

**DIRECTORS' REPORT**

**Dear Members**

Your Directors have the pleasure in presenting the 10<sup>th</sup> Annual Report of the Company, along with Audited Financial Statements for the financial year ended 31<sup>st</sup> March 2024.

**Financial Highlights and Business Operations**

<b>Particular</b>	<b>As at March 31, 2024 (Rs in Lakhs)</b>	<b>As at March 31, 2023 (Rs in Lakhs)</b>
Revenue from Operations	45,387.73	40,392.09
Other Income	68.43	83.98
Finance Income	1,107.38	700.64
Profit After Tax	7,920.80	4,955.09

**State of Company's Affairs and Future Outlook**

Freecharge continues to build and scale digital financial services products for retail customers and has also diversified into building banking and lending offerings to its merchant base. Freecharge business is based on 4 major pillars –Merchant Business (Current Accounts, QR and Lending), Retail Payments, Consumer Lending, and Payment Aggregation. It also acts as a business correspondent and technology service provider to Axis Bank Limited.

**Merchant Business:** Freecharge will continue to invest and build merchant ecosystem and linked financial services offerings for cross sell. The company saw a 75% YoY increase in Merchant MAU, and 68% YoY increase in QR GMV.

Capabilities were enabled for merchants to apply for Axis Bank current accounts, pay digitally for funding and facilitate financial monitoring of the accounts conveniently via the Freecharge merchant app. The company also introduced Dynamic QR code creation within the app for streamlined collection of order payments.

The company will continue to further strengthen this vertical with Secured and unsecured lending products, current account enhancements and payment collection solutions. The physical distribution model will be further extended to deeper geographies.

**Payment Aggregation:** Freecharge payment aggregation vertical expanded further, the overall GMV grew 89% YoY and net revenue grew by 110% YoY. The business will scale further with increasing penetration into existing merchant base. The company is liaising actively with the regulator to allow onboarding of new merchants.

**Payments (Retail and B2B):** Overall GMV per monthly active user increased by 135% from 15,023 in March 2023 to 35,284 in March 2024. Payments GMV grew by 9% and stood at approx. Rs. 11,333 Crore in FY24 compared to Rs. 10,442 crore during last year. The average order value increased in the range of 30% to 50% across payment categories, further improving the quality of users on the platform. Increased focus was put on overall profitability with reduction in marketing expenses and improved transaction margins across categories.

Freecharge also transformed from a TPAP to a PSP app of Axis Bank. Improved and faster scan and pay experience was rolled out, providing one of the fastest payment speeds in the Industry.

Consumer Lending: To improve the ease of payments and access to credit for its users, Freecharge has built an end-to-end digital journey for issuance of Axis Bank Rupay Credit Card on its app as well as web interface, offering users a seamless way to apply for a credit card, and link their credit card to UPI. The product is ready for scale up in the next financial year.

Axis Bank Gold Loan program was also extended for consumer as well as merchant base, accessible via app as well as website. This nascent business channel has shown a steep scale up and with disbursement run rate of 30 Cr in March 2024.

Freecharge has been Great Place to Work®-Certified™ for the second time in a row this year. While formally recognizing Freecharge as an established employer of choice, this certification demonstrates Freecharge's consistent efforts in building a High-Trust, High-Performance Culture™. Freecharge has also received below prestigious recognitions from the Great Place to Work® Institute, which validates that its efforts to foster an employee-centric culture are directed in the right direction:

- India's Top 50 Workplaces in BFSI, 2023
- India's Top 50 Mid-size Workplaces, 2023
- India's Best Workplaces in Fintech, 2023

As a Technology Service Provider to Axis Bank, the company is developing digital products and APIs for Axis bank which the bank can use to tie up with multiple platforms while at the same time the company can also launch these digital financial products for the consumers on its own platform.

Except as mentioned above, no Material changes and commitments occurred between the end of financial year 2023-24 and the date of this report which may affect the financial position of the Company. Further, there has been no change in the nature of business carried out by the company.

#### **Dividend**

During the year under review, your Directors do not recommend any dividend.

#### **Share Capital**

During the financial year under review, there was no change in the authorised, issued, subscribed and paid-up equity share capital of the Company.

#### **Change in location of Registered Office**

During the year under report, with the approval of Regional Director, Northern Region your company shifted location of registered office 25, 2<sup>nd</sup> Floor, Pusa Road, New Delhi -11005 to 11<sup>th</sup> Floor, Tower-C, DLF Cyber Greens, DLF Cyber City, DLF Phase-3, Gururam.

#### **Extract of Annual Return**

The Annual Return in Form MGT-7, pursuant to the provisions of Section 92(3) read with Section 134(3) of the Companies Act, 2023 for the financial year ended March 31, 2024, has been uploaded on the website of the Company and is available at <https://www.freecharge.in/statutory-disclosures>.

#### **Particulars of Employees**

The Company being an unlisted company, the provisions of Section 197 (12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time are not applicable on the Company.

