form a CSR committee and spend on CSR activities do not apply. However, a CSR policy is in place.

44 Utilisation of Borrowed funds and share premium:

- 44.1 PayMate India Ltd has loaned funds from owned funds to PayMate Payment Services Provider LLC (Subsidiary of the Company). PayMate Payment Services Provider LLC, Dubai have advanced these funds to the subsidiaries of PayMate India Ltd, Refer below.

| Amount of fund loaned to Intermediary* | | Amount of fund further loaned by such Intermediary to Ultimate Beneficiaries | | | | | | | |
|--|---------------------------------------|--|--------------------------|------------------------------------|---|---------------------------------|---|----------------------------|---------------------------|
| Date of Transfer | PayMate Payment Services Provider LLC | Date of Transfer | PayMate India SPC (Oman) | PayMate Fintech LLC (Saudi Arabia) | PayMate Payment Service Provider Sdn Bhd (Malaysia) | PayMate Pte Limited (Singapore) | PayMate Fintech Private Limited (Sri Lanka) | Dunomo (Pty) Ltd (South A) | Dunomo Pty Ltd, Australia |
| Upto Financial year 2022-23 | 27.22 | Upto Financial year 2022-23 | 1.01 | 4.59 | 1.04 | 20.32 | 0.19 | 0.06 | - |
| Apr-23 | 5.25 | Apr-23 | 0.17 | 0.10 | 0.31 | 4.49 | - | 0.09 | 0.09 |
| May-23 | 2.78 | May-23 | 0.11 | - | - | 2.10 | - | 0.49 | 0.08 |
| Jun-23 | 0.41 | Jun-23 | 0.04 | - | 0.14 | 0.15 | - | - | 0.08 |
| Jul-23 | 5.30 | Jul-23 | 0.03 | 0.03 | 0.10 | 5.04 | - | 0.02 | 0.08 |
| Aug-23 | 2.83 | Aug-23 | 0.04 | 0.46 | - | 2.25 | - | - | 0.08 |
| Sep-23 | 4.27 | Sep-23 | 0.04 | 1.37 | 0.32 | 2.47 | - | - | 0.07 |
| Oct-23 | 4.22 | Oct-23 | 0.04 | - | 1.16 | 2.76 | 0.09 | 0.09 | 0.08 |
| Nov-23 | 6.72 | Nov-23 | 0.03 | 1.84 | 0.75 | 3.99 | 0.03 | - | 0.08 |
| Dec-23 | 3.57 | Dec-23 | 0.04 | - | 0.63 | 2.78 | 0.01 | - | 0.11 |
| Jan-24 | 4.58 | Jan-24 | 0.10 | - | 0.74 | 2.33 | 0.01 | - | 1.40 |
| Feb-24 | 2.37 | Feb-24 | 0.04 | 0.10 | - | 2.22 | - | 0.01 | - |
| Mar-24 | 3.72 | Mar-24 | - | - | 1.13 | 2.59 | - | - | - |
| Total | 73.24 | Total | 1.69 | 8.49 | 6.32 | 53.49 | 0.33 | 0.76 | 2.15 |

*The provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for the above transactions. None of the transactions violates the Prevention of Money Laundering Act (PMLA), 2002.

- 44.2** The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- 45 Undisclosed income**
The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 46 Details of Crypto Currency or Virtual Currency**
The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 47 Compliance with approved Scheme(s) of Arrangements**
The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- 48 The Code on Social Security 2020**
The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.
The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.
- 49 Compliance with number of layers of companies**
The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- 50 Events after the reporting period**

NPCI's interoperable platform Bharat Connect is transforming B2B invoicing, payments, collections, and settlements in India. PayMate, a pioneering partner of this platform, operates as both an Agent Institution and an Operating Unit.

PayMate B2B is launched with Axis bank as the partner bank. It allows businesses to operate a Virtual Account Number that can be used to load funds from a whitelisted bank account and make fund transfers to their supplier on the same day.

51 Ratios as per the Schedule III requirements**a) Current Ratio (Current Assets divided by Current Liabilities)**

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-----------------------------|---------------------------|---------------------------|
| Current Assets (A) | 999.95 | 801.05 |
| Current Liabilities (B) | 696.64 | 390.69 |
| Ratio (C=A/B) | 1.44 | 2.05 |
| % Change from previous year | (30%) | |

Note on Variance:

The decrease in current ratio from March 31, 2023 to March 31, 2024 was primarily on account higher trade payable as of 31st March, 2024.

b) Debt Equity ratio (Total debt divided by Total equity where total debt refers to sum of current & non current borrowings):

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-----------------------------|---------------------------|---------------------------|
| Total debt (A) | 35.00 | 35.00 |
| Total equity (B) | 310.25 | 429.40 |
| Ratio (C=A/B) | 0.11 | 0.08 |
| % Change from previous year | (38%) | |

Note on Variance:

The decrease in Debt Equity ratio from March 31, 2023 to March 31, 2024 was primarily on account of losses incurred in the current year 31st March, 2024.

c) Return on Equity Ratio / Return on Investment Ratio (Net profit after tax divided by Total Equity)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Net profit after tax (A) | (302.51) | (385.49) |
| Total equity (B) | 310.25 | 429.40 |
| Ratio (C=A/B) | (97.51%) | (89.70%) |
| % Change from previous period / year | (9%) | |

d) Trade Receivables turnover ratio = Credit Sales divided by Closing trade receivables

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Revenue from Operations (A) | 13,385.21 | 13,495.45 |
| Average Trade Receivables (B) | 4.65 | 31.07 |
| Ratio (C=A/B) | 2,881.64 | 434.43 |
| % Change from previous period / year | (563%) | |

Note on Variance:

The increase in Trade receivable turnover ratio from March 31, 2023 to March 31, 2024 was primarily on account of lower trade receivable as on 31st March 24

e) Trade payables turnover ratio (Credit purchases divided by Average trade payables)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Credit Purchases (A) | 13,376.85 | 13,382.37 |
| Average Trade Payables (B) | 365.39 | 97.63 |
| Ratio (C=A/B) | 36.61 | 137.07 |
| % Change from previous period / year | (73%) | |

Note on Variance:

The increase in Trade Payables turnover ratio from March 31, 2023 to March 31, 2024 was primarily on account higher trade payable as of 31st March, 2024.

f) Net capital Turnover Ratio (Revenue divided by Net Working capital (current assets - current liabilities)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Revenue from Operations (A) | 13,385.21 | 13,495.45 |
| Net Working Capital (B) | 303.31 | 410.36 |
| Ratio (C=A/B) | 44.13 | 32.89 |
| % Change from previous period / year | 34% | |

Note on Variance:

The increase in Net capital Turnover Ratio from March 31, 2023 to March 31, 2024 was primarily on account of effective use of working capital

g) Net profit ratio (Net profit after tax divided by Revenue)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Net profit after tax (A) | (302.51) | (385.49) |
| Revenue from Operations (B) | 13,385.21 | 13,495.45 |
| Ratio (C=A/B) | (2.26%) | (2.85%) |
| % Change from previous period / year | 21% | |

This ratio has improved from -2.84% in March 2023 to -2.28% in March 2024 mainly due to reduction in operational cost

h) Return on Capital employed (Adjusted Earnings before interest and taxes Less other income divided by Capital Employed)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Profit before tax (A) | (302.51) | (385.49) |
| Add: Finance Costs (B) | 1.24 | 5.06 |
| EBIT (C) = (A)+(B) | (301.27) | (380.43) |
| Less: Other Income (D) | 35.12 | 33.87 |
| Adjusted EBIT ('E) = ('C)-(D) | (336.39) | (414.30) |
| Total Equity (F) | 310.25 | 429.40 |
| Return on Capital Employed (G=E/F) | (108.43%) | (96.10%) |
| % Change from previous period / year | (12%) | |

The decrease in Return on Capital employed from March 31, 2023 to March 31, 2024 was on account of current year loss.

i) Return on investment

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Net profit after tax (A) | (302.51) | (385.49) |
| Average Total Assets (B) | 931.31 | 759.21 |
| Ratio (C=A/B) | (32.48%) | (50.73%) |
| % Change from previous period / year | 36% | |

The return on Investment has increased in March 2024 as compared to March 2023 mainly due to decrease in Earnings before interest and taxes (EBIT) which is due to lower cost during the year March 2024 as compare to March 2023.

As per our report of even date

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.:105047W

GOVINDAN
ANANTHAKRISHNAN
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ANANTHAKRISHNAN
Date: 2024.10.07 20:34:52
+05'30'

Ananthakrishnan Govindan

Partner

Membership No: 205226

For and on behalf of the Board of Directors

PayMate India Limited

AJAY
ADISESHAN
Digitally signed by
AJAY ADISESHAN
Date: 2024.10.07
19:31:16 +05'30'

Ajay Adishesan

Chairman and Managing Director

DIN: 00099023

NANDA
HARISH
Digitally signed
by NANDA
HARISH
Date: 2024.10.07
18:25:46 +05'30'

Nanda Harish

General Counsel, Company Secretary and
Compliance Officer (ACS: 15495)

Vishvanathan
Subramanian
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Vishvanathan
Subramanian
Date: 2024.10.07
19:24:47 +05'30'

Vishvanathan Subramanian

Whole Time Director and CFO

DIN: 02153545

Place: Hyderabad

Date : October 7, 2024

Place: Mumbai

Date : October 7, 2024

51 Ratios as per the Schedule III requirements**a) Current Ratio (Current Assets divided by Current Liabilities)**

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Current Assets (A) | 999.95 | 801.05 |
| Current Liabilities (B) | 696.64 | 390.69 |
| Ratio (C=A/B) | 1.44 | 2.05 |
| % Change from previous period / year | -30% | |

Note on Variance:

The decrease in current ratio from March 31, 2023 to March 31, 2024 was primarily on account higher trade payable as of 31st March, 2024.

b) Debt Equity ratio (Total debt divided by Total equity where total debt refers to sum of current & non current borrowings):

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Total debt (A) | 35.00 | 35.00 |
| Total equity (B) | 310.25 | 429.40 |
| Ratio (C=A/B) | 0.11 | 0.08 |
| % Change from previous period / year | -38% | |

Note on Variance:

The decrease in Debt Equity ratio from March 31, 2023 to March 31, 2024 was primarily on account of losses incurred in the CY 31st March, 2024.

c) Return on Equity Ratio / Return on Investment Ratio (Net profit after tax divided by Total Equity)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Net profit after tax (A) | (302.51) | (385.49) |
| Total equity (B) | 310.25 | 429.40 |
| Ratio (C=A/B) | -97.51% | -89.77% |
| % Change from previous period / year | -9% | |

d) Trade Receivables turnover ratio = Credit Sales divided by Closing trade receivables

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Revenue from Operations (A) | 13,385.21 | 13,495.45 |
| Average Trade Receivables (B) | 4.65 | 31.07 |
| Ratio (C=A/B) | 2,881.64 | 434.43 |
| % Change from previous period / year | 563% | |

Note on Variance:

The increase in Trade receivable turnover ratio from March 31, 2023 to March 31, 2024 was primarily on account of lower trade receivable as on 31st March 24

e) Trade payables turnover ratio (Credit purchases divided by Average trade payables)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Credit Purchases (A) | 13,376.85 | 13,382.37 |
| Average Trade Payables (B) | 365.39 | 97.63 |
| Ratio (C=A/B) | 36.61 | 137.07 |
| % Change from previous period / year | -73% | |

Note on Variance:

The increase in Trade Payables turnover ratio from March 31, 2023 to March 31, 2024 was primarily on account higher trade payable as of 31st March, 2024.

f) Net capital Turnover Ratio (Revenue divided by Net Working capital (current assets - current liabilities)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Revenue from Operations (A) | 13,385.21 | 13,495.45 |
| Net Working Capital (B) | 303.31 | 410.36 |
| Ratio (C=A/B) | 44.13 | 32.89 |
| % Change from previous period / year | 34% | |

Note on Variance:

The increase in Net capital Turnover Ratio from March 31, 2023 to March 31, 2024 was primarily on account of effective use of working capital

g) Net profit ratio (Net profit after tax divided by Revenue)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Net profit after tax (A) | (302.51) | (385.49) |
| Revenue from Operations (B) | 13,385.21 | 13,495.45 |
| Ratio (C=A/B) | -2.26% | -2.86% |
| % Change from previous period / year | 21% | |

This ratio has improved from -2.84% in March 2023 to -2.28% in March 2024 mainly due to reduction in operational cost

h) Return on Capital employed (Adjusted Earnings before interest and taxes Less other income divided by Capital Employed)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Profit before tax (A) | (302.51) | (385.49) |
| Add: Finance Costs (B) | 1.24 | 5.06 |
| EBIT (C) = (A)+(B) | (301.27) | (380.43) |
| Less: Other Income (D) | 35.12 | 33.87 |
| Adjusted EBIT ('E') = ('C')-(D) | (336.39) | (414.30) |
| Total Equity (F) | 310.25 | 429.40 |
| Return on Capital Employed (G=E/F) | -108.43% | -96.48% |
| % Change from previous period / year | -12% | |

The decrease in Return on Capital employed from March 31, 2023 to March 31, 2024 was on account of current year loss.

i) Return on investment

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Net profit after tax (A) | (302.51) | (385.49) |
| Average Total Assets (B) | 931.31 | 759.21 |
| Ratio (C=A/B) | -32.48% | -50.78% |
| % Change from previous period / year | 36% | |

The return on Investment has increased in March 2024 as compared to March 2023 mainly due to decrease in Earnings before interest and taxes (EBIT) which is due to lower cost during the year March 2024 as compare to March 2023.

52 Previous years figures have been reclassified/regrouped wherever necessary to correspond with the current year classification (or) disclosures.

As per our report of even date

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.:105047W

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Ananthkrishnan Govindan

Partner

Membership No: 205226

For and on behalf of the Board of Directors

PayMate India Limited

**AJAY
ADISESHAN**

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Ajay Adisesan

Chairman and Managing Director

DIN: 00099023

**NANDA
HARISH**

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Nanda Harish

General Counsel, Company Secretary and

Compliance Officer (ACS: 15495)

**Vishvanatha
n
Subramanian**

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Vishvanathan Subramanian

Whole Time Director and CFO

DIN: 02153545

Place: Hyderabad

Date :

Place: Mumbai

Date :

INDEPENDENT AUDITOR'S REPORT

To the Members of PayMate India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of PayMate India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the standalone financial statements and our auditor's report thereon. The Director's report has not been made available to us.

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and

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completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g).
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).
 - (f) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

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- (g) With respect to the adequacy of the internal financial controls with reference to Standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure C”.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements - Refer Note 28 to the Standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - 1. The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 44 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - 2. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - 3. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material misstatement.
 - v. The Company has neither declared nor paid any dividend during the year.