#### **Particulars of Contracts or Arrangements with Related Parties**

During the year under review, all contracts or arrangements with related parties entered into at arm's

lengths basis and in ordinary course of business. As required pursuant to provisions of Section 134(3) of the Companies Act, 2013 read with Companies (Accounts) Rules 2014, particulars of all such contracts or arrangements are enclosed in prescribed Form AOC-2 as **Annexure-1** to this report.

### **Public Deposits**

The Company has not accepted any deposits from the public as defined under Chapter V of the Companies Act, 2013 and the Rules made thereunder.

### **Auditors**

During the year under review, there has been no change in the Statutory Auditors. M/s S.R Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101049W/E300004) were appointed as Statutory Auditors of the Company at the 5<sup>th</sup> Annual General Meeting held on 24<sup>th</sup> September, 2019 to hold the office till the conclusion of 10<sup>th</sup> Annual General Meeting of the Company. Accordingly, at the ensuing Annual General Meeting a proposal for appointment of Auditors shall be placed for the approval of the shareholders of the Company.

### **Auditors Report**

The Auditor's report to the shareholders on financial statement for the year ended March 31, 2024 does not contain any qualification or adverse comment except the observation that audit trail feature is not enabled for direct changes to database level insofar as it relates to Microsoft Navision accounting software when using certain access rights.

The comments made by Statutory Auditors in their report for financial year ended March 31, 2024 are self-explanatory and therefore, do not call for any further explanation or comments from the Board.

### **Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed DR Associates, Company Secretaries to act as the Secretarial Auditor of the Company for the financial year 2023-24. The Secretarial Auditor has conducted the audit of the secretarial records of the Company for the financial year under review and has also furnished the Secretarial Audit Report which is annexed as **Annexure - 2** to this report.

There are no qualification, reservation or adverse remark made in Secretarial Audit Report for the financial year 2023-24.

### **Board of Directors, Key Managerial Personnel and Board and Committee Meetings**

During the year under review, Mohit Jain resigned from the position of Managing Director w.e.f January 01, 2024, however, he continues on the Board as non-executive director. To comply with mandatory requirements of Section 203 of the Companies Act, Sumit Bhatnagar was appointed as Chief Executive Officer of the Company for a period of 3 years commencing from w.e.f December 20, 2023.

Rahul Vermani resigned from the position of Chief Financial Officer of the Company w.e.f closure of business hours of December 15, 2023 and Prasenjit Saha was appointed as Chief Financial Officer of the Company w.e.f December 16, 2023.

Pursuant to provisions of Section 152 of the Companies Act, 2013, Balaji Narayanamurthy retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment. A resolution seeking approval of the members for the re-appointment of Balaji Narayanamurthy as director of the Company shall be placed before the members of the Company at the ensuing annual general meeting of the Company.

Except as mentioned above, there are no changes in the directors and key managerial personnel.

During the financial year under review, the Board of Directors met 9 times on April 06, 2023; April 17, 2023; July 18, 2023; October 17, 2023, December 05, 2023, December 14, 2023, January 16, 2024, March 13, 2024 and March 18, 2024. The time gap between two meetings did not exceed 120 days. The summary of number of meetings attended by each Board Member is as under:

S.No.	Name of Director	No. of Meetings Attended
1	Subrat Mohanty	8
2	Mohit Jain	9
3	Sameer Bhujanga Shetty	9
4	Balaji Narayanamurthy	7

During the year under review, two (2) meetings of Corporate Social Responsibility (CSR) Committee were held on April 17, 2023 and July 14, 2023 which were attended by all the members of the CSR Committee.

#### **Corporate Social Responsibility (CSR) Policy and Spend**

As per provisions of Section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Rules during the year under review, the company has contributed Rs 1,02,12,000/- (One crores two lakhs twelve thousand Only), being 2% of Average Net Profit of the preceding 3 financial years towards the CSR expenditure in the area of Sustainable Livelihoods. The details of same is enclosed in prescribed format of Annual report on the CSR as **Annexure-3** to this Report. The Policy adopted by the Company on CSR is placed on the website of the Company at <https://www.freecharge.in/csr-policy>

#### **Policy on Remuneration of Directors, Key Managerial Personnel, Senior Management and Other Employees**

Pursuant to the provisions of Section 178(3) of Companies Act,2013, the Company has devised a comprehensive Remuneration Policy on remuneration of directors, Key Managerial Personnel, Senior Management and other employees. The objective of the Remuneration Policy is to attract, motivate and retain qualified and expert individuals that Company needs in order to achieve its strategic and operational objectives. The Policy is accessible on website of the Company at <https://www.freecharge.in/statutory-disclosures>.