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- vi. Based on our examination, the Company has used an accounting software for maintaining its books of account during the year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled in the software from April 1, 2023 till November 21, 2023. Further, the audit trail feature has not been operated throughout the year for all transaction recording in the accounting software at the application level, since it was enabled only with effect from November 22, 2023 in the said software. Also, during the course of our examination, we did not come across any instance of the audit trail feature being tampered with, post enablement of the audit trail feature in the software at the application level.
3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

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Partner

Membership No. 205226

UDIN: 24205226BKEANZ8911

Place: Hyderabad

Date: October 07, 2024

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Chartered Accountants

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PAYMATE INDIA LIMITED

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

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

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

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

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

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

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Partner

Membership No. 205226

UDIN: 24205226BKEANZ8911

Place: Hyderabad

Date: October 07, 2024

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Chartered Accountants

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PAYMATE INDIA LIMITED FOR THE YEAR ENDED MARCH 31, 2024

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment and right of use assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us, there are no immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.

ii.

(a) The Company is involved in the business of rendering services and does not hold any inventory. Accordingly, the provisions stated under clause 3(ii)(a) of the Order are not applicable to the Company.

(b) The Company has not been sanctioned any working capital limits during the year on the basis of security of current assets. Accordingly, the provisions stated under clause 3(ii)(b) of the Order are not applicable to the Company.

iii.

(a) According to the information explanation provided to us, the Company has provided loans to other entities.

The details of such loans to its subsidiaries are follows:

| INR in millions | |
|---|--------|
| Particulars | Loans |
| Aggregate amount provided during the year | 179.76 |
| Balance Outstanding as at balance sheet date in respect of loan given to subsidiary | 415.08 |

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- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to grant of all loans are not prejudicial to the interest of the Company.
- (c) The loans and advances in the nature of loan are repayable on demand. During the year, the Company has not demanded such loans or interest. Accordingly, in our opinion the repayments of principal amounts and receipts of interest are regular (Refer reporting under clause 3(iii)(f) below).
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount remaining outstanding as at the balance sheet date as the loans are repayable on demand and the Company has not demanded such loans.
- (e) According to the information explanation provided to us, the loans granted has not been demanded by the Company during the year. Accordingly, the provisions stated under clause 3(iii)(e) of the Order are not applicable to the Company.
- (f) According to the information explanation provided to us, the Company has granted loans repayable on demand. The details of the same are as follows:

| Particulars | Amount (In Million) |
|---|------------------------|
| Aggregate amount of Loans given - Repayable on demand from related parties | 415.08 |
| Total | 415.08 |
| Percentage of loans to the total loans | 100% |

- iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013, in respect of loans, investments, guarantees and security made.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions stated under clause 3(v) of the Order is not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2024, which are in the nature of deposits.
- vi. The provisions of sub-Section (1) of Section 148 of the Companies Act, 2013 are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products/ services of the Company. Accordingly, the provisions stated under clause 3(vi) of the Order are not applicable to the Company.
- vii.
- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise,

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cess, and other statutory dues in arrears as at March 31, 2024, outstanding for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub Clause (a) above which have not been deposited as on March 31, 2024 on account of any dispute, are as follows:

| Name of the statute | Nature of dues | Amount Demanded Rs.(in Millions) | Amount Paid Rs. | Period to which the amount relates | Forum where dispute is pending | Remarks , if any |
|-------------------------------|--|----------------------------------|-----------------|---------------------------------------|--|------------------|
| Finance Act, 1994 | Service Tax | 1.19 | Nil | F.Y.2012-13 to F.Y2017-18(up to June) | Customs, Excise and Service Tax Appellate Tribunal | NA |
| The Indian Contract Act, 1872 | Membershi p fees under the coworking agreement | 3.75 | Nil | 06.07.2020 to 19.03.2022 | Pending before the Arbitrator | NA |

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.

ix.

- (a) Loans amounting to INR 35.00 Million taken from a director are repayable on demand and terms and conditions for repayment of interest thereon have not been stipulated. According to the information and explanations given to us, such loans and interest thereon have not been demanded for repayment during the relevant financial year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.

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x.

- (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3(x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of shares during the year and the requirements of Section 42 and Section 62 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised.

xi.

- (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.
- (b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.

xii.

- (a) The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii)(a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv.

- (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports of the Company issued till date, for the period under audit.

xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Act are not applicable to Company.

xvi.

- (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(a) of the Order are not applicable to the Company.

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- (b) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one Core Investment Company as a part of its group. Accordingly, the provisions stated under clause 3(xvi)(d) of the Order are not applicable to the Company.

- xvii. Based on the overall review of standalone financial statements, the Company has incurred cash losses in the current financial year and in the immediately preceding financial year. The details of the same are as follows:

| Particulars | INR in millions | |
|-------------|----------------------------------|-----------------------------------|
| | March 31, 2024 (Current year) | March 31, 2023 (Previous Year) |
| Cash losses | 291.53 | 195.61 |

- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios(as disclosed in note 51 to the standalone financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are applicable to the Company. However, the Company has not made any contributions during the year as there are no profits in the company in the preceding three financial years and there are no unspent amounts which are required to be transferred either to a Fund or to a Special Account as per the provisions of Section 135 of the Act read with schedule VII. Accordingly, reporting under Clause 3(xx)(a) and Clause 3(xx)(b) of the Order is not applicable to the Company.

MSKA & Associates

Chartered Accountants

xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

GOVINDAN

ANANTHAKRISHN

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ANANTHAKRISHNAN
Date: 2024.10.07 20:07:57
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Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 24205226BKEANZ8911

Place: Hyderabad
Date: October 07, 2024

MSKA & Associates

Chartered Accountants

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PAYMATE INDIA LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of PayMate India Limited (formerly known as PayMate India Private Limited) on the Financial Statements for the year ended March 31, 2024]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to Standalone financial statements of PayMate India Limited (formerly known as PayMate India Private Limited) ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

MSKA & Associates

Chartered Accountants

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements

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

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

GOVINDAN

ANANTHAKRISHNAN

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ANANTHAKRISHNAN
Date: 2024.10.07 20:08:20
+05'30'

Ananthakrishnan Govindan

Partner

Membership No. 205226

UDIN: 24205226BKEANZ8911

Place: Hyderabad

Date: October 07, 2024

| | Particulars | Notes | As at March 31, 2024 | As at March 31, 2023 |
|-----|--|--------|----------------------|----------------------|
| | ASSETS | | | |
| I | Non-current assets | | | |
| | (a) Property, Plant and Equipment | 5 | 7.01 | 6.32 |
| | (b) Other Intangible assets | 5 | - | 14.61 |
| | (c) Right-of-use assets | 6 | 3.55 | 8.14 |
| | (d) Financial assets | | | |
| | (i) Other financial assets | 7 | 11.92 | 6.78 |
| | Total Non-current assets | | 22.48 | 35.85 |
| II | Current assets | | | |
| | (a) Financial assets | | | |
| | (i) Trade receivables | 8 | 3.01 | 6.66 |
| | (ii) Cash and cash equivalents | 9 | 62.05 | 7.29 |
| | (iii) Bank balances other than cash and cash equivalent | 10 | 0.43 | 3.25 |
| | (iv) Other financial assets | 11 | 197.28 | 201.51 |
| | (b) Other current assets | 12 | 309.91 | 346.13 |
| | Total Current assets | | 572.68 | 564.84 |
| | Total assets (I+II) | | 595.16 | 600.69 |
| | EQUITY AND LIABILITIES | | | |
| I | Equity | | | |
| | (a) Equity share capital | 13 (a) | 58.21 | 57.67 |
| | (b) Other equity instrument | 13 (b) | 1,839.08 | 1,839.08 |
| | (c) Other equity | 14 | (2,036.05) | (1,724.04) |
| | Equity attributable to owners of the parent | | (138.76) | 172.71 |
| | Non Controlling Interest | | (1.99) | (1.14) |
| | Total equity | | (140.75) | 172.71 |
| | LIABILITIES | | | |
| II | Non-current liabilities | | | |
| | (a) Financial liabilities | | | |
| | (i) Lease liabilities | 6 | - | 4.64 |
| | (b) Provisions | 15 | 25.93 | 18.25 |
| | Total Non - Current liabilities | | 25.93 | 22.89 |
| III | Current liabilities | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 16 | 35.00 | 35.00 |
| | (ii) Lease liabilities | 6 | 5.12 | 5.64 |
| | (iii) Trade payables | 17 | | |
| | Total outstanding dues of micro and small enterprises | | 0.01 | 0.14 |
| | Total outstanding dues of creditors other than micro and small enterprises | | 535.66 | 198.04 |
| | (b) Other current liabilities | 18 | 116.38 | 110.76 |
| | (c) Provisions | 19 | 17.81 | 55.51 |
| | Total Current liabilities | | 709.98 | 405.09 |
| | Total Equity and Liabilities (I+II+III) | | 595.16 | 600.69 |

See accompanying notes forming part of the consolidated financial statements

1-51

As per our report of even date

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No.: 105047W

GOVINDAN

ANANTHAKRISHNAN

Ananthakrishnan Govindan

Partner

Membership No: 205226

Digitally signed by GOVINDAN
ANANTHAKRISHNAN
Date: 2024.10.07 20:17:49
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For and on behalf of the Board of Directors

PayMate India Limited

AJAY

ADISESHAN

Ajay Adishesan

Chairman and Managing Director

DIN: 00099023

Digitally signed by
NANDA
by NANDA
Date: 2024.10.07
19:15:06 +05'30'

Nanda Harish

General Counsel, Company Secretary and
Compliance Officer (ACS: 15495)

Vishvanathan

n

Subramanian

Vishvanathan Subramanian

Whole Time Director and CFO

DIN: 02153545

Digitally signed by
Vishvanathan
Subramanian
Date: 2024.10.07
19:28:53 +05'30'

Place: Hyderabad

Date :

Place: Mumbai

Date :

| Particulars | Note No. | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|----------|---------------------------|---------------------------|
| I Income | | | |
| Revenue from operations | 20 | 13,425.35 | 13,501.13 |
| Other Income | 21 | 14.78 | 14.83 |
| II Total Income | | 13,440.13 | 13,515.96 |
| III Expenses | | | |
| Cost of services | 22 | 13,412.96 | 13,389.61 |
| Employee benefit expense | 23 | 361.49 | 504.96 |
| Finance costs | 24 | 1.24 | 5.06 |
| Depreciation and amortisation expense | 5 | 22.36 | 22.04 |
| Other expenses | 25 | 130.64 | 151.52 |
| Total Expenses (III) | | 13,928.69 | 14,073.19 |
| III Loss before tax (I - II) | | (488.56) | (557.23) |
| IV Tax expense | | | |
| Current tax | | - | - |
| Total tax expense | | - | - |
| V Loss for the year (III - IV) | | (488.56) | (557.23) |
| VI Other comprehensive loss | | (8.04) | 1.76 |
| (i) Items that will not be reclassified to profit or loss | | | |
| Re-measurement gains on defined benefit plans | | 0.23 | 2.80 |
| (ii) Items that will or may be reclassified to profit or loss | | | |
| Exchange differences on translating of financial statements of foreign operations | | (8.26) | (1.05) |
| VII Total comprehensive Loss for the year (V + VI) | | (496.60) | (555.47) |
| Loss for the year attributable to | | | |
| Owners of the parent | | (487.71) | (556.09) |
| Non-controlling interests | | (0.85) | (1.14) |
| Other comprehensive loss for the year attributable to | | | |
| Owners of the parent | | (8.04) | 1.76 |
| Non-controlling interests | | - | - |
| Total comprehensive income for the year attributable to | | | |
| Owners of the parent | | (495.75) | (554.34) |
| Non-controlling interests | | (0.85) | (1.14) |
| Earnings per share (Face value of INR 1/- each) Basic & Diluted - INR | | (8.40) | (9.67) |

See accompanying notes forming part of the consolidated financial statements

1-51

As per our report of even date

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.:105047W

GOVINDAN

ANANTHAKRISHN

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ANANTHAKRISHNAN
Date: 2024.10.07 20:18:27
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Partner

Membership No: 205226

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ANANTHAKRISHNAN
Date: 2024.10.07 20:18:27
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For and on behalf of the Board of Directors

PayMate India Limited

AJAY

ADISESHAN

Ajay Adishesan

Chairman and Managing Director

DIN: 00099023

Digitally signed by
AJAY ADISESHAN
Date: 2024.10.07
19:15:35 +05'30'

Vishvanathan

Subramanian

Vishvanathan Subramanian

Whole Time Director and CFO

DIN: 02153545

Digitally signed by
Vishvanathan
Subramanian
Date: 2024.10.07
19:29:39 +05'30'

NANDA
HARISH

Nanda Harish

General Counsel, Company Secretary and
Compliance Officer (ACS: 15495)

Place: Mumbai

Date :

Place: Hyderabad

Date :

(a) Share Capital

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|----------------------|-----------------|----------------------|-----------------|
| | Number of shares | Amount | Number of shares | Amount |
| (1) Equity share capital | | | | |
| (i) Equity Shares of ₹ 1/- each with voting rights (₹ 10/- each for FY 20-21) | | | | |
| Opening balance | 57,668,782 | 57.67 | 57,408,690 | 57.41 |
| Add: Issue of shares | 541,830 | 0.54 | 260,092 | 0.26 |
| Add: Issue of bonus shares | - | - | - | - |
| Closing balance | 58,210,612 | 58.21 | 57,668,782 | 57.67 |
| (2) Preference share capital | | | | |
| (i) Preference Shares (Refer note 13(b)) | | | | |
| Opening balance | 31,585 | 1,839.08 | 31,585 | 1,839.08 |
| Add: Issue of shares | - | - | - | - |
| Closing balance | 31,585 | 1,839.08 | 31,585 | 1,839.08 |

(b) Other equity

| Particulars | Securities premium account | Retained earnings / (deficit) | Other comprehensive income | Foreign currency translation Reserve | Share options outstanding Account | Share application money pending allotment | Total other equity | Non Controlling Interest (Note 49) | Total |
|---|----------------------------|-------------------------------|----------------------------|--------------------------------------|-----------------------------------|---|--------------------|------------------------------------|-------------------|
| Balance as at April 01, 2022 | 296.23 | (2,087.51) | (2.18) | (0.69) | 361.30 | - | (1,432.85) | - | (1,432.85) |
| Loss for the year | - | (557.23) | - | - | - | - | (557.23) | - | (557.23) |
| Exchange differences on translating of financial statements of foreign operations | - | - | - | (1.05) | - | - | (1.05) | - | (1.05) |
| Re-measurement gains on defined benefit plans net of tax | - | - | 2.80 | - | - | - | 2.80 | - | 2.80 |
| Addition to securities premium | 99.33 | - | - | - | - | - | 99.33 | - | 99.33 |
| Share application money pending allotment | - | - | - | - | - | 1.52 | 1.52 | - | 1.52 |
| Share based payment to employees | - | - | - | - | 163.44 | - | 163.44 | - | 163.44 |
| Non Controlling Interest | - | 1.14 | - | - | - | - | 1.14 | (1.14) | - |
| Balance as at March 31, 2023 | 395.56 | (2,643.60) | 0.62 | (1.74) | 524.74 | 1.52 | (1,722.90) | (1.14) | (1,724.04) |
| Balance as at April 01, 2023 | 395.56 | (2,643.60) | 0.62 | (1.74) | 524.74 | 1.52 | (1,722.90) | (1.14) | (1,724.04) |
| Loss for the year | - | (487.71) | - | - | - | - | (487.71) | - | (487.71) |
| Exchange differences on translating of financial statements of foreign operations | - | - | - | (8.26) | - | - | (8.26) | - | (8.26) |
| Re-measurement gains on defined benefit plans net of tax | - | - | 0.23 | - | - | - | 0.23 | - | 0.23 |
| Addition to securities premium | 195.24 | - | - | - | - | - | 195.24 | - | 195.24 |
| Share application money pending allotment | - | - | - | - | - | (1.52) | (1.52) | - | (1.52) |
| Share based payment to employees | - | - | - | - | (11.13) | - | (11.13) | - | (11.13) |
| Non Controlling Interest | - | - | - | - | - | - | - | (0.85) | (0.85) |
| Balance as at March 31, 2024 | 590.80 | (3,131.31) | 0.85 | (10.00) | 513.61 | - | (2,036.05) | (1.99) | (2,038.04) |