#### **Directors' Responsibility Statement**

Pursuant to the provisions of Section 134(5) of the Companies Act 2013, and save as otherwise mentioned elsewhere in this Report, the Directors, to the best of their knowledge and belief, confirm that:

- in the preparation of the annual accounts for the year ended March 31, 2024, applicable accounting standards, have been followed along with proper explanations relating to material departures; whenever applicable
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that 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 i.e. March 31, 2024 and of the profit of the Company for that period;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the Directors have prepared the annual accounts of the Company on a going concern basis;
- The Company not being a listed Company is not required to lay down the internal financial controls to be followed by the Company; and

- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Annual Evaluation of performance by Board of Directors:**

Pursuant to the requirements as prescribed in Section 134(3)(p) the Companies Act, 2013, the annual evaluation of the performance of the Board as collective body and also of individual directors was carried out by an external agency as advised by Axis Bank, holding Company of the Company.

**Compliance of Secretarial Standards**

Your Company complied with the applicable Secretarial Standards SS-1 and SS-2 with respect to Board Meetings and General Meetings respectively specified by the Institute of Company Secretaries of India.

**Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo**

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under:

**Conservation of Energy:**

Steps taken for conservation	Since the Company is not engaged in any manufacturing activity, issues relating to conservation of energy are not relevant to its functioning. However, energy conservation receives attention at all levels. All efforts are made to conserve and optimize use of energy.
Steps taken for utilizing alternate sources of energy	
Capital investment on energy conservation equipment's	

**Technology Absorption:**

Efforts made for technology absorption	The Company has not imported technical know-how. Your Company has not established any separate R&D facilities.
Benefits derived	
Expenditure on Research & Development, if any	
Details of technology imported, if any	
Year of import	
Whether imported technology fully absorbed	
Areas where absorption of imported technology has not taken place, if any	

**Foreign Exchange Earnings/ Outgo:**

Earnings	Nil
Outgo (Rs. In Lakh)	356.07

**Disclosure in terms of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Your Company has formulated and adopted a policy on prevention of sexual harassment at workplace and 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. Following is the summary of the sexual harassment complaint received by the Company during the Financial year under review:-

1. Number of Complaints pending as at the start of the year- Nil
2. Number of Complaints filed during the financial year- Nil
3. Number of Complaints disposed off during the Financial Year- Nil
4. Number of Complaints pending as at the end of the year. Nil

**General Disclosures**

- During the year under review, Board does not propose to transfer any amount to any reserves.

- The Company doesn't have any Subsidiary, Joint Venture or Associate Company
- The Company has not granted any loans or made investments in terms of provisions of Section 186 of the Companies Act 2013.
- No material changes and commitments occurred between the end of financial year 2023-24 and the date of this report which may affect the financial position of the Company.
- During the year under review, Your Company was not required to maintain any cost records under provisions of Section 148 of Companies Act,2013 and rules made thereunder.
- No significant and material order has been passed by the regulator/court/tribunal which may impact the going concern and company's operations in future.
- The Company has established process to identify, assess, monitor and mitigate key financial, operational, business & compliance risks. The Company has a robust operational risk framework, including strengthening controls around technology related risks as well as regular audits of high-risk items/areas.
- No application has been made or any proceeding is pending under the Insolvency and Bankruptcy Code (IBC), 2016 .
- The Company, being a wholly owned subsidiary company is not required to constitute Audit Committee for the year under review.
- No fraud has been reported by auditors under Section 143(12) of the Companies Act, 2013
- The Company has laid down adequate internal financial controls over financial reporting to be followed by the Company and such internal financial controls were operating effectively.

#### **Acknowledgement**

The Directors wish to convey their appreciation to all the members, customers, bankers, government departments and other stakeholders for their invaluable support to Company. The Directors also wish to extend the heartiest gratitude to the employees of the Company at all levels for their hard work, dedication and commitment.

**By the Order of Board  
For Freecharge Payment Technologies Private Limited**



**Mohit Jain**  
**Director**  
**DIN: 07945124**



**Sameer Bhujanga Shetty**  
**Director**  
**DIN: 08536421**

**Date: 17.04.2024**  
**Place :Mumbai**

**Annexure - 1**

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions **not at Arm's length basis.**

**NOT APPLICABLE**


2. Details of contracts or arrangements or transactions **at Arm's length basis.**

S. N O.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements /transaction	Duration of the contracts/ arrangement t/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1	Axis Bank Ltd. - Holding Company	1. Aggregator services for PPI 2. Business Correspondent Services 3. Technology Service Provider. 4. Right to use office space in in Mumbai 5. Right to use office space in New Delhi 6. Co-branded Card Agreement 7. Personalized meal card 8. Merchant Agreement for Freecharge Services 9. Service Provider Agreement for Digital Lending. 10. Service Agreement 11. Integration Agreement 12. Internet Payment Gateway Services 13. Banking Services	16.01.2028 05.10.2027 30.09.2027 14.04.2024 31.12.2023 28.03.2029 04.06.2024 31.05.2025 18.12.2026 31.03.2029 Continuous Continuous Continuous	Transaction are entered in ordinary course of business and at Arm's Length. Consideration to be mutually decided by the Parties	NA	NIL

		14. UPI payment solution P2P and P2M	Continuous		
		15. BBPS services	Continuous		
		16. ESOP Cost	Continuous		
		17. Oracle Fusion cost	Continuous		
		18. Reimbursement of Web Continuous Hosting Charges	Continuous		
		19. ESOP Cost	Continuous		