See accompanying notes forming part of the consolidated financial statements

1-51

As per our report of even date

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No.:105047W

GOVINDAN

ANANTHAKRISHNAN

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ANANTHAKRISHNAN
Date: 2024.10.07 20:19:41 +05'30'

Ananthakrishnan Govindan

Partner

Membership No: 205226

For and on behalf of the Board of Directors

PayMate India Limited

AJAY

ADISESHAN

Ajay Adishesan

Chairman and Managing Director

DIN: 00099023

Digitally signed by
NANDA HARISH
Date: 2024.10.07
18:29:59 +05'30'

Nanda Harish

General Counsel, Company Secretary and
Compliance Officer (ACS: 15495)

Place: Mumbai

Date :

Digitally signed by
Vishvanathan Subramanian
Date: 2024.10.07
19:30:31 +05'30'

Vishvanathan Subramanian

Whole Time Director and CFO

DIN: 02153545

Place: Hyderabad

Date :

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---------------------------|---------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Loss for the year | (488.56) | (557.23) |
| <u>Adjustments for:</u> | | |
| Depreciation and amortisation expenses | 22.36 | 22.04 |
| Finance costs | 0.01 | 5.06 |
| Interest received | (6.20) | (14.83) |
| Provision for Gratuity | 9.73 | 3.34 |
| Provision for PLI | 6.21 | 16.87 |
| Unrealised Foreign exchange gain | (4.33) | - |
| Share Based payments to employees | (11.13) | 163.43 |
| Liabilities no longer required written back | (0.42) | (1.33) |
| Miscellaneous Income | 3.80 | 6.86 |
| Operating loss before working capital changes | (468.54) | (355.79) |
| <u>Changes in working capital:</u> | | |
| <u>Adjustments for (increase) / decrease in operating assets:</u> | | |
| Trade receivables | 3.65 | 52.30 |
| Other financial assets | (0.91) | 13.47 |
| Other non-financial assets | (19.73) | (94.39) |
| Provisions | (38.19) | 12.88 |
| Trade payables | 337.62 | 194.51 |
| Other non- financial liabilities | 5.62 | 47.51 |
| Cash used in operations | (180.48) | (129.51) |
| Net income tax (paid) / refunded | 55.95 | (5.54) |
| Net cash flow used in operating activities (A) | (124.53) | (135.05) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Capital expenditure on property plant and equipment, including capital advances | (3.30) | (3.37) |
| Interest received | (6.20) | 5.39 |
| Net cash flow from / (used in) investing activities (B) | (9.50) | 2.01 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Short term borrowings | - | 35.00 |
| Repayment of Lease Liabilities | (5.68) | (5.05) |
| Repayment of interest on lease liabilities | (1.23) | (1.36) |
| Issue of Share Capital | 195.70 | 99.59 |
| Finance costs paid | (0.01) | (3.70) |
| Net cash flow from / (used in) financing activities (C) | 188.79 | 124.48 |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | 54.76 | (8.56) |
| Add: Cash and cash equivalents at the beginning of the year | 7.29 | 15.85 |
| Cash and cash equivalents at the end of the year | 62.05 | 7.29 |
| Cash and cash equivalents as per Balance Sheet (Refer note 9) | 62.05 | 7.29 |

Corporate Information and Significant Accounting Policies - Notes 1 & 2

See accompanying notes forming part of the consolidated financial

1-51

As per our report of even date

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.:105047W

GOVINDAN

ANANTHAKRISHNAN

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ANANTHAKRISHNAN
Date: 2024.10.07 20:20:16
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Ananthakrishnan Govindan

Partner

Membership No: 205226

For and on behalf of the Board of Directors

PayMate India Limited

AJAY

ADISESHAN

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AJAY ADISESHAN
Date: 2024.10.07
19:16:16 +05'30'

Ajay Adishesan

Chairman and Managing Director

DIN: 00099023

NANDA

HARISH

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by NANDA
HARISH
Date: 2024.10.07
18:30:19 +05'30'

Nanda Harish

General Counsel, Company Secretary and
Compliance Officer (ACS: 15495)

Vishvanathan
Subramanian

Digitally signed
by Vishvanathan
Subramanian
Date: 2024.10.07
19:31:53 +05'30'

Vishvanathan Subramanian

Whole Time Director and CFO

DIN: 02153545

Place: Hyderabad

Date :

Place: Mumbai

Date :

1. General Information

The consolidated financial statements comprise financial statements of PayMate India Limited (formerly known as PayMate India Private Limited) (the Company/ Parent Company) and its subsidiaries (collectively, the Group) for the year ended 31 March 2024. PayMate India Limited (the "Company") is a public limited company domiciled in India and was incorporated on May 12, 2006 under the provisions of the Companies Act, 1956 applicable in India. Its registered and principal office of business is located at No.111, 1st Floor, 'A' Wing, Sundervilla S.V.Road, Santacruz (West) Mumbai Maharashtra 400054 India. The Company is primarily engaged in the business of providing comprehensive digital workflow tied to payments which enable greater control and transparency along with better cash flows and an end to end reconciliation for a superior experience for Enterprise and SME in closed-loop supply chains.

The Board of Directors approved the standalone financial statements for the year ended 31 March 2024 and authorised for issue on **September 30, 2024**.

2. Significant Accounting Policies

Significant accounting policies adopted by the group are as under:

2.01 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Ind AS

These Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied to all the years presented unless otherwise stated.

(b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value or revalued value as required by relevant Ind AS:-

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
- ii) Share based payment transactions
- iii) Embedded derivative
- iv) Asset classified as held for sale

The group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

(c) Classification between Current and Non-current

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

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle
 - ii. Held primarily for the purpose of trading
 - iii. Expected to be realised within twelve months after the reporting period, or
 - iv. 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:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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 and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

(d) Use of estimates

PayMate India Limited

(CIN: U62090MH2006PLC205023)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

The preparation of consolidated financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying consolidated financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

Refer Note 3.1 for detailed discussion on estimates and judgments.

2.02 Basis of consolidation

The consolidated financial statements comprise the financial statements of the group and its subsidiaries as at 31 March 2024.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent group, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated balance sheet, consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Subsidiaries considered in the Consolidated Financial Statements:

PayMate Payment Services Provider LLC

PayMate Inc

PayMate Fintech (Pvt) Ltd

PayMate India SPC

PayMate Pte Ltd

PayMate Fintech Limited Liability Company

PayMate Payment Services Sdn. Bhd.

Dunomo

Dunomo Pty Ltd

2.03 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Freehold land is carried at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives

The group depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

| Property, plant and equipment | Useful Life |
|-------------------------------|--------------|
| Leasehold improvement* | Lease period |

| | |
|----------------------|-----------|
| Computer & Software | 3-5 Years |
| Office Equipment | 5 Years |
| Furniture & Fittings | 10 Years |

* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The residual values are not more than 5% of the original cost of the asset.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

2.04 Other Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

(a) Patents, copyrights and other rights

Separately acquired patents and copyrights are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(b) Research and development

Research expenditure and development expenditure that do not meet the criteria as stated below are recognised as an expense as incurred.

(c) Computer software Application

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Development Cost that are directly attributable to the design and testing of identifiable and unique software products are recognised as intangible assets where criteria mentioned in point (b) above are met. Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

The group amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

| Intangible | Useful life |
|-------------|-------------|
| Patents | 5 Years |
| Application | 5 Years |

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are not amortised. Such intangible assets are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss. when the asset is derecognised.

2.05 Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition/ as per agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

2.06 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is the group's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(c) Group companies

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

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

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

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.07 Fair value measurement

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 accessible to the group.

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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The group's management determines the policies and procedures for fair value measurement such as derivative instrument.

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

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.08 Revenue from contract with customer

(a) Sale of Services

PayMate India Limited

(CIN: U62090MH2006PLC205023)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

Revenue is measured based on the consideration specified in a contract with a customers net of variable consideration e.g. discounts, volume rebates, any payments made to a customer (unless the payment is for a distinct good or service received from the customer) and excludes amount collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to the customer. Revenue is only recognised to the extent that is highly probable that a significant reversal will not occur.

Where the Company acts as an agent for selling goods or services, only the commission income is included within revenue. The specific revenue recognition criterion described below must also be met before revenue is recognised. Typically, the Company has a right to payment before or at the point that services are delivered. Cash received before the services are delivered is recognised as contract liability. The amount of consideration does not contain a significant financing component as payment terms are less than one year.

(b) Service Fee from Merchants:

The Company earns service fee from merchants and recognises such revenue when the control in services have been transferred by the Company i.e. as and when services have been provided by the Company. Such service fee is generally determined as a percentage of transaction value executed by the merchants.

The Company derives its revenue primarily from the transaction Fees and related services and licensing income. The Company recognises revenue on transaction fees immediately upon completion of successful transaction and the collectability is reasonably assured.

(b) Other income

(i) Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the Statement of Profit and Loss.

(ii) Dividend Income

Dividend income is recorded when the right to receive payment is established.

(c) Contract Balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the group performs 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 that is conditional. A receivables represents the group's right to an amount of consideration that is unconditional.

Contract Liability

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 under the contract.

Trade Receivable

A trade receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

2.09 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year/period end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

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

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

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

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

(c) **Minimum Alternative Tax**

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 ('the IT Act') is recognised as current tax in the statement of Profit and Loss. The credit availed under the IT Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

The Taxation Laws (Amendment) Ordinance, 2019 ('Ordinance') was promulgated on September 20, 2019. The Ordinance has amended the Income Tax Act, 1961 and Finance Act, 2019 to inter-alia provide an option to domestic companies to pay income tax at a reduced tax of 22 percent plus applicable surcharge and cess with certain conditions to be met. The Company has opted to apply the provisions of section 115BAA from the Assessment year 2020-21 (year ended March 31, 2020) and accordingly, the Company has charged off the balance of MAT credit during the year ended March 31, 2020.

2.10 Leases

The group as a lessee

The group's lease asset classes primarily consist of leases for buildings taken to conduct its business in the ordinary course. The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

. Lease liabilities include the net present value of the following lease payments:

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

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

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

2.11 Impairment of non-financial assets

The group assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the group estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2.12 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The group records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

If the group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which 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 a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.13 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise balance with banks, cash on hand, cheques/ draft on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include balance with banks, cash on hand, cheques/ draft on hand and short-term deposits net of bank overdraft.

2.14 Financial instruments

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

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

PayMate India Limited

(CIN: U62090MH2006PLC205023)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The group makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the group does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Borrowing Cost: Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(iii) Derecognition

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

(c) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contract are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

(d) Offsetting financial instruments

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

2.15 Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability portion of an optionally convertible preference shares is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument since it meets Ind AS 32, Financial Instruments: Presentation, criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not subsequently re-measured.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

2.16 Employee Benefits**(a) Short-term obligations**

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

(b) Other long-term employee benefit obligations**(i) Defined contribution plan**

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

Gratuity: The group provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

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

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

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

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

(c) Share-based payments

Employees (including senior executives) of the group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. 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 Companies' best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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.

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

2.17 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Provision for Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period. A corresponding amount is recognised directly in equity.

2.19 Earnings Per Share

PayMate India Limited

(CIN: U62090MH2006PLC205023)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.20 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of directors monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the Summary Statements.

The operating segments have been identified on the basis of the nature of products/services. Further:

- i. Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter - segment revenue. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result.
- ii. Expenses which relate to the Group as a whole and not allocable to segments are included under unallocable expenditure.
- iii. Income which relates to the Group as a whole and not allocable to segments is included in unallocable income.
- iv. Segment results includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the group.
- v. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.
- vi. Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated business.

2.21 Rounding off amounts

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

3 Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end 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 consolidated 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.

(a) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 33.

(b) Taxes

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

(c) Defined benefit plans (gratuity benefits and compensated absences)

The cost of the defined benefit plans such as gratuity and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 28.

4.1 Standards (including amendments) issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company

5 Property Plant and equipment and Other Intangible assets

| Carrying amounts of | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------|-------------------------|-------------------------|
| <u>Tangible Assets</u> | | |
| Computers and softwares | 4.21 | 5.74 |
| Office equipments | 0.33 | 0.26 |
| Furniture and fittings | 2.47 | 0.33 |
| Total | 7.01 | 6.33 |
| <u>Intangible Assets</u> | | |
| Patent rights | - | - |
| Application | - | 14.61 |
| Total | - | 14.61 |

| | Property Plant and equipment | | | | Intangible assets | | |
|--|------------------------------|----------------------|---------------------------|-------|-------------------|-------------|-------|
| Description of Assets | Computers and softwares | Office equipments | Furniture and fittings | Total | Patent rights | Application | Total |
| I. Gross Carrying Value | | | | | | | |
| Balance as at March 31, 2022 | 16.25 | 0.67 | 0.86 | 17.78 | 0.24 | 73.05 | 73.29 |
| Additions | 3.34 | 0.03 | - | 3.37 | - | - | - |
| Disposals | - | - | - | - | - | - | - |
| Balance as at March 31, 2023 | 19.59 | 0.70 | 0.86 | 21.15 | 0.24 | 73.05 | 73.29 |
| Balance as at March 31, 2023 | 19.59 | 0.70 | 0.86 | 21.15 | 0.24 | 73.05 | 73.29 |
| Additions | 1.70 | 0.15 | 2.29 | 4.14 | - | - | - |
| Disposals | 0.84 | - | - | 0.84 | - | - | - |
| Balance as at March 31, 2024 | 20.45 | 0.85 | 3.15 | 24.45 | 0.24 | 73.05 | 73.29 |
| II. Accumulated depreciation and impairment | | | | | | | |
| Balance as at March 31, 2022 | 11.22 | 0.36 | 0.47 | 12.05 | 0.24 | 43.83 | 44.07 |
| Depreciation / amortisation expense for the period | 2.63 | 0.08 | 0.06 | 2.78 | - | 14.61 | 14.61 |
| Disposals | - | - | - | - | - | - | - |
| Balance as at March 31, 2023 | 13.85 | 0.44 | 0.53 | 14.83 | 0.24 | 58.44 | 58.68 |
| Balance as at March 31, 2023 | 13.85 | 0.44 | 0.53 | 14.83 | 0.24 | 58.44 | 58.68 |
| Depreciation / amortisation expense for the period | 2.41 | 0.08 | 0.15 | 2.64 | - | 14.61 | 14.61 |
| Disposals | 0.02 | - | - | 0.02 | - | - | - |
| Balance as at March 31, 2024 | 16.24 | 0.52 | 0.68 | 17.45 | 0.24 | 73.05 | 73.29 |
| III. Net block (I-II) | | | | | | | |
| Balance as at March 31, 2023 | 5.74 | 0.26 | 0.33 | 6.32 | - | 14.61 | 14.61 |
| Balance as at March 31, 2024 | 4.21 | 0.33 | 2.47 | 7.00 | - | 0.00 | 0.00 |