**By the Order of Board  
For Freecharge Payment Technologies Private Limited**

  
**Mohit Jain**  
**Managing Director**  
**DIN: 07945124**

  
**Sameer Bhujanga Shetty**  
**Director**  
**DIN: 08536421**

**Date: 17.04.2024**  
**Place :Mumbai**





**Form No. MR-3**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]*

**SECRETARIAL AUDIT REPORT**

The Members,  
Freecharge Payment Technologies Private Limited  
11th Floor, Tower C, DLF Cyber Greens, DLF Cyber City,  
DLF Phase-III, Gurgaon, Haryana, India 122002

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by Freecharge Payment Technologies Private Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, statutory registers, 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2024, complied with the statutory provisions listed hereunder and also 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:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) 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;
- (iii) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (iv) As informed by the management, there was no other law which is specifically applicable to the Company.





During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following matter of emphasis:

**We report that:**

1. The Board of Directors of the Company is duly constituted in accordance with the provisions of the Act. 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.
2. Adequate notices are given to all directors for the Board Meetings and accordingly, agenda and detailed notes on agenda were sent to all directors, 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 meeting.
3. Majority decisions are carried through and recorded as part of the minutes.
4. 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.

We further report that during the audit period the company has generally complied with the requirements of various Act, Rules and Regulations, guidelines and standards as are applicable to the Company.



For DR Associates  
Company Secretaries  
Firm Regn. No.: P2007DE003300

Deepak Gupta  
Partner  
CP No.: 4629  
UDIN: F005339F000090347

Place: New Delhi  
Date: 17<sup>th</sup> April 2024



**'Annexure -1'**

To,

The Members  
Freecharge Payment Technologies Private Limited  
Gurgaon

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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 to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report 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.

Place: New Delhi  
Date: 17<sup>th</sup> April 2024



For DR Associates  
Company Secretaries  
Firm Regn. No.: P2007DE003300  
Peer Review Certificate No.: 609/2019

Deepak Gupta  
Partner  
CP No.: 4629  
UDIN: F005339F000090347

### Annexure – 3

#### Annual Report on Corporate Social Responsibility (CSR) for the financial year 2023-24

##### 1. Brief outline on CSR Policy of the Company.

The Company recognizes the importance of good corporate governance and corporate social responsibility in promoting and strengthening the trust of its shareholders and other stakeholders. The Company's CSR Policy has been framed in accordance with Section 135 of the Companies Act 2013 (the Act), the Rules framed thereunder and Schedule VII of the Act. The Policy shall apply to all CSR programs/activities which are undertaken/sponsored by the Company or executed through Axis Bank Foundation (ABF) or through any other Trust/Society or implementation partner or NGO or by or through any Schedule VII fund(s) set up by the Government.

The broad CSR Projects, which may be undertaken/ supported by the Company as part of its CSR Focus Areas are given below:

- Poverty alleviation and measures to reduce inequalities
- Education and Skill Development
- Environmental sustainability and Rural Development
- Sanitation and Healthcare
- MSME Sector Growth
- Humanitarian relief
- Armed Forces and Paramilitary Forces Veterans and War Widows
- Capacity Building of Personnel and NGO Partners

In addition to above focus areas specified in the CSR Policy, the CSR Committee may consider and approve such other program areas which are included under Schedule VII of the Companies Act, 2013 as may be decided by the CSR Committee or recommended by the Company from time to time.

##### 2. Composition of CSR Committee: The Composition of CSR Committee as on March 31, 2024 is as under:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Sameer Shetty	Non-executive Director	2	2
2.	Shri Mohit Jain	Non-executive Director	2	2

##### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The link to the CSR policy and composition of CSR Committee is <https://www.freecharge.in/csr-policy>

##### 4. Provide the executive summary along with the web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable : **Not Applicable**

##### 5. a) Average net profit of the company as per sub section (5) of Section 135: **Rs 510570201**

##### b) Two percent of the average Net Profit of the Company as per sub-section (5) of Section 135:

**Rs 1,02,11,404/- or Rs.1,02,12000/- (after rounding off to next Rs.000')**

- c) Surplus arising out of CSR Projects or programmes or activities of the previous financial years: Nil  
d) Amount required to be set-off for the financial year, if any: Nil  
e) Total CSR Obligation for the financial year ((b)+(c)-(d)): **Rs 1,02,12,000/-**

6. a) Amount spent on CSR Project (both ongoing Project and other than ongoing project): **Rs 1,02,12,000/-**

- b) Amount spent in Administrative Overheads: Nil  
c) Amount spent on Impact Assessment, if applicable: Nil  
d) Total amount spent for the financial year((a)+(b)+(c)):  
e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to sub section 5 of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
	-	-	--	-	-

f) Excess amount for set off, if any -

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	<b>Rs 1,02,12,000/-</b>
(ii)	Total amount spent for the Financial Year	<b>1,02,12,000/-</b>
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