5 Property, plant and equipment and other Intangible assets (continued)

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

3 Depreciation and amortisation

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-------------------------------|------------------------------|------------------------------|
| Property, Plant and Equipment | 2.64 | 2.78 |
| Right of Use Assets | 5.11 | 4.65 |
| Amortisation - Intangibles | 14.61 | 14.61 |
| Total | 22.36 | 22.04 |

(CIN: U62090MH2006PLC205023)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts are INR. in Millions, except for share data and unless otherwise stated)

6. Right of use assets and Lease Liabilities

(i) Movement in Right of use assets and Lease liabilities is given below:

| Description | Right of use assets (Buildings) |
|---|------------------------------------|
| Balance as at March 31, 2022 | 31.39 |
| Additions | - |
| Disposals | - |
| Balance as at March 31, 2023 | 31.39 |
| Additions | 0.52 |
| Disposals | - |
| Balance as at March 31, 2024 | 31.91 |
| Accumulated depreciation as at April 1, 2021 | 13.95 |
| Depreciation for the year | 4.65 |
| Disposals | - |
| Accumulated depreciation as at March 31, 2022 | 18.60 |
| Depreciation for the period | 4.65 |
| Disposals | - |
| Accumulated depreciation as at March 31, 2023 | 23.25 |
| Depreciation for the period | 5.11 |
| Disposals | - |
| Accumulated depreciation as at March 31, 2024 | 28.36 |
| Balance as at March 31, 2023 | 8.14 |
| Balance as at March 31, 2024 | 3.55 |

Lease Liability: Set out below are the carrying amounts of lease liabilities and the movements during the year:

| | As at March 31, 2024 | As at March 31, 2023 |
|------------------------------------|-------------------------|-------------------------|
| Opening balance | 10.28 | 15.33 |
| Additions during the period / year | 0.52 | - |
| Accretion of interest | 1.23 | 1.36 |
| Payment of lease liabilities | (6.90) | (6.42) |
| Closing balance | 5.12 | 10.28 |
| Current Lease liabilities | 5.12 | 5.64 |
| Non Current Lease liabilities | - | 4.64 |

Contractual maturities of lease liabilities on undiscounted basis

| | As at March 31, 2024 | As at March 31, 2023 |
|----------------------|-------------------------|-------------------------|
| Less than one year | 5.31 | 6.42 |
| One to five years | - | 4.81 |
| More than five years | - | - |
| | 5.31 | 11.23 |

7 Other Financial Assets

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Security deposits | 11.92 | 6.47 |
| In deposit accounts with maturity for more than 12 months | - | 0.31 |
| Total | 11.92 | 6.78 |

8 Trade receivables (Unsecured)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-------------------------------|----------------------|----------------------|
| Trade receivables | | |
| Unsecured | | |
| -Considered good | 3.01 | 6.66 |
| Receivables credit impaired | - | - |
| | 3.01 | 6.66 |
| Allowance for credit impaired | | |
| Unsecured | | |
| -Considered good | - | - |
| Total | 3.01 | 6.66 |

Ageing of Trade Receivables :**As at March 31, 2024**

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|--|--|--------------------|-------------------|-------------|-----------|-------------------|-------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1- 2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables - considered good | - | 0.27 | 2.39 | 0.34 | - | - | 3.01 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables- considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| Total | | 0.27 | 2.39 | 0.34 | - | - | 3.01 |

As at March 31, 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|--|--|--------------------|-------------------|-------------|-----------|-------------------|-------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1- 2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables - considered good | 1.55 | 1.37 | (0.05) | 3.78 | - | - | 6.66 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables- considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| Total | 1.55 | 1.37 | (0.05) | 3.78 | - | - | 6.66 |

There are no trade or other receivable which are either due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

9 Cash and Cash Equivalents

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Cash on hand | 0.04 | 0.00 |
| Balances with banks : | | |
| (i) In current accounts | 54.03 | 3.03 |
| (ii) Deposits with maturity of less than 3 months | 7.97 | 4.25 |
| Total | 62.05 | 7.29 |

Fixed Deposit with Banks includes interest receivable of ₹ 0.42 Mn as at March 31, 2024 (As at March 31, 2023 ₹0.99 Mn).

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of reporting period and prior periods.

10 Other balances with banks

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Deposit with maturity for more than 3 months but less than 12 months | 0.43 | 3.25 |
| Total | 0.43 | 3.25 |

Short-term bank deposits includes interest receivable of ₹ 0.02 Mn as at March 31, 2024 (As at March 31, 2023 ₹0.59 Mn).

11 Other Financial Assets

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Financial instruments at amortised cost | | |
| Unsecured | | |
| :- Considered good | | |
| Security deposits | 194.93 | 199.88 |
| Advance to Staff | 2.35 | 1.34 |
| Accrued Interest | - | 0.29 |
| Total | 197.28 | 201.51 |

12 Other current assets

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Unsecured | | |
| :- Considered good | | |
| Tax deducted at source | 53.81 | 109.76 |
| Prepaid expenses | 6.19 | 3.14 |
| Share issue expenses (refer note 12.1) | 165.12 | 165.12 |
| Balances with government authorities | 76.97 | 63.32 |
| Loans & Advances | 2.89 | 3.02 |
| Preliminary expenses | 1.34 | 1.77 |
| Other Current Assets | 3.59 | - |
| Total | 309.91 | 346.13 |

Note No 12.1: In accordance with the Companies Act 2013 ("the Act") and also as per the Offer Agreement entered between the Company and the selling shareholders, the selling shareholders shall reimburse the share issue expenses in proportion to the respective shares offered for sale. Accordingly, the Company will partly recover the expenses incurred in connection with the Issue on completion of Initial Public Offer (IPO). The Company's share of expenses shall be adjusted against securities premium to the extent permissible under Section 52 of the Act on successful completion of IPO. The entire amount has been carried forward and disclosed under the head "Share issue expenses" under "other current financial assets" (to the extent of not written off or adjusted). The amount which is receivable from the selling shareholders is not disclosed separately as the amount is not determinable at this stage pending completion of the IPO.

PayMate India Limited
(CIN: U62090MH2006PLC205023)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts are INR. in Millions, except for share data and unless otherwise stated)

13 Equity Share Capital

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|----------------------|-----------------|----------------------|-----------------|
| | Number of shares | Amount | Number of shares | Amount |
| (a) Authorised: | | | | |
| (i) Equity Share Capital | | | | |
| Equity Shares of ₹ 1/- each | 217,482,804 | 217.48 | 217,482,804 | 217.48 |
| (ii) Preference Share Capital (Instruments in the nature of equity) | | | | |
| 10% Non-Cumulative participating fully convertible Preference shares of Rs. 1,263,699.83 each | 114 | 144.06 | 114 | 144.06 |
| 10% Non-Cumulative participating fully convertible Preference shares of Rs. 9,59,772.10 each | 293 | 281.21 | 293 | 281.21 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 64,740 each | 357 | 23.11 | 357 | 23.11 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 1,58,456.7 each | 3,254 | 515.62 | 3,254 | 515.62 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 1,55,655.54 each | 312 | 48.55 | 312 | 48.55 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 14,781.84 each | 3,862 | 57.09 | 3,862 | 57.09 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 14,694.45 each | 3,862 | 56.75 | 3,862 | 56.75 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 12,681.34 each | 1,820 | 23.08 | 1,820 | 23.08 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 12,642.48 each | 1,820 | 23.01 | 1,820 | 23.01 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 12,726.16 each | 2,042 | 25.99 | 2,042 | 25.99 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 12,669.53 each | 2,042 | 25.87 | 2,042 | 25.87 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 46,905.46 each | 1,938 | 90.90 | 1,938 | 90.90 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 46,883.44 each | 2,544 | 119.27 | 2,544 | 119.27 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 46,905.42 each | 1,513 | 70.97 | 1,513 | 70.97 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 56,741.97 each | 909 | 51.58 | 909 | 51.58 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 56,770.44 each | 318 | 18.05 | 318 | 18.05 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 67,176.16 each | 1,817 | 122.06 | 1,817 | 122.06 |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 73.72 each | 1 | - | 1 | - |
| 10% Non-Cumulative participating fully convertible Preference Shares of ₹ 51,264.37 each | 2,768 | 141.91 | 2,768 | 141.91 |
| Total | 217,514,390 | 2,056.57 | 217,514,390 | 2,056.57 |

PayMate India Limited

(CIN: U62090MH2006PLC205023)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts are INR. in Millions, except for share data and unless otherwise stated)

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|----------------------|--------------|----------------------|--------------|
| | Number of shares | Amount | Number of shares | Amount |
| Issued, Subscribed and Fully paid-up: | | | | |
| 13 (a) Equity Share Capital | | | | |
| Equity Shares of ₹ 1/- each | 58,210,612 | 58.21 | 57,668,782 | 57.67 |
| Total equity shares | 58,210,612 | 58.21 | 57,668,782 | 57.67 |
| 13 (b) Preference Share Capital | | | | |
| (Instruments in the nature of equity) | | | | |
| 10% Non-Cumulative participating fully convertible Preference shares of ₹ 12,63,699.83 each (each of the Series D4 preference shares shall be converted to a maximum of 4,530 equity shares upon conversion as per the conversion ratio based on the commercial terms & conditions laid down in the investment agreement to be converted on or before 05/03/2042) | 114 | 144.06 | 114.00 | 144.06 |
| 10% Non-Cumulative participating fully convertible Preference shares of ₹ 9,59,772.10 each (each of the Series D3 preference shares shall be converted to a maximum of 9,060 equity shares upon conversion as per the conversion ratio based on the commercial terms & conditions laid down in the investment agreement to be converted on or before 24/08/2041) | 293 | 281.21 | 293 | 281.21 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 64,740 each - (to be converted on or before 06/09/2040 at a conversion ratio of 1,510 equity shares for each preference share held) | 357 | 23.11 | 357 | 23.11 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 1,58,456.7 each - (to be converted on or before 13/08/2039 at a conversion ratio of 1,510 equity shares for each preference share held) | 3,254 | 515.62 | 3,254 | 515.62 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 1,55,655.54 each - (to be converted on or before 22/04/2039 at a conversion ratio of 1,510 equity shares for each preference share held) | 312 | 48.56 | 312 | 48.56 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 51,264.37 each (to be converted on or before 11/09/2037 at a conversion ratio of 1,510 equity shares for each preference share held) | 1,529 | 78.38 | 1,529 | 78.38 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 51,264.37 each (to be converted on or before 11/09/2037 at a conversion ratio of 1,510 equity shares for each preference share held) | 1,239 | 63.52 | 1,239 | 63.52 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 67,176.16 each (to be converted on or before 14/09/2034 at a conversion ratio of 1,510 equity shares for each preference share held) | 1,817 | 122.06 | 1,817 | 122.06 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 56,770.44 each (to be converted on or before 27/02/2032 at a conversion ratio of 1,510 equity shares for each preference share held) | 318 | 18.05 | 318 | 18.05 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 56,741.97 each (to be converted on or before 27/02/2032 at a conversion ratio of 1,510 equity shares for each preference share held) | 909 | 51.58 | 909 | 51.58 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 46,905.46 each (to be converted on or before 25/05/2031 at a conversion ratio of 1,510 equity shares for each preference share held) | 2,544 | 119.27 | 2,544 | 119.27 |

PayMate India Limited

(CIN: U62090MH2006PLC205023)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts are INR. in Millions, except for share data and unless otherwise stated)

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | Number of shares | Amount | Number of shares | Amount |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 46,905.42 each (to be converted on or before 25/05/2031 at a conversion ratio of 1,510 equity shares for each preference share held) | 1,938 | 90.90 | 1,938 | 90.90 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 46,883.44 each (to be converted on or before 18/09/2029 at a conversion ratio of 1,510 equity shares for each preference share held) | 1,513 | 70.97 | 1,513 | 70.97 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 12,669.53 each (to be converted on or before 24/03/2028 at a conversion ratio of 1,510 equity shares for each preference share held) | 2,042 | 25.87 | 2,042 | 25.87 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 12,726.16 each (to be converted on or before 24/03/2028 at a conversion ratio of 1,510 equity shares for each preference share held) | 2,042 | 25.99 | 2,042 | 25.99 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 12,642.48 each (to be converted on or before - 22/10/2027 at a conversion ratio of 1,510 equity shares for each preference share held) | 1,820 | 23.01 | 1,820 | 23.01 |
| 10% Non-Cumulative participating fully convertible preference shares of ₹ 12,681.34 each (to be converted on or before 22/10/2027 at a conversion ratio of 1,510 equity shares for each preference share held) | 1,820 | 23.08 | 1,820 | 23.08 |
| 10% Non-Cumulative participating fully convertible Preference shares of ₹ 14,781.84 each (to be converted on or before 15/11/2026 at a conversion ratio of 1,510 equity shares for each preference share held) | 3,862 | 57.09 | 3,862 | 57.09 |
| 10% Non-Cumulative participating fully convertible Preference shares of ₹ 14,694.45 each (to be converted on or before 15/11/2026 at a conversion ratio of 1,510 equity shares for each preference share held) | 3,862 | 56.75 | 3,862 | 56.75 |
| Total preference shares (Instruments in the nature of equity) | 31,585 | 1,839.08 | 31,585 | 1,839.08 |
| | | | | |
| Total | | 1,897.29 | | 1,896.75 |

(i) Reconciliation of equity shares outstanding at the beginning and at the end of the year :

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | Number of shares | Amount | Number of shares | Amount |
| (1) Equity share capital | | | | |
| (i) Equity Shares of ₹ 1/- each with voting rights | | | | |
| Opening balance | 57,668,782 | 57.67 | 57,408,690 | 57.41 |
| Add: Issue of shares | 541,830 | 0.54 | 260,092 | 0.26 |
| Closing balance | 58,210,612 | 58.21 | 57,668,782 | 57.67 |
| (2) Preference share capital | | | | |
| (i) Preference Shares (Refer note 13(b)) | | | | |
| Opening balance | 31,585 | 1,839.08 | 31,585 | 1,839.08 |
| Add: Issue of shares | - | - | - | - |
| Closing balance | 31,585 | 1,839.08 | 31,585 | 1,839.08 |

(ii) Terms / rights attached to the Equity Shares:

The Company has only one class of equity shares having a par value of Rs. 1 per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividends in Indian Rupees, proposed by the Board of Directors and subject to the approval of the shareholders in the Annual General Meetings. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shareholders holding more than 5% of the share capital:

| Name of the Shareholder | As at March 31, 2024 | | As at March 31, 2023 | |
|---|-----------------------|--------------|-----------------------|--------------|
| | Number of shares held | % of holding | Number of shares held | % of holding |
| Equity Shares | | | | |
| Mr. Ajay Adishesan | 33,029,200 | 56.74% | 33,029,200 | 57.27% |
| Mr. Probir Roy | 6,196,221 | 10.64% | 6,325,221 | 10.97% |
| Mr. Alexander Kuruvilla | 3,260,090 | 5.60% | 3,260,090 | 5.65% |
| Mr. Dhruv Singh | 3,775,000 | 6.49% | 3,775,000 | 6.55% |
| Mrs. Uma Vishvanathan | 4,096,630 | 7.04% | 4,096,630 | 7.10% |
| Preference Shares | | | | |
| M/s. Lightbox Ventures I | 20,716 | 65.59% | 20,716 | 65.59% |
| M/s. IPO Wealth Holdings Pty Ltd. | 2,768 | 8.76% | 2,768 | 8.76% |
| M/s. Mayfield FVCI Ltd. | 2,544 | 8.05% | 2,544 | 8.05% |
| M/s. VISA International Service Association | 2,229 | 7.06% | 2,229 | 7.06% |

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(iv) Details of Shares held by Promoters at the end of the year

| Promoter Name | Year | Number of shares held | % of holding of Equity shares | % change during the year |
|--------------------|----------------------|-----------------------|-------------------------------|--------------------------|
| Mr. Ajay Adishesan | As at March 31, 2024 | 33,029,200 | 56.74% | (0.53%) |
| | As at March 31, 2023 | 33,029,200 | 57.27% | (0.38%) |

- v) i) For details of shares reserved for issue under Employee Stock Option Plan (ESOP) of the Parent Company, refer Note 33.
ii) There are no shares bought back during the period of five years immediately preceding the reporting date.