7. Details of Unspent CSR amount for the preceding three financial years: Nil

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under sub-section(6) of 135(in Rs)	Balance Amount in unspent CSR Account under sub-section(6) of 135(in Rs)	Amount Spent in the Financial Years(in Rs)	Amount transferred to any fund specified under Schedule VII as per second proviso to sub section(5) of section 135, if any.		Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Amount (in Rs).	Date of transfer.		
1.	-	-	-		-	-	-	

Total	-	-	-	-	-	-
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8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

If Yes, enter the number of Capital assets created/ acquired : **NIL**


Furnish the details relating to such(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year –

Sl. No.	Short Particulars of the Property or asset(s) including complete address and location of the property	Pin Code of the Property or asset(s)	Date of Creation	Amount of CSR Amount Spent	Date of Entity/ Authority/ Beneficiary of the Registered Owner		
					CSR Registration Number, if applicable	Name	Registered Address
	<b>Not Applicable</b>						

9. Specify the reason(s), if company has failed to spend two per cent of the average net profit as sub section (5) of section 135 : **Not Applicable**

**By the Order of Board  
For Freecharge Payment Technologies Private Limited**

  
**Mohit Jain**  
Director  
DIN: 07945124

  
**Sameer Bhujanga Shetty**  
Director  
DIN: 08536421

**Date: 17.04.2024  
Place :Mumbai**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Freecharge Payment Technologies Private Limited

**Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of Freecharge Payment Technologies Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

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

**Basis for Opinion**

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

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the director's report in the Annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be



materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibility of Management for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the, Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,





misrepresentations, or the override of internal control.

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, 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;
  - (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 (i)(vi) below on reporting under Rule 11(g);



# **S.R. BATLIBOI & ASSOCIATES LLP**

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- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended,
- (e) 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 is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph b above on reporting under Section 143(3)(b) and paragraph (i) (vi) below on reporting under Rule 11(g);
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 32a to the 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. The management has represented that, to the best of its knowledge and belief, 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, whether, 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;



# **S.R. BATLIBOI & ASSOCIATES LLP**

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- b) 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, that the Company shall, whether, 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; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for direct changes to data when using certain access rights, as described in note 43 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



**per Sriparna De**

Partner

Membership Number: 060978

UDIN: 24060978BKFONM3759

Place of Signature: Gurugram

Date: April 17, 2024



## **Annexure 1**

Annexure referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Freecharge Payment Technologies Private Limited ('the Company')

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i)(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) Property, plant and equipment were physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) As disclosed in Note 11 to the financial statements, the Company has been sanctioned working capital limit in excess of Rs. five crores in aggregate from a bank during the year on the basis of security of fixed deposits held by the Company with the bank. Based on the records examined by us and sanction letter issued by the bank, the Company is not required to submit any quarterly returns/statements. The Company do not have sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms,



# **S.R. BATLIBOI & ASSOCIATES LLP**

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- Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
  - (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
  - (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
  - (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
  - (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
  - (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
  - (vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
  - (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - (b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.
  - (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.



# **S.R. BATLIBOI & ASSOCIATES LLP**

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- (ix)(a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.
- (ix)(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix)(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (ix)(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (ix)(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (ix)(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x)(a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (x)(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)(a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (xi)(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (xi)(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 as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a),(b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.



# **S.R. BATLIBOI & ASSOCIATES LLP**

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- (xiv)(a) The Company has internal audit system commensurate with the size of the Company and nature of its business.
- (xiv)(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (xvi)(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (xvi)(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvi)(d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year and immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in Note 40 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the 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)(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in



# **S.R. BATLIBOI & ASSOCIATES LLP**

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compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note 27B to the financial statements.

(xx)(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in Note 27B to the financial statements.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

*Sriparna De*

per **Sriparna De**

Partner

Membership Number: 060978

UDIN: 24060978BKFONM3759

Place of Signature: Gurugram

Date: April 17, 2024





**Annexure 2**

**Annexure to the Independent Auditor's Report of even date on the Financial Statements of Freecharge Payment Technologies Private Limited**

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

We have audited the internal financial controls over financial reporting of Freecharge Payment Technologies Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**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 over financial reporting 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. 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting with reference to these 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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

## **Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements**

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

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

## **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting 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.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

*Sriparna De*

per **Sriparna De**

Partner

Membership Number: 060978

UDIN: 24060978BKFONM3759

Place of Signature: Gurugram

Date: April 17, 2024



Freecharge Payment Technologies Private Limited

Balance Sheet as at March 31, 2024

(All amounts in Rs. lakhs, except per share data and as stated otherwise)

	Notes	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	661.06	677.69
Capital work-in-progress	3	114.45	103.28
Intangible assets	4	81.03	78.11
Right of use asset	5		
Buildings		1,408.61	352.91
<b>Financial assets</b>			
Other financial assets	6	7,565.52	3,292.62
Other non-current assets	7	4.60	16.88
Deferred tax asset (net)	12	520.76	1,652.02
<b>Total non-current assets</b>		<b>10,356.03</b>	<b>6,173.51</b>
<b>Current assets</b>			
<b>Financial Assets</b>			
Investments	8	7,118.69	2,493.61
Trade receivables	9	4,618.85	4,469.03
Cash and cash equivalents	10	8,291.38	7,988.92
Other Bank Balances	11	1,379.87	5,159.24
Other financial assets	6	16,550.51	13,660.47
Current Tax Assets (net)		1,508.72	1,677.58
Other current assets	7	351.91	1,745.19
<b>Total current assets</b>		<b>39,819.93</b>	<b>37,194.04</b>
		<b>50,175.96</b>	<b>43,367.55</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	13 (a)	1,76,369.78	1,76,369.78
Other equity	13 (b)	(1,37,239.93)	(1,45,102.39)
<b>Total equity</b>		<b>39,129.85</b>	<b>31,267.39</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	14	1,108.18	273.57
Net employee defined benefit obligations	15	407.06	299.33
<b>Total non-current liabilities</b>		<b>1,515.24</b>	<b>572.90</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	16		
Total outstanding dues of micro enterprises and small enterprise		4.41	231.29
Total outstanding dues of creditors other than micro enterprises and small enterprise		1,172.63	1,511.37
Other payables	16	5,624.96	8,396.57
Lease liabilities	14	340.17	117.10
Other financial liabilities	18	489.67	203.73
Other current liabilities	17	1,277.44	472.92
Net employee defined benefits obligations	15	621.59	594.28
<b>Total current liabilities</b>		<b>9,530.87</b>	<b>11,527.26</b>
<b>Total liabilities</b>		<b>11,046.11</b>	<b>12,100.16</b>
<b>Total equity and liabilities</b>		<b>50,175.96</b>	<b>43,367.55</b>

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

As per our report of even date.

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W / E300004

*Suparna De*  
per Suparna De  
Partner

Membership Number : 060978



Place of Signature: Gurugram

Date: 17.04.2024

For and on behalf of Board of Directors of

Freecharge Payment Technologies Private Limited

*Mohit Jain*  
Mohit Jain  
Director  
DIN : 07945124

*Sameer Bhujuanga Shetty*  
Sameer Bhujuanga Shetty  
Director  
DIN : 08536421

*Sumit Bhatnagar*  
Sumit Bhatnagar  
Chief Executive Officer

*Prasenjit Saha*  
Prasenjit Saha  
Chief Financial Officer



*Samarth Govila*  
Samarth Govila  
Company Secretary  
M. No. : A17522

**Freecharge Payment Technologies Private Limited**  
**Statement of Profit or Loss for the year ended March 31, 2024**  
**(All amounts in Rs. lakhs, except per share data and as stated otherwise)**

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from contracts with customers	19	45,387.73	40,392.09
Other income	20	68.43	83.98
Finance income	21	1,107.38	700.64
<b>Total income</b>		<b>46,563.54</b>	<b>41,176.71</b>
<b>Expenses</b>			
Service charges	22	9,781.83	9,212.11
Advertisement and publicity expenses	23	4,499.86	6,145.85
Employee benefits expense	24	17,139.90	14,007.30
Depreciation expense	25	813.35	661.88
Finance costs	26	130.97	83.88
Other expenses	27	3,578.50	4,709.66
<b>Total expenses</b>		<b>35,944.41</b>	<b>34,820.68</b>
<b>Profit for the year before tax</b>		<b>10,619.13</b>	<b>6,356.03</b>
Current tax	12	1,547.43	161.98
Deferred tax charge	12	1,150.90	1,238.96
<b>Total tax expenses</b>		<b>2,698.33</b>	<b>1,400.94</b>
<b>Profit for year after tax</b>		<b>7,920.80</b>	<b>4,955.09</b>
<b>Other comprehensive income</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent years:			
Re-measurement loss / (gain) on defined benefit plans		77.97	104.70
Income tax effect	12	(19.63)	(26.35)
<b>Other comprehensive loss/(gain) for the year, net of tax</b>		<b>58.34</b>	<b>78.35</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>7,862.46</b>	<b>4,876.74</b>
Profit per equity share [nominal value per equity share Rs.10]			
Basic, computed on the basis of profit for the year attributable to equity holders of the Company (Rs.) (refer note 30)		0.45	0.28
Diluted, computed on the basis of profit for the year attributable to equity holders of the Company (Rs.) (refer note 30)		0.45	0.28

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

As per our report of even date.