14 Other equity

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Securities premium account | 590.80 | 395.56 |
| Retained earnings/(deficit) | (3,131.31) | (2,643.60) |
| Employees Stock option outstanding | 513.61 | 524.74 |
| Share application money pending allotment | - | 1.52 |
| Other items of other comprehensive income | 0.85 | 0.62 |
| Foreign currency translation reserve | (10.00) | (1.74) |
| Total | (2,036.05) | (1,722.90) |

(A) Securities premium (SP)

| | | |
|--|---------------|---------------|
| Opening balance | 395.56 | 296.23 |
| Add : Securities premium credited on share issue | 195.24 | 99.33 |
| Closing balance | 590.80 | 395.56 |

Securities premium is used to record the premium on issue of shares. Security premium record premium on issue of shares to be utilized in accordance with the Act.

(B) Retained earnings/(deficit)

| | | |
|------------------------|-------------------|-------------------|
| Opening balance | (2,643.60) | (2,087.51) |
| Loss for the year | (487.71) | (556.09) |
| Closing balance | (3,131.31) | (2,643.60) |

Retained earnings represent the Company's undistributed earnings after taxes.

(C) Employee Stock options outstanding account (ESOOA)*

| | | |
|---|---------------|---------------|
| Balance at the beginning of the year | 524.74 | 361.30 |
| Add: Employee stock option expense/(paid) | (11.13) | 163.44 |
| Closing Balance | 513.61 | 524.74 |

*ESOOA recognizes the fair value of options as at the grant date spread over the vesting period. (Refer note 33)

The employee stock options reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 33 for details of these plans.

(D) Share application money pending allotment

| | | |
|--|----------|-------------|
| Opening balance | 1.52 | - |
| Less: exercise of share options | (195.79) | (99.62) |
| Receipt of share application money pending allotment | 194.27 | 101.14 |
| Closing balance | - | 1.52 |

Share application money pending allotment refers to the funds received by a company from investors for the subscription of shares that have not yet been formally allotted.

(E) Other items of other comprehensive income

| | | |
|--|-------------|-------------|
| Opening balance | 0.62 | (2.18) |
| Remeasurements of the defined benefit liabilities / (asset) net of tax | 0.23 | 2.80 |
| Closing balance | 0.85 | 0.62 |

Includes cumulative impact of amounts (net of tax effect) recognized through other comprehensive income and has not been transferred to Equity or Profit and loss, as applicable.

(F) Foreign currency translation Reserve

| | | |
|--|----------------|---------------|
| Opening balance | (1.74) | (0.69) |
| Remeasurements of the defined benefit liabilities / (asset) net of tax | (8.26) | (1.05) |
| Closing balance | (10.00) | (1.74) |

Gains/losses arising on retranslating the net assets of foreign operations into INR. The cumulative amount is reclassified to profit or loss when the foreign operation is disposed-off.

15 Provisions

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------|-------------------------|-------------------------|
| Provision for employee benefits | | |
| Gratuity [Refer note 28] | 25.93 | 18.25 |
| Total | 25.93 | 18.25 |

| Movement In Provisions: | Non Current | | Current | |
|---|----------------------|----------------------|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Opening balance | 18.25 | 12.89 | 1.34 | 3.41 |
| Charged/ (Credited) to statement of profit and loss | 9.01 | 5.36 | 0.49 | (2.02) |
| Benefits paid during the year | (1.20) | - | - | (0.05) |
| Closing | 26.06 | 18.25 | 1.83 | 1.34 |

16 Short-term borrowings

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Unsecured, Loans from Related Parties | | |
| unsecured loans from Directors (Refer Note 30) | 35.00 | 35.00 |
| Total | 35.00 | 35.00 |

Unsecured Loan from Director's is interest free and repayable on demand .

17 Trade payables (at amortised cost)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Trade payables | | |
| - Total outstanding dues of micro and small enterprises | 0.01 | 0.14 |
| - Total outstanding dues of creditors other than micro and small enterprises | 535.66 | 198.04 |
| Total | 535.67 | 198.18 |

Trade payables ageing schedule as on March 31, 2024

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|-----------------------------|--|-------------------|-------------|-------------|-------------------|---------------|
| | Less than 6 months | 6 months - 1 year | 1- 2 years | 2-3 years | More than 3 years | |
| (i) MSME | 0.01 | - | - | - | - | 0.01 |
| (ii) Others | 520.28 | 9.74 | 0.19 | 5.45 | - | 535.66 |
| (iii) Disputed Dues - MSME | - | - | - | - | - | - |
| (iv) Disputed Dues - Others | - | - | - | - | - | - |
| (v) Unbilled dues | - | - | - | - | - | - |
| Total | 520.29 | 9.74 | 0.19 | 5.45 | - | 535.67 |

Trade payables ageing schedule as on March 31, 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|-----------------------------|--|-------------------|-------------|-------------|-------------------|---------------|
| | Less than 6 months | 6 months - 1 year | 1- 2 years | 2-3 years | More than 3 years | |
| (i) MSME | 0.14 | - | - | - | - | 0.14 |
| (ii) Others | 186.25 | 0.57 | 7.23 | 3.98 | - | 198.04 |
| (iii) Disputed Dues - MSME | - | - | - | - | - | - |
| (iv) Disputed Dues - Others | - | - | - | - | - | - |
| (v) Unbilled dues | - | - | - | - | - | - |
| Total | 186.40 | 0.57 | 7.23 | 3.98 | - | 198.18 |

- (i) Based on the information available with the Group, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.
- (ii) Trade payables are non-interest bearing and are normally settled on 60-day terms or as per agreed terms
- (iii) Other payables are non-interest bearing and have an average term of six months or as per agreed terms

18 Other Current Liabilities

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|------------------------|----------------------|----------------------|
| Statutory remittances | 11.47 | 14.06 |
| Salary & PLI payable | 43.03 | 45.35 |
| Other Payable | 5.39 | - |
| Advance from customers | 56.49 | 51.35 |
| Total | 116.38 | 110.76 |

19 Provisions

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Provision for Expenses | 15.98 | 54.17 |
| Provision for gratuity [Refer note 28] | 1.83 | 1.34 |
| Total | 17.81 | 55.51 |

PayMate India Limited

(CIN: U62090MH2006PLC205023)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts are INR. in Millions, except for share data and unless otherwise stated)

20 Revenue from operations

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Revenue from contracts with customers | | |
| Transaction fees | 13,402.89 | 13,472.74 |
| Other operating revenue | 22.46 | 28.39 |
| Total | 13,425.35 | 13,501.13 |

21 Other income

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Interest income from | | |
| - financial assets | 0.49 | 0.44 |
| - income tax refund | 5.21 | 5.26 |
| - on lease deposit | 0.50 | 0.45 |
| Liabilities no longer required written back | 0.42 | 1.33 |
| Unrealised Foreign exchange gain | 4.33 | 0.49 |
| Other miscellaneous income | 3.83 | 6.86 |
| Total | 14.78 | 14.83 |

22 Cost of services

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Bank transaction fees and payment gateway fees | 13,412.96 | 13,389.61 |
| Total | 13,412.96 | 13,389.61 |

23 Employee benefit expenses

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Salaries, wages, bonus and other allowances | 352.65 | 327.26 |
| Contributions to provident fund and other funds (Refer Note 28) | 7.96 | 7.59 |
| Gratuity expense (Refer Note 28) | 9.73 | 3.34 |
| Employee stock option scheme compensation (Refer Note 33) | (11.13) | 163.43 |
| Staff welfare expenses | 2.29 | 3.34 |
| Total | 361.49 | 504.96 |

24 Finance costs

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| (a) Interest expense on financial liabilities at amortised cost: | | |
| (i) Lease liabilities | 1.23 | 1.36 |
| (b) Interest on delay payment of statutory dues | 0.01 | 3.70 |
| Total | 1.24 | 5.06 |

PayMate India Limited

(CIN: U62090MH2006PLC205023)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts are INR. in Millions, except for share data and unless otherwise stated)

25 Other expenses

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|------------------------------------|------------------------------|------------------------------|
| Lease Rentals | 3.34 | 3.25 |
| Power | 0.38 | 0.39 |
| Insurance expenses | 4.08 | 3.05 |
| Repairs and maintenance (Others) | 0.48 | 1.80 |
| Rates and taxes | 3.01 | 7.31 |
| Legal and professional fees | 41.69 | 66.96 |
| License Fees | 1.66 | |
| Information technology expenses | 29.74 | 31.18 |
| Travelling and conveyance expenses | 8.46 | 10.18 |
| Audit fees (Refer Note - 25.1) | 6.19 | 5.83 |
| Advertisement & Marketing Expenses | 22.97 | 13.59 |
| Penalty | - | 0.20 |
| Office expenses | 2.14 | 3.69 |
| Telephone charges | 3.13 | 1.94 |
| Bank charges | 1.27 | 0.51 |
| Membership and registration | 0.21 | 0.80 |
| Miscellaneous expenses | 1.88 | 0.83 |
| Total | 130.64 | 151.52 |

25.1 Payments to auditors:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Payments to auditors comprises (net of input tax credit, Statutory audit fees | 5.97 | 5.83 |
| In other capacity: | | |
| Certificates | 0.12 | - |
| Reimbursement of expenses | 0.10 | - |
| Total | 6.19 | 5.83 |

PayMate India Limited**(CIN: U62090MH2006PLC205023)****Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024***(All amounts are INR. in Millions, except for share data and unless otherwise stated)***26 Contingent liabilities and commitments**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| (i) Contingent liabilities: | | |
| (a) Bank guarantee given to various parties | 0.52 | 0.50 |
| (b) Service tax demand* | 1.19 | 1.19 |
| (c) Legal cases# | 3.75 | - |
| (ii) Commitments: | | |
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for | - | - |

* Service tax demand is pertaining to the FY 2012-13 to 2017-18 and the dispute is pending before Commissioner, Central Excise & Service Tax, Mumbai.

An Arbitration Petition filed before the High Court of Delhi by 91 Springboard Business Hub Private Limited, for recovery of Rs. 37,45,307/-. The matter is currently pending before the Arbitrator.

27 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| (i) The amounts remaining unpaid to micro and small supplies as at end of the period / year | | |
| - Principal | 0.01 | 0.14 |
| - Interest | - | - |
| (ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year/period; | - | - |
| (iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act; | - | - |
| (iv) The amount of interest accrued and remaining unpaid at the end of each accounting year / period ; and | - | - |
| (v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act. | - | - |

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

PayMate India Limited

(CIN: U62090MH2006PLC205023)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts are INR. in Millions, except for share data and unless otherwise stated)

28 Employee benefit plans

28.1 Defined contribution plans - provident fund

The Company makes Provident Fund scheme contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised the following contributions in the Statement of profit and loss.

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|----------------|------------------------------|------------------------------|
| Provident fund | 7.96 | 7.59 |

28.2 Defined benefit plan - gratuity

The Company provides for Gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for Gratuity. The amount of Gratuity payable on retirement/ termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months, restricted to a sum of Rs. 20 lakhs.

The Group does not fund the liability.

This defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| <u>Components of employer expense</u> | | |
| Current service cost | 2.52 | 2.31 |
| Past service cost | - | - |
| Interest cost | 1.21 | 1.00 |
| Expected return on plan assets | - | - |
| Recognised in statement of profit and loss | 3.73 | 3.31 |
| Re-measurement - actuarial (gain)/loss recognised in OCI | (0.23) | (2.80) |
| Total expense recognised in the Statement of total comprehensive income | 3.50 | 0.50 |
| <u>Other Comprehensive Income (OCI)</u> | | |
| Actuarial (gain)/loss due to DBO experience | (0.69) | (0.37) |
| Actuarial (gain)/loss due to DBO financial assumption changes | 0.26 | (1.76) |
| Actuarial (gain)/loss due to DBO demographic assumption changes | 0.20 | (0.68) |
| Actuarial (gain)/loss arising during period | (0.23) | (2.80) |
| Actual return on plan assets (greater)/less interest on plan assets | - | - |
| Actuarial (gains)/ losses recognized in OCI | (0.23) | (2.80) |

PayMate India Limited
(CIN: U62090MH2006PLC205023)
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024
(All amounts are INR. in Millions, except for share data and unless otherwise stated)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Defined Benefit Cost | | |
| Service cost | 2.52 | 2.31 |
| Net interest on net defined benefit liability / (asset) | 1.21 | 1.00 |
| Actuarial (gains)/ losses recognized in OCI | (0.23) | (2.80) |
| Defined Benefit Cost | 3.50 | 0.50 |
| Change in defined benefit obligation (DBO) during the year | | |
| Present value of DBO at beginning of the year | 15.93 | 15.43 |
| Current service cost | 2.52 | 2.31 |
| Past service cost | - | - |
| Interest cost | 1.21 | 1.00 |
| Actuarial (gains) / losses | (0.23) | (2.80) |
| Benefits paid | (1.20) | - |
| Present value of DBO at the end of the year | 18.23 | 15.93 |

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Actual contribution and benefit payments for year | | |
| Actual benefit payments | (1.20) | - |
| Actual contributions | 1.20 | - |
| Change in fair value of assets during the year | | |
| Plan assets at beginning of the year | - | - |
| Expected return on plan assets | - | - |
| Actual company contributions | 1.20 | - |
| Actuarial gain / (loss) | - | - |
| Benefits paid | (1.20) | - |
| Plan assets at the end of the year | - | - |
| Actual return on plan assets | - | - |