For S. R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W / E300004

*Sriparna De*

per Sriparna De  
Partner  
Membership Number : 060978



Place of Signature: Gurugram  
Date: 17.04.2024

For and on behalf of Board of Directors of  
Freecharge Payment Technologies Private Limited

*Mohit Jain*  
Mohit Jain  
Director  
DIN : 07945124

*Sameer Bhujanga Shetty*  
Sameer Bhujanga Shetty  
Director  
DIN : 08536421

*Sumit Bhatnagar*  
Sumit Bhatnagar  
Chief Executive Officer

*Prasenjit Saha*  
Prasenjit Saha  
Chief Financial Officer



*Samarth Govila*  
Samarth Govila  
Company Secretary  
M. No. : A17522

Freecharge Payment Technologies Private Limited  
Statement of cash flows for the year ended March 31, 2024  
(All amounts in Rs. lakhs, except per share data and as stated otherwise)

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Cash flow from operating activities</b>		
<b>Profit before tax ( inclusive of other comprehensive income)</b>	<b>10,541.16</b>	<b>6,251.33</b>
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation of property, plant and equipment	422.11	393.87
Amortization of intangible assets	33.48	26.19
Depreciation of right of use asset	357.76	241.82
Loss on impairment of property plant and equipment	6.04	-
Unwinding of discount on financial assets at amortised cost	(16.44)	(14.25)
Bad debts	27.50	28.02
Interest on income tax refund	(35.03)	(27.01)
Finance charges on leases	125.60	62.76
Notional integration and maintenance charges	0.57	0.70
Bank charges	1.11	2.09
Share-based payment expense	-	(11.08)
Mark to market loss on current investment	4.26	19.03
Provision for doubtful debts	(28.78)	12.13
Liabilities no longer required written back	(59.75)	(78.45)
Gain on sale of current investments (net)	(564.33)	(287.90)
Gain on sale of property, plant and equipment	(7.09)	(4.13)
Loss due to write off of property, plant and equipment	25.22	-
Interest income on bank deposits	(491.58)	(371.48)
Provision for Gratuity	135.04	-
<b>Operating flow before working capital changes</b>	<b>10,476.85</b>	<b>6,243.64</b>
<b>Adjustment for change in working capital:</b>		
(Increase) in trade receivables	(148.54)	(1,240.32)
(Increase)/Decrease in financial assets	(2,928.93)	(2,626.73)
Decrease in other assets	195.82	559.13
(Decrease) in trade and other payables	(505.87)	(28.68)
Increase in net employee defined benefits liabilities	-	166.41
Increase/ (Decrease) in Other liabilities	(1,681.15)	3,992.16
<b>Cash generated from operations</b>	<b>5,408.18</b>	<b>7,065.61</b>
Income taxes (refund)/paid (net)	(133.80)	231.26
<b>Net cash flow from operating activities (A)</b>	<b>5,274.38</b>	<b>7,296.87</b>
Net cash provided by operating activities (A)		
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(484.85)	(510.52)
Proceeds from sale of property, plant and equipment	7.63	6.83
Sale / (Purchase) of current investments (net)	(4,065.01)	4,515.00
Interest income on bank deposits	491.58	371.48
Net Investment in fixed deposits (having original maturity of 12 months)	(493.53)	(6,954.05)
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>(4,544.18)</b>	<b>(2,571.26)</b>
<b>Cash flow from financing activities</b>		
Payment of principal amount of lease liabilities	(301.03)	(278.26)
Payment of interest amount of lease liabilities	(125.60)	(62.76)
Bank charges	(1.11)	(2.09)
<b>Net cash flow used in financing activities (C)</b>	<b>(427.74)</b>	<b>(343.11)</b>
Net cash (used in) financing activities (C)		
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>302.46</b>	<b>4,382.50</b>
Cash and cash equivalents at the beginning of the year	7,988.92	3,606.42
<b>Cash and cash equivalents at the end of the year</b>	<b>8,291.38</b>	<b>7,988.92</b>
<b>Components of cash and cash equivalents</b>		
<b>Balances with banks:</b>		
- On current accounts	291.46	3.01
- On current accounts with related parties	7,999.92	7,985.91
<b>Total cash and cash equivalents (Refer note 10)</b>	<b>8,291.38</b>	<b>7,988.92</b>

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

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on Cash Flow Statements notified under the Companies (Indian Accounting Standards) Rules, 2015 as notified by Ministry of Corporate Affairs (as amended).
- Figures in brackets indicates cash outflow.

As per our report of even date.

For S. R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W / E300004

*Sriparna De*  
per Sriparna De  
Partner

Membership Number : 060978



Place of Signature: Gurugram  
Date: 17.04.2024

For and on behalf of Board of Directors of  
Freecharge Payment Technologies Private Limited

*Prasenjit Saha*  
Director  
DIN : 07945124

*Prasenjit Saha*  
Prasenjit Saha  
Chief Financial Officer

*Sameer Bhatnagar*  
Sameer Bhatnagar Shetty  
Director  
DIN : 08536421



*Sumit Bhatnagar*  
Sumit Bhatnagar  
Chief Executive Officer

*Samarth Govila*  
Samarth Govila  
Company Secretary  
M. No. : A17522

Freecharge Payment Technologies Private Limited  
Statement of Changes in Equity for the year ended March 31, 2024  
(All amounts in Rs. lakhs, except per share data and as stated otherwise)