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Current and Non Current Liability portion | | |
| Particulars | | |
| Current Liability | 1.83 | 1.34 |
| Non Current Asset/ (Liability) | 16.40 | 14.60 |
| Net Asset/(Liability) | 18.23 | 15.93 |
| Net asset / (liability) recognised in the Balance Sheet | | |
| Present value of defined benefit obligation | 18.23 | 15.93 |
| Fair value of plan assets | - | - |
| Funded status [Surplus / (Deficit)] | (18.23) | (15.93) |
| Net asset / (liability) recognised in the Balance Sheet | (18.23) | (15.93) |
| Composition of the plan assets is as follows: | | |
| Discount rate | 7.09% | 7.30% |
| Attrition Rate | 10.00% | 9.00% |
| Expected return on plan assets | NA | NA |
| Salary escalation | 8.00% | 8.00% |

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown

| Gratuity Plan | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Estimate value of obligation if discount rate higher by 1% | (1.12) | (1.07) |
| Estimated value of obligation if discount rate is lower by 1% | 1.26 | 1.21 |
| Estimate value of obligation if salary growth rate is higher by 1% | 0.67 | 0.60 |
| Estimate value of obligation if salary growth rate is lower by 1% | (0.66) | (0.71) |
| Estimate value of obligation if attrition rate is higher by 1% | 0.17 | 0.17 |
| Estimate value of obligation if attrition rate is lower by 1% | (0.20) | (0.20) |

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity

Maturity profile of defined benefit obligation:

| Maturity profile, if it ensues | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------------|-------------------------|-------------------------|
| With in 1 year | 1.89 | 1.38 |
| 1-2 Year | 1.97 | 1.56 |
| 2-3 Year | 1.96 | 1.61 |
| 3-4 Year | 1.91 | 1.61 |
| 4-5 Year | 1.86 | 1.56 |
| Above 5 years | 9.52 | 7.72 |

PayMate India Limited

(CIN: U62090MH2006PLC205023)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts are INR. in Millions, except for share data and unless otherwise stated)

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown

| Gratuity Plan | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Estimate value of obligation if discount rate higher by 1% | (1.12) | (1.07) |
| Estimated value of obligation if discount rate is lower by 1% | 1.26 | 1.21 |
| Estimate value of obligation if salary growth rate is higher by 1% | 0.67 | 0.60 |
| Estimate value of obligation if salary growth rate is lower by 1% | (0.66) | (0.71) |
| Estimate value of obligation if attrition rate is higher by 1% | 0.17 | 0.17 |
| Estimate value of obligation if attrition rate is lower by 1% | (0.20) | (0.20) |

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Maturity profile of defined benefit obligation:

| Maturity profile, if it ensues | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------------|-------------------------|-------------------------|
| With in 1 year | 1.89 | 1.38 |
| 1-2 Year | 1.97 | 1.56 |
| 2-3 Year | 1.96 | 1.61 |
| 3-4 Year | 1.91 | 1.61 |
| 4-5 Year | 1.86 | 1.56 |
| Above 5 years | 9.52 | 7.72 |

PayMate India Limited**(CIN: U62090MH2006PLC205023)****Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024***(All amounts are INR. in Millions, except for share data and unless otherwise stated)***29 Segment Reporting**

The Company is a Payment Aggregator and its operations predominantly relate to providing B2B payments and services. Board of Directors (Chief Operating Decision Maker “CODM”) reviews the information at the revenue level and does not allocate operating costs and expenses, assets and liabilities across business units, as the CODM does not use such information to allocate resources or evaluate the performance of the business units. The way the CODM reviews the performance, management of the Company has concluded that it constitutes a single segment as per Ind AS 108 ‘Operating Segments’. Hence, no separate disclosure is required for segments. The Company has revenues primarily from customers domiciled in India. Substantially all of the Company’s non-current operating assets are domiciled in India.

An analysis of the Company’s revenue is as follows:

a) Revenue From External Customers

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---------------|---------------------------|---------------------------|
| India | 13,308.99 | 13,414.02 |
| Singapore | 53.77 | 53.03 |
| Rest of World | 40.14 | 5.68 |
| Total | 13,402.89 | 13,472.74 |

b) Non-Current assets (other than Financial instruments)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---------------|---------------------------|---------------------------|
| India | 17.00 | 28.74 |
| Singapore | - | - |
| Rest of world | 5.48 | 0.34 |
| Total | 22.48 | 29.08 |

30 Related party transactions

(a) List of related parties and relationships

| Name of related parties | Country of incorporation and principal place of business | Proportion of ownership interest | |
|---|--|----------------------------------|------------------------|
| | | Sunday, March 31, 2024 | Friday, March 31, 2023 |
| i) Holding Company | | | |
| PayMate India Limited | India | 100% | 100% |
| ii) Subsidiaries | | | |
| PayMate Payment Services Provider LLC | Dubai | 100% | 100% |
| PayMate Inc # | United States of America | 100% | 100% |
| PayMate Fintech (Pvt) Ltd | Sri Lanka | 100% | 100% |
| PayMate India SPC | Oman | 100% | 100% |
| PayMate Pte Ltd | Singapore | 100% | 100% |
| PayMate Fintech LLC | Kingdom of Saudi Arabia (KSA) | 78% | 78% |
| PayMate Payment Services Sdn. Bhd. | Malaysia | 100% | 100% |
| Dunomo (Pty) Ltd | South Africa | 100% | 100% |
| Dunomo Pty Ltd | Australia | 100% | 100% |
| iii) Company having Common Directors | | | |
| Bloom Ventures Private Limited | | | |
| iv) KeyManagerial Persons | | | |
| Ajay Adishesan - Chairman and Managing Director | | | |
| S Vishvanathan - Whole Time Director and CFO | | | |
| Uma Vishvanathan - Relative of Director | | | |

(b) Transaction during the year

| Particulars | Related Party | Nature of Relationship | Year ended March 31, 2024 | Year ended March 31, 2023 |
|----------------------------------|--------------------------------|---------------------------------|---------------------------|---------------------------|
| A) Directors Remuneration | Ajay Adishesan | Chairman and Managing Director | 20.40 | 20.40 |
| | S Vishvanathan | Whole Time Director and CFO | 10.20 | 10.20 |
| B) Salary | Uma Vishvanathan | Relaive of Director | - | 0.85 |
| C) Loans Taken | Ajay Adishesan | Chairman and Managing Director | 26.55 | 35.00 |
| D) Loans Repaid | Ajay Adishesan | Chairman and Managing Director | 26.55 | |
| D) Advance from Customers | Bloom Ventures Private Limited | Company having common directors | - | 35.00 |
| E) Advance from Customers Repaid | Bloom Ventures Private Limited | Company having common directors | - | 35.00 |

(c) Balance outstanding as at the balance sheet date

| Particulars | Related Party | Nature of Relationship | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------|---|--------------------------------|----------------------|----------------------|
| A) Remuneration Payable | Ajay Adishesan - Chairman and Managing Director | Chairman and Managing Director | 1.12 | 1.06 |
| | Uma Vishvanathan - Relative of Director | Relaive of Director | 0.59 | 0.61 |
| B) Short term borrowings | Ajay Adishesan - Chairman and Managing Director | Chairman and Managing Director | 35.00 | 35.00 |

(d) Transactions within the Group:

| Particulars | Name of the related party | Nature of Relationship | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---------------------------------------|--|---------------------------|---------------------------|
| Transactions by the Company with other Group entities: | | | | |
| A) Loan given | PayMate Payment Services Provider LLC | Wholly Owned Subsidiary of PayMate India Limited | 415.08 | 152.42 |
| B) Interest income on loan given | | | 20.76 | 9.96 |
| Transactions by PayMate Payment Services Provider LLC | | | | |
| A) Loan received | PayMate India Limited | Parent Company | 415.08 | 152.42 |
| B) Interest Expense on loan taken | PayMate India Limited | | 20.76 | 9.96 |
| C) Loan given during the year | PayMate Pte Ltd | Wholly Owned Subsidiary of PayMate India Limited | 33.16 | 20.32 |
| | PayMate Payment Services Sdn bhd | Wholly Owned Subsidiary of PayMate India Limited | 5.28 | 1.04 |
| | PayMate India SPC | Wholly Owned Subsidiary of PayMate India Limited | 0.66 | 1.01 |
| | PayMate Fintech LLC | Subsidiary of PayMate India Limited | 3.90 | 5.98 |
| | PayMate Fintech (Private) Limited | Wholly Owned Subsidiary of PayMate India Limited | 0.13 | 0.19 |
| | Dunomo Pty Ltd | Wholly Owned Subsidiary of PayMate India Limited | 3.03 | |
| | Dunomo (Pty) Ltd | Wholly Owned Subsidiary of PayMate India Limited | 0.70 | 0.06 |
| Transactions by PayMate Pte Ltd | | | | |
| A) Loan taken during the year | PayMate Payment Services Provider LLC | Wholly Owned Subsidiary of PayMate India Limited | 33.47 | 20.32 |
| Transactions by PayMate Payment Services Sdn bhd | | | | |
| A) Loan taken during the year | PayMate Payment Services Provider LLC | Wholly Owned Subsidiary of PayMate India Limited | 5.29 | 1.04 |
| Transactions by PayMate India SPC | | | | |
| A) Loan taken during the year | PayMate Payment Services Provider LLC | Wholly Owned Subsidiary of PayMate India Limited | 0.83 | 1.01 |
| Transactions by PayMate PayMate Fintech LLC | | | | |
| A) Loan taken during the year | PayMate Payment Services Provider LLC | Wholly Owned Subsidiary of PayMate India Limited | 3.99 | 5.98 |
| Transactions by PayMate Fintech (Private) Limited | | | | |
| A) Loan taken during the year | PayMate Payment Services Provider LLC | Wholly Owned Subsidiary of PayMate India Limited | 0.19 | 0.19 |
| Transactions by Dunomo Pty Ltd | | | | |
| A) Loan taken during the year | PayMate Payment Services Provider LLC | Wholly Owned Subsidiary of PayMate India Limited | 3.03 | - |
| Transactions by Dunomo (Pty) Ltd | | | | |
| A) Loan taken during the year | PayMate Payment Services Provider LLC | Wholly Owned Subsidiary of PayMate India Limited | 0.70 | 0.06 |

(e) Amounts due (to)/ from related parties:

| Particulars | Name of the related party | Nature of Relationship | As at March 31, 2024 | As at March 31, 2023 |
|--|---------------------------------------|--|----------------------|----------------------|
| In the Books of Parent Company: | | | | |
| A) Short term loans and advances | PayMate Payment Services Provider LLC | Wholly Owned Subsidiary of PayMate India Limited | 415.08 | 235.32 |
| B) Interest Receivable | PayMate Payment Service Provider LLC | Wholly Owned Subsidiary of PayMate India Limited | 35.86 | 14.87 |
| C) Investments | PayMate Payment Services Provider LLC | Wholly Owned Subsidiary of PayMate India Limited | 6.34 | 2.85 |
| In the books of PayMate Payment Services Provider LLC | | | | |
| A) Short term Borrowings | PayMate India Limited | Holding Company | (415.08) | (235.32) |
| B) Short term Loans & Advances | PayMate Pte Ltd | Wholly Owned Subsidiary of PayMate India Limited | 53.79 | 20.32 |
| | PayMate Payment Services Sdn bhd | Wholly Owned Subsidiary of PayMate India Limited | 6.34 | 1.04 |
| | PayMate India SPC | Wholly Owned Subsidiary of PayMate India Limited | 1.85 | 1.01 |
| | PayMate Fintech LLC | Subsidiary of PayMate India Limited | 9.97 | 5.98 |
| | PayMate Fintech (Private) Limited | Wholly Owned Subsidiary of PayMate India Limited | 0.38 | 0.19 |
| | Dunomo Pty Ltd | Wholly Owned Subsidiary of PayMate India Limited | 3.03 | - |
| | Dunomo (Pty) Ltd | Wholly Owned Subsidiary of PayMate India Limited | 0.76 | 0.06 |
| C) Interest Payable | PayMate India Limited | Holding Company | (35.86) | (14.87) |
| D) Investments received | PayMate India Limited | Holding Company | (6.34) | (2.85) |
| | | | - | - |
| In the books of PayMate Pte Ltd | | | | |
| A) Short term borrowings | PayMate Payment Services Provider LLC | Wholly Owned Subsidiary of PayMate India Limited | (53.79) | (20.32) |
| In the books of PayMate Payment Services Sdn bhd | | | | |
| A) Short term borrowings | PayMate Payment Services Provider LLC | Wholly Owned Subsidiary of PayMate India Limited | (6.34) | (1.04) |
| In the books of PayMate India SPC | | | | |
| A) Short term borrowings | PayMate Payment Services Provider LLC | Wholly Owned Subsidiary of PayMate India Limited | (1.85) | (1.01) |
| In the books of PayMate PayMate Fintech LLC | | | | |
| A) Short term borrowings | PayMate Payment Services Provider LLC | Wholly Owned Subsidiary of PayMate India Limited | (9.97) | (5.98) |
| In the books of PayMate Fintech (Private) Limited | | | | |
| A) Short term borrowings | PayMate Payment Services Provider LLC | Wholly Owned Subsidiary of PayMate India Limited | (0.38) | (0.19) |
| In the books of Dunomo Pty Ltd | | | | |
| A) Short term borrowings | PayMate Payment Services Provider LLC | Wholly Owned Subsidiary of PayMate India Limited | (3.03) | - |
| In the books of Dunomo (Pty) Ltd | | | | |
| A) Short term borrowings | PayMate Payment Services Provider LLC | Wholly Owned Subsidiary of PayMate India Limited | (0.76) | (0.06) |

PayMate, Inc. has filed an application dated July 12, 2021 with the Secretary of State, California Stock Corporation for voluntary winding-up. As on the date March 31,2024, the application is pending with the California Franchise Tax Board

31 Earnings per equity share

Basic earnings per share amounts is calculated by dividing the profit/(loss) for the period / year attributable to equity holders by the weighted average number of equity shares outstanding during the period / year. Diluted earnings per share amounts is calculated by dividing the profit/(Loss) attributable to equity holders (after adjusting for dividend on the convertible preference shares) by the weighted average number of equity shares outstanding during the period / year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---------------------------|---------------------------|
| Earnings per equity share | | |
| Loss attributable to equity shareholders | (487.71) | (556.09) |
| Original number of equity shares (post share split)* | 384,440 | 380,708 |
| Add: Impact of bonus issue | 57,665,960 | 57,106,182 |
| Weighted average number of equity shares for basic EPS (Nos.) | 58,050,400 | 57,486,890 |
| Effect of dilutive equivalent share options | 11,435,324 | 11,968,213 |
| Effect of dilutive equivalent Compulsory convertible preference shares | 50,249,780 | 50,249,780 |
| Weighted average number of equity shares for dilutive EPS (Nos.) | 119,735,504 | 119,704,883 |
| Par value per equity share (₹) | 1.00 | 1.00 |
| Earning/(loss) per share - Basic (₹) | (8.40) | (9.67) |
| Earning/(loss) per share - Diluted (₹)# | (8.40) | (9.67) |

*The Company on December 18, 2021, has split the Rs. 10 equity share into 10 shares of Re. 1 each. Accordingly, the earnings per share has been adjusted for subdivision of shares for the current and previous years presented in accordance with the requirements of Indian Accounting Standard (Ind AS) 33 - Earnings per share.