	Number of shares	Amount
<b>a. Equity share capital:</b>		
As at April 01, 2022	1,76,36,97,829	1,76,369.78
Changes in Equity Share Capital due to Prior period errors		
Restated balance at the beginning of the current reporting period		
Issue of share capital during the year	1,76,36,97,829	1,76,369.78
As at March 31, 2023	1,76,36,97,829	1,76,369.78
Changes in Equity Share Capital due to Prior period errors		
Restated balance at the beginning of the current reporting period		
Issue of share capital during the year	1,76,36,97,829	1,76,369.78
As at March 31, 2024	1,76,36,97,829	1,76,369.78

	Amalgamation adjustment reserve	Securities premium	Retained earnings	Contribution to equity from Holding company	Total Equity
<b>b. Other Equity:</b>					
As at April 01, 2022	(50,296.52)	34,697.36	(1,34,577.17)	208.28	(1,49,968.05)
Profit for the year	-	-	4,955.09	-	4,955.09
Re-measurement Gain / (loss) on defined benefit plans	-	-	(78.35)	-	(78.35)
Share based compensation (refer note 24 and 35)	-	-	-	(11.08)	(11.08)
As at March 31, 2023	(50,296.52)	34,697.36	(1,29,700.43)	197.20	(1,45,102.39)
Profit for the year	-	-	7,920.80	-	7,920.80
Re-measurement Gain / (loss) on defined benefit plans	-	-	(58.34)	-	(58.34)
Share based compensation (refer note 24 and 35)	-	-	-	-	-
As at March 31, 2024	(50,296.52)	34,697.36	(1,21,837.97)	197.20	(1,37,239.93)

The accompanying notes are an integral part of the financial statements.  
As per our report of even date.

For S. R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W / E300004

*Sriparna De*  
per Sriparna De  
Partner  
Membership Number : 060978



Place of Signature: Gurugram  
Date: 17.04.2024

For and on behalf of Board of Directors of  
Freecharge Payment Technologies Private Limited

*M. Jain*  
Mehit Jain  
Director  
DIN : 07945124

*Sameer*  
Sameer Bhujuanga Shetty  
Director  
DIN : 09536431

*Sumit*  
Sumit Bhatnagar  
Chief Executive Officer



*Prasjit*  
Prasjit Saha  
Chief Financial Officer

*Samarth*  
Samarth Govila  
Company Secretary  
M. No. : A17522

## Freecharge Payment Technologies Private Limited

### Notes to financial statements

For the year ended March 31, 2024

(All amounts in Rs. lakhs, except per share data and as stated otherwise)

#### 1. Corporate information

Freecharge Payment Technologies Private Limited ("the Company") (CIN:U74140HR2015PTC114857) is domiciled and incorporated in India on January 14, 2015. The Company is primarily engaged in the business to provide, promote, develop, design, set-up, maintain, operate, market and carry on the business of all types of physical, electronic and virtual payment system services, e-wallets, mobile wallets, pre-paid instruments, whether open, closed, semi-closed, cash card, technology service, payment gateways service etc. The Company also owns and operates a web and mobile based recharge platform called Freecharge which enables users to recharge mobile talktime, pay mobile bills, utility bills, data cards, direct to home (DTH) recharge and metro bills etc. The registered office of the Company is located at 11th Floor, Tower C, Cyber Greens, DLF Cyber City, Phase 3, Gurugram, Haryana 122002.

#### 2.0 Material Accounting Policies

##### 2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Company Affairs and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount - refer accounting policy regarding financial instruments. The financial statement has been presented in Indian Rupees to the nearest lakhs, except as stated otherwise.

The financial statements were authorised for issue in accordance with the resolution of the Board of Directors on April 17, 2024.

Pursuant to arrangement entered with Axis Bank Limited ("as an Business Correspondence"), the Company has recovered net cost incurred for the business along with a mark up in relation to financial services and customer acquisition services till March 31, 2024. The Company has an accumulated loss of INR 1,21,838 Lakh as on March 31, 2024 and with effect from April 1, 2024, all payouts for services as an Business Correspondence will be paid basis business performance instead cost plus markup basis. Further, based on the projection for next 12 months from the date of financial statements and basis available funds as on March 31, 2024, there are sufficient funds to continue the operations and to meet the liabilities. Therefore, the financial statements have been continued to be prepared on a going concern basis.

##### 2.2 Summary of material accounting policies

###### a. Current versus non-current classification

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:

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

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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.

###### b. Foreign currencies

The Company's financial statements are presented in Indian Rupees to the nearest lakhs, which is also the Company's functional currency.

###### Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

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

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

- Exchange differences arising on monetary items that are designated as part of the hedge of the Company's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.





**Freecharge Payment Technologies Private Limited**

**Notes to financial statements**

**For the year ended March 31, 2024**

**(All amounts in Rs. lakhs, except per share data and as stated otherwise)**

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 other comprehensive income ('OCI') or statement of profit or loss are also recognised in OCI or statement of profit or loss, respectively).

**c. Fair value measurement**

The Company