#The conversion of above mentioned potential equity shares would decrease loss per share from continuing ordinary activities, these are anti-dilutive in nature and thus the effects of anti-dilutive potential equity shares are not considered in calculating diluted earning per share.

32 Income Tax :

| Particulars | Year ended March 31, 2024 | | Year ended March 31, 2023 | |
|---------------------------|------------------------------|----------------------------|------------------------------|----------------------------|
| | Statement of profit and loss | Other comprehensive income | Statement of profit and loss | Other comprehensive income |
| Current Tax | - | - | - | - |
| Deferred tax | - | - | - | - |
| Income tax expense | - | - | - | - |

As the company is incurring losses, the provision for Income tax does not arise.

Deferred Tax

The Company has unabsorbed depreciation and unused tax losses at the end of the year. The deferred tax asset has not been recognised on such losses and unabsorbed depreciation, as the probable taxable profits for the entity are low before the unused tax losses or unabsorbed depreciation expires and also on consideration of prudence. The Company has not made deferred tax assets on the following.

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---------------------------|---------------------------|
| Accumulated unabsorbed depreciation loss | 131.90 | 121.15 |
| Accumulated unabsorbed business loss | 961.48 | 820.28 |
| Total | 1,093.38 | 941.43 |
| Unused tax losses which expire in financial years: | | |
| 2022-23 | - | 5.66 |
| 2023-24 | 48.00 | 48.00 |
| 2024-25 | 44.44 | 44.44 |
| 2025-26 | 49.12 | 49.12 |
| 2026-27 | 71.50 | 71.50 |
| 2027-28 | 209.63 | 209.63 |
| 2028-29 | 148.14 | 148.14 |
| 2029-30 | 243.80 | 243.80 |
| 2030-31 | 146.86 | - |

33 Employee Stock Option plan

The stock compensation expense recognised for employee services received during the year ended March 31, 2024 and year ended March 31, 2023 were ₹ (11.3) Million and ₹ 163.43 Million respectively.

ESOP scheme 2014

The Board of Directors of the Parent Company at its meeting held on December 18, 2021, ratified the PayMate Employees Stock Option Plan-I 2014 ("ESOP Plan"). At the said meeting, the Board authorised the Compensation Committee for the superintendence of the ESOP Plan. ESOP is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the Company. Employees covered under Stock Option Plans are granted an option to purchase shares of the Company at the respective exercise prices, subject to requirements of vesting conditions. These options generally vest in tranches over a period of one to five years from the date of grant. Upon vesting, the employees can acquire one equity share for every option. The normal Excise Period is 5 years from the date the options become vested options or such period as extended by the Compensation committee.

The fair value of equity-settled award is estimated on the date of grant with the following assumptions:

| Particulars | ESOP Plan | ESOP Plan | ESOP Plan | ESOP Plan | ESOP Plan | ESOP Plan | ESOP Plan | ESOP Plan | ESOP Plan | ESOP Plan | ESOP Plan | ESOP Plan |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------|---------------------|---------------------|
| Grant Date | 12-02-2024 (Vest 2) | 12-09-2023 (Vest 2) | 03-07-2023 (Vest 2) | 16-03-2023 (Vest 2) | 18-01-2023 (Vest 2) | 03-11-2022 (Vest 2) | 01-09-2022 (Vest 2) | 19-02-2022 (Vest 2) | 19-02-2022 (Vest 1) | 20-1-2022 | 24-11-2021 (Vest 2) | 24-11-2021 (Vest 1) |
| Weighted average share price* (₹) | 506 | 506 | 114.16 | 114.16 | 114.16 | 114.16 | 114.16 | 105.35 | 105.35 | 105.35 | 52.66 | 52.66 |
| Exercise price (₹) | 506 | 506 | 114.16 | 114.16 | 114.16 | 114.16 | 114.16 | 1 | 1 | 1 | 1 | 1 |
| Expected volatility (%) | 31.06% | 31.06% | 26.54% | 27.27% | 29.37% | 28.45% | 34.87% | 38.63% | 41.35% | 38.79% | 37.03% | 39.36% |
| Expected life of the option (years) | 3.5 | 4.0 | 4.0 | 4.0 | 4.0 | 4.5 | 4.0 | 4.74 | 3.74 | 3.65 | 4.5 | 3.5 |
| Expected dividends (%) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Risk-free interest rate (%) | 7.11 | 7.12 | 7.065 | 7.425 | 7.245 | 7.43 | 7.065 | 5.71% | 5.37% | 5.37% | 5.55% | 5.18% |
| Weighted average fair value as on grant date* (₹) | 506 | 506 | 114.16 | 114.16 | 114.16 | 114.16 | 114.16 | 104.59 | 104.53 | 104.53 | 52.66 | 52.66 |

*The aforementioned shares are post subdivision of equity shares (refer note 13).

A summary of the general terms of grants under stock option plan

| Name of Plan | Number of options reserved under the plan as at March 31, 2024 | Number of options reserved under the plan as at March 31, 2023 |
|---|--|--|
| PayMate Employees Stock Option Plan-I 2014* | 24,160,000 | 24,160,000 |

*The aforementioned shares are post subdivision of equity shares (refer note 13).

The outstanding position as at each year end are summarised below:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Outstanding at the beginning of the period /year | 12,193,250 | 11,270,640 |
| Granted during the period/year | 852,274 | 922,610 |
| Exercised during the period/year | - | - |
| Modification during the period/year | - | - |
| Expired during the period/year | - | - |
| Prior Period error | 74,670 | - |
| Cancelled during the year | 454,510 | - |
| Forfeited during the period/year | - | - |
| Outstanding at the end of the period/year | 12,516,345 | 12,193,250 |
| Exercisable at the end of the period/year | 11,198,160 | 10,742,140 |

*The aforementioned shares are post subdivision of equity shares (refer note 13).

The following table summarises information about outstanding stock options:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Number of options* | 12,516,345 | 12,193,250 |
| Weighted average remaining life (months) | 4 | 4 |

*The aforementioned shares are post subdivision of equity shares (refer note 13).

The fair value of the awards are estimated using the Black-Scholes Model for time and non-market performance-based options.

34 Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2024 & March 31, 2023 is as follows:

| Particulars | Amortised cost | |
|------------------------------|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Financial assets | | |
| Trade receivable | 3.01 | 6.66 |
| Cash and cash equivalents | 62.05 | 7.29 |
| Other bank balances | 0.43 | 3.25 |
| Other financial assets | 209.20 | 208.29 |
| Total assets | 274.69 | 225.49 |
| Financial liabilities | | |
| Borrowings | 35.00 | 35.00 |
| Lease liabilities | 5.12 | 10.28 |
| Trade payables | 535.67 | 198.18 |
| Total liabilities | 575.79 | 243.46 |

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

B. Financial risk management

The Companies activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

| Risk | Exposure arising | Measurement | Management |
|----------------|--|--|---|
| Credit risk | Trade receivables, security deposits, bank deposits and loans. | Ageing analysis. Credit score of customers/ entities. | Monitoring the credit limits of customers and obtaining security deposits |
| Liquidity risk | Borrowings | Cash flow forecasts managed by finance team under the overview of Senior Management. | Working capital management by Senior Management. The excess liquidity is channelised through bank deposits. |

The Companies risk management is carried out by the Senior Management under policies approved by the Board of Directors. The Board of Directors provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk and liquidity risk.

Risk management framework

The Companies board of directors have overall responsibility for the Companies risk management framework. The board of directors are responsible for developing and monitoring the Companies risk management policies. The board of directors monitors the compliance with the Companies risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Companies risk management policies are to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Companies activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Companies receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The companies exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|---------------------------|---------------------------|
| Revenue from top customer | 10,768.90 | 1,504.02 |
| Revenue from top 5 customers (other than above customer) | 2,572.41 | 6,149.69 |

One customer accounted for more than 80% of the revenue for the year ended March 31, 2024.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities.

As at March 31, 2024

| | Carrying value | Less than 1 year | 1-5 years | More than 5 years | Total |
|-----------------------|----------------|------------------|-------------|-------------------|---------------|
| Lease liabilities | 5.12 | 5.31 | - | - | 5.31 |
| Short-term borrowings | 35.00 | 35.00 | - | - | 35.00 |
| Trade payables | 535.67 | 530.03 | 5.64 | - | 535.67 |
| Total | 575.79 | 570.34 | 5.64 | - | 575.97 |

As at March 31, 2023

| | Carrying value | Less than 1 year | 1-5 years | More than 5 years | Total |
|-----------------------|----------------|------------------|--------------|-------------------|---------------|
| Lease liabilities | 10.28 | 6.42 | 4.81 | - | 11.23 |
| Short-term borrowings | 35.00 | 35.00 | - | - | 35.00 |
| Trade payables | 198.18 | 186.97 | 11.21 | - | 198.18 |
| Total | 243.46 | 228.38 | 16.03 | - | 244.41 |

Foreign Currency risk

The Companies exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. dollars). A significant portion of the Companies revenues are in these foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Companies revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The companies management meets on a periodic basis to formulate the strategy for foreign currency risk management.

Consequently, the company management believes that the payables in foreign currency and its assets in foreign currency shall mitigate the foreign currency risk mutually to some extent

The following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2024 & March 31, 2023.

| Particulars | As at | Amount in USD | INR (in MM) |
|----------------------------|-----------|---------------|-------------|
| Assets - Trade receivables | 31-Mar-24 | - | - |
| | 31-Mar-23 | 12,605.64 | 1.04 |

Foreign currency sensitivity analysis

The following table details the Companies sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A negative number below indicates an decrease in profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be positive.

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---------------------------|---------------------------|
| Impact on profit or (loss) for the period / year in case on 5% strengthening of INR | - | (0.05) |
| Impact on profit or (loss) for the period / year in case on 5% weakening of INR | - | 0.05 |

Capital management

The Companies objective when managing capital is to safeguard its ability to continue as going concern so that the Company is able to provide minimum return to share holders and benefit for other stakeholders; and maintain an optimal capital structure to reduce the cost of capital.

The Company maintains its financial framework to support the pursuit of value growth for shareholders, which ensuring a secure financial base. In order to maintain or adjust the capital structure, the Company may vary the distribution of dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Company consists of debt and total equity of the Company.

The companies management review the capital structure of the Company on quarterly basis. As part of the review, the management considers the cost of capital and the risks associated with each class of capital requirements and maintenance of adequate liquidity.

Gearing Ratio (Net Debt to Equity Ratio)

| Particulars | As at | |
|---|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Debt | 35.00 | 35.00 |
| Less: Cash and cash equivalents | 62.05 | 7.29 |
| Net Debt | (27.05) | 27.71 |
| (a) Share capital | 1,897.29 | 1,896.75 |
| (b) Other Equity | (2,036.05) | (1,724.04) |
| Total Equity | (138.76) | 172.71 |
| Net Debt to total equity ratio (without considering other Equity) | -1.43% | 1.46% |
| Net Debt to total equity ratio (considering other Equity) | 19.49% | 16.04% |

35 Revenue from contract with customers

Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contract with customers:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|---------------------------------|
| Income from sale of services | 13,402.89 | 13,472.74 |
| | 13,402.89 | 13,472.74 |
| India | 13,308.99 | 13,414.02 |
| Outside India | 93.90 | 58.71 |
| | 13,402.89 | 13,472.74 |
| Timing of revenue recognition | | |
| Services transferred over time | - | - |
| Services transferred at a point of time | 13,402.89 | 13,472.74 |
| Total revenue from contracts with customers | 13,402.89 | 13,472.74 |
| Reconciliation of revenue recognised with the contracted price is as follows: | | |
| Contract price | 13,402.89 | 13,472.74 |
| Less: Discounts and disallowances | - | - |
| Total revenue from contracts with customers | 13,402.89 | 13,472.74 |

Contract balances

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------------------|-------------------------|-------------------------|
| Trade receivables | 3.01 | 6.66 |
| Contract assets | - | - |
| Contract liabilities | - | - |

The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses. The Company does not have any unhedged foreign currency exposure as at 31 March 2024.

36 Statutory Group information

Additional information required by Schedule III in respect of subsidiaries

| Name of the Entity | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|-----------------|---|---------------|
| | Net Assests i.e Total Assets minus Total Liabilities | | Net Assests i.e Total Assets minus Total Liabilities | |
| | As % of Consolidated net assests | Amount | As % of Consolidated net assests | Amount |
| Parent Company | | | | |
| PayMate India Limited | (220.43%) | 310.25 | 248.64% | 429.42 |
| Subsidiaries incorporate outside India | | | | |
| PayMate Payment Services Provider LLC | 267.34% | (376.27) | (128.83%) | (222.51) |
| PayMate Pte Limited | 37.00% | (52.08) | (12.56%) | (21.69) |
| PayMate Payment Services Sdn Bhd | 4.01% | (5.64) | (0.59%) | (1.02) |
| PayMate Fintech LLC | 6.44% | (9.07) | (2.91%) | (5.03) |
| PaYMate India SPC | (5.93%) | 8.35 | 5.19% | 8.97 |
| PayMate FinTech (Private) Limited | 0.26% | (0.36) | (0.11%) | (0.19) |
| Dunomo (Pty) Ltd | 0.52% | (0.73) | (0.04%) | (0.06) |
| Dunomo Pty Ltd | 0.09% | (0.12) | 0.00% | - |
| Consolidated Adjustments | 10.71% | (15.08) | (8.79%) | (15.18) |
| | 100.00% | (140.75) | 100.00% | 172.71 |

| Name of the Entity | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|-----------------|---|-----------------|
| | Share in Profit or Loss | | Share in Profit or Loss | |
| | As % of Consolidated Profit or Loss | Amount | As % of Consolidated Profit or Loss | Amount |
| Parent Company | | | | |
| PayMate India Limited | 61.92% | (302.52) | 69.12% | (385.16) |
| Subsidiaries incorporate outside India | | | | |
| PayMate Payment Services Provider LLC | 30.01% | (146.63) | 24.04% | (133.96) |
| PayMate Pte Limited | 6.69% | (32.70) | 3.97% | (22.12) |
| PayMate Payment Services Sdn Bhd | 1.00% | (4.90) | 0.18% | (1.02) |
| PayMate Fintech LLC | 0.78% | (3.81) | 1.04% | (5.79) |
| PaYMate India SPC | 0.26% | (1.29) | (0.23%) | 1.27 |
| PayMate FinTech (Private) Limited | 0.02% | (0.11) | 0.03% | (0.19) |
| Dunomo (Pty) Ltd | 0.15% | (0.73) | 0.01% | (0.06) |
| Dunomo Pty Ltd | (0.14%) | 0.68 | 0.00% | - |
| Consolidated Adjustments | (0.71%) | 3.45 | 1.83% | (10.20) |
| | 100.00% | (488.56) | 100.00% | (557.23) |

| Name of the Entity | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|--------|---|--------|
| | Share in other comprehensive income | | Share in other comprehensive income | |
| | As % of Consolidated other comprehensive income | Amount | As % of Consolidated other comprehensive income | Amount |
| Parent Company | | | | |
| PayMate India Limited | (2.83%) | 0.23 | 159.79% | 2.80 |
| | | | | |
| Subsidiaries incorporate outside India | | | | |
| PayMate Payment Services Provider LLC | 0.00% | - | 0.00% | - |
| PayMate Pte Limited | 0.00% | - | 0.00% | - |
| PayMate Payment Services Sdn Bhd | 0.00% | - | 0.00% | - |
| PayMate Fintech LLC | 0.00% | - | 0.00% | - |
| PaYMate India SPC | 0.00% | - | 0.00% | - |
| PayMate FinTech (Private) Limited | 0.00% | - | 0.00% | - |
| Dunomo (Pty) Ltd | 0.00% | - | 0.00% | - |
| Dunomo Pty Ltd | 0.00% | - | 0.00% | - |
| Consolidated Adjustments | 102.83% | (8.26) | (59.79%) | (1.05) |
| | 100.00% | (8.04) | 100.00% | 1.76 |

| Name of the Entity | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|----------|---|----------|
| | Share in other comprehensive | | Share in other comprehensive | |
| | As % of Consolidated other comprehensive income | Amount | As % of Consolidated other comprehensive income | Amount |
| Parent Company | | | | |
| PayMate India Limited | 60.87% | (302.29) | 68.83% | (382.36) |
| | | | | |
| Subsidiaries incorporate outside India | | | | |
| PayMate Payment Services Provider LLC | 29.53% | (146.63) | 24.12% | (133.96) |
| PayMate Pte Limited | 6.58% | (32.70) | 3.98% | (22.12) |
| PayMate Payment Services Sdn Bhd | 0.99% | (4.90) | 0.18% | (1.02) |
| PayMate Fintech LLC | 0.77% | (3.81) | 1.04% | (5.79) |
| PaYMate India SPC | 0.26% | (1.29) | (0.23%) | 1.27 |
| PayMate FinTech (Private) Limited | 0.02% | (0.11) | 0.03% | (0.19) |
| Dunomo (Pty) Ltd | 0.15% | (0.73) | 0.01% | (0.06) |
| Dunomo Pty Ltd | (0.14%) | 0.68 | 0.00% | - |
| Consolidated Adjustments | 0.97% | (4.81) | 2.02% | (11.25) |
| | 100.00% | (496.60) | 100.00% | (555.47) |

37 Details of Benami Property held

The Group does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

38 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

39 Registration of charges or satisfaction with Registrar of Companies

The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

40 Wilful Defaulter:

The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

41 Compliance with approved Scheme(s) of Arrangements:

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

42 Corporate Social Responsibility :

Under Section 135 of the Companies Act, 2013, companies meeting certain criteria must spend at least 2% of their average net profits from the last three financial years on CSR activities. Although the company falls under this provision, no CSR contributions were made this year due to a lack of profits in the preceding three years. Consequently, the requirements to form a CSR committee and spend on CSR activities do not apply. However, a CSR policy is in place.

43 Utilisation of Borrowed funds and share premium:

- 43.1 PayMate India Ltd has loaned funds from owned funds to PayMate Payment Services Provider LLC (Subsidiary of the Company). PayMate Payment Services Provider LLC have advanced these funds to the subsidiaries of PayMate India Ltd, Refer below.

| Month of Transfer | PayMate Payment Services Provider LLC | PayMate India SPC | PayMate Fintech LLC | PayMate Payment Service Provider Sdn Bhd | PayMate Pte Limited | PayMate Fintech Private Limited | Dunomo (Pty) Ltd, South Africa | Dunomo Pty Ltd, Australia |
|-----------------------------|---------------------------------------|-------------------|---------------------|--|---------------------|---------------------------------|--------------------------------|---------------------------|
| Upto Financial year 2022-23 | 27.22 | 1.01 | 4.59 | 1.04 | 20.32 | 0.19 | 0.06 | - |
| Apr-23 | 5.25 | 0.17 | 0.10 | 0.31 | 4.49 | - | 0.09 | 0.09 |
| May-23 | 2.78 | 0.11 | - | - | 2.10 | - | 0.49 | 0.08 |
| Jun-23 | 0.41 | 0.04 | - | 0.14 | 0.15 | - | - | 0.08 |
| Jul-23 | 5.30 | 0.03 | 0.03 | 0.10 | 5.04 | - | 0.02 | 0.08 |
| Aug-23 | 2.83 | 0.04 | 0.46 | - | 2.25 | - | - | 0.08 |
| Sep-23 | 4.27 | 0.04 | 1.37 | 0.32 | 2.47 | - | - | 0.07 |
| Oct-23 | 4.22 | 0.04 | - | 1.16 | 2.76 | 0.09 | 0.09 | 0.08 |
| Nov-23 | 6.72 | 0.03 | 1.84 | 0.75 | 3.99 | 0.03 | - | 0.08 |
| Dec-23 | 3.57 | 0.04 | - | 0.63 | 2.78 | 0.01 | - | 0.11 |
| Jan-24 | 4.58 | 0.10 | - | 0.74 | 2.33 | 0.01 | - | 1.40 |
| Feb-24 | 2.37 | 0.04 | 0.10 | - | 2.22 | - | 0.01 | - |
| Mar-24 | 3.72 | - | - | 1.13 | 2.59 | - | - | - |
| Total | 73.24 | 1.69 | 8.49 | 6.32 | 53.49 | 0.33 | 0.76 | 2.15 |

- 43.2 The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

44 Undisclosed income

The Group does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

45 Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

46 Compliance with approved Scheme(s) of Arrangements

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

47 The Code on Social Security 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

48 Compliance with number of layers of companies

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

49 Non-controlling interests

The subsidiaries of the Group having non-controlling interests, all of which have been included in these consolidated financial statements, are as follows:

| Name of the Company | Country of incorporation and principal place of business | Proportion of ownership interest | | Proportion of equity interest held by non-controlling interests ("NCI") | |
|---------------------|--|----------------------------------|---------------------------|---|---------------------------|
| | | Year ended March 31, 2024 | Year ended March 31, 2023 | Year ended March 31, 2024 | Year ended March 31, 2023 |
| PayMate Fintech LLC | Kingdom of Saudi Arabia | 78% | 78% | 22% | 22% |

PayMate Fintech LLC, a 78% owned subsidiary of the Group, has NCI. All other subsidiaries of the Group are 100% owned by the Group.

| Information regarding NCI | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---------------------------|---------------------------|
| Accumulated balances of non-controlling interests | | |
| Share Capital | 0.24 | 0.24 |
| Accumulated balances of Profit / (Loss) | (1.38) | (0.09) |
| Profit allocated to non-controlling interests | (0.85) | (1.29) |
| Total NCI | (1.99) | (1.14) |

50 Events after the reporting period

NPCI's interoperable platform Bharat Connect is transforming B2B invoicing, payments, collections, and settlements in India. PayMate, a pioneering partner of this platform, operates as both an Agent Institution and an Operating Unit.

PayMate B2B is launched with Axis bank as the partner bank. It allows businesses to operate a Virtual Account Number that can be used to load funds from a whitelisted bank account and make fund transfers to their supplier on the same day.

50 Ratios as per the Schedule III requirements

a) Current Ratio (Current Assets divided by Current Liabilities)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Current Assets (A) | 572.68 | 564.84 |
| Current Liabilities (B) | 709.98 | 405.09 |
| Ratio (C=A/B) | 0.81 | 1.39 |
| % Change from previous period / year | (42%) | |

Note on Variance:

The decrease in current ratio from March 31, 2023 to March 31, 2024 was primarily on account higher trade payable as of 31st March, 2024.

b) Debt Equity ratio (Total debt divided by Total equity where total debt refers to sum of current & non current borrowings):

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Total debt (A) | 35.00 | 35.00 |
| Total equity (B) | (140.75) | 172.71 |
| Ratio (C=A/B) | (0.25) | 0.20 |
| % Change from previous period / year | 223% | |

The increase in Debt Equity ratio is on account of equity turning negative on account of accumulated losses as on 31st March 24

c) Return on Equity Ratio / Return on Investment Ratio (Net profit after tax divided by Total Equity)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Net profit after tax (A) | (488.56) | (557.23) |
| Total equity (B) | (140.75) | 172.71 |
| Ratio (C=A/B) | 347.11% | -322.64% |
| % Change from previous period / year | 208% | |

The increase in Return on Equity ratio is on account of equity turning negative on account of accumulated losses as on 31st March 24

d) Trade Receivables turnover ratio = Credit Sales divided by Closing trade receivables

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Revenue from Operations (A) | 13,425.35 | 13,501.13 |
| Average Trade Receivables (B) | 4.84 | 31.25 |
| Ratio (C=A/B) | 2,776.70 | 432.04 |
| % Change from previous period / year | 543% | |

Note on Variance:

The increase in Trade receivable turnover ratio from March 31, 2023 to March 31, 2024 was primarily on account of lower trade receivable as on 31st March 24

e) Trade payables turnover ratio (Credit purchases divided by Average trade payables)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Credit Purchases (A) | 13,412.96 | 13,389.61 |
| Average Trade Payables (B) | 366.85 | 100.79 |
| Ratio (C=A/B) | 36.56 | 132.85 |
| % Change from previous period / year | (72%) | |

Note on Variance:

The increase in Trade Payables turnover ratio from March 31, 2023 to March 31, 2024 was primarily on account higher trade payable as of 31st March, 2024.

f) Net capital Turnover Ratio (Revenue divided by Net Working capital (current assets - current liabilities)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Revenue from Operations (A) | 13,425.35 | 13,501.13 |
| Net Working Capital (B) | (137.30) | 159.75 |
| Ratio (C=A/B) | (97.78) | 84.51 |
| % Change from previous period / year | (216%) | |

Note on Variance:

The decrease in Net capital Turnover Ratio is on account of increase in Current liabilities as on 31st March 24

PayMate India Limited

(CIN: U62090MH2006PLC205023)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts are INR. in Millions, except for share data and unless otherwise stated)

g) Net profit ratio (Net profit after tax divided by Revenue)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Net profit after tax (A) | (496.60) | (555.47) |
| Revenue from Operations (B) | 13,425.35 | 13,501.13 |
| Ratio (C=A/B) | -3.70% | -4.11% |
| % Change from previous period / year | 10% | |

This ratio has improved from -4.11% in March 2023 to -3.74% in March 2024 mainly due to decrease in ESOP Cost during the year .

h) Return on Capital employed (Adjusted Earnings before interest and taxes Less other income divided by Capital Employed)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Profit before tax (A) | (488.56) | (557.23) |
| Add: Finance Costs (B) | 1.24 | 5.06 |
| EBIT (C) = (A)+(B) | (487.32) | (552.17) |
| Less: Other Income (D) | 14.78 | 14.83 |
| Adjusted EBIT ('E) = ('C)-(D) | (502.10) | (567.00) |
| Total Equity (F) | (140.75) | 172.71 |
| Return on Capital Employed (G=E/F) | 356.73% | -328.30% |
| % Change from previous period / year | 209% | |

The decrease in Return on Capital employed from March 31, 2023 to March 31, 2024 was on account of current year loss.

i) Return on investment

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Net profit after tax (A) | (496.60) | (555.47) |
| Average Total Assets (B) | 597.93 | 759.21 |
| Ratio (C=A/B) | -83.05% | -73.16% |
| % Change from previous period / year | (14%) | |

The return on Investment has increased in March 2024 as compared to March 2023 mainly due to decrease in Earnings before interest and taxes (EBIT) which is due to lower cost during the year March 2024 as compare to March 2023.

51 Previous years figures have been reclassified/regrouped wherever necessary to correspond with the current year classification (or) disclosures.

As per our report of even date

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No.:105047W

GOVINDAN

ANANTHAKRISHNA

N

Ananthakrishnan Govindan

Partner

Membership No: 205226

Digitally signed by GOVINDAN
ANANTHAKRISHNAN
Date: 2024.10.07 20:27:35
+05'30'

For and on behalf of the Board of Directors

PayMate India Limited

AJAY

ADISESHAN

Ajay Adishesan

Chairman and Managing Director

DIN: 00099023

Digitally signed
by NANDA
HARISH
Date: 2024.10.07
18:32:19 +05'30'

Nanda Harish

General Counsel, Company Secretary and
Compliance Officer (ACS: 15495)

Digitally signed by
AJAY ADISESHAN
Date: 2024.10.07
19:16:48 +05'30'

Vishvanatha

**n
Subramanian**

Vishvanathan Subramanian

Whole Time Director and CFO

DIN: 02153545

Digitally signed by
Vishvanathan
Subramanian
Date: 2024.10.07
19:35:00 +05'30'

Place: Hyderabad

Date :

Place: Mumbai

Date :

INDEPENDENT AUDITOR'S REPORT

To the Members of PayMate India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of PayMate India Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company, and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2024, of consolidated loss and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the consolidated financial statements and our auditor's report thereon.

The Director's report has not been made available to us.

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

MSKA & Associates

Chartered Accountants

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

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

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

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

- a. We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of Rs. 95.52 million, total revenues of Rs. 11.17 million, and net cash flows amounting to Rs. 6.40 million for the year ended March 31, 2024, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

These 3 subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted

MSKA & Associates

Chartered Accountants

the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- b. We did not audit the financial statements of 5 foreign subsidiaries, whose financial statements reflect total assets of Rs. 15.01 million, total revenues of Rs. 28.85 million, and net cash flows amounting to Rs. 4.16 million for the year ended March 31, 2024, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the Separate Financial Statements referred to in the Other Matters section above we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g).
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).
 - f. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

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- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 26 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.
 - iv.
 - 1. The respective Managements of the Holding Company and its subsidiaries have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in Note 43 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - 2. The respective Managements of the Holding Company and its subsidiaries have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in Note 43 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associates and joint ventures shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - 3. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material misstatement.
 - v. The Company has neither declared nor paid any dividend during the year.

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- vi. Based on our examination, the Holding Company has used an accounting software for maintaining its books of account during the year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled in the software from April 1, 2023 till November 21, 2023. Further, the audit trail feature has not been operated throughout the year for all transaction recording in the accounting software at the application level, since it was enabled only with effect from November 22, 2023 in the said software. Also, during the course of our examination, we did not come across any instance of the audit trail feature being tampered with, post enablement of the audit trail feature in the software at the application level.
2. In our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.
3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company, we report that there are no Qualifications/adverse remarks. There are no subsidiaries included in the consolidated financial statements of the company to which reporting under CARO is applicable.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

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Ananthakrishnan Govindan

Partner

Membership No. 205226

UDIN: 24205226BKEAOA8974

Place: Hyderabad

Date: October 07, 2024

MSKA & Associates

Chartered Accountants

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PAYMATE INDIA LIMITED

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.
- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

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Ananthakrishnan Govindan

Partner

Membership No. 205226

UDIN: 24205226BKEAOA8974

Place: Hyderabad

Date: October 07, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PAYMATE INDIA LIMITED

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of PayMate India Limited on the Consolidated Financial Statements for the year ended March 31, 2024]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls reference to consolidated financial statements of PayMate India Limited (hereinafter referred to as "the Holding Company") which includes the internal financial controls over financial reporting of the Holding Company's and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group") as of that date.

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

Management and Board of Director's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and

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evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 8 subsidiary companies is based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of this matter.

For M S K A & Associates Chartered Accountants

ICAI Firm Registration No. 105047W

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Partner

Membership No. 205226

UDIN: 24205226BKEAOA8974

Place: Hyderabad

Date: October 07, 2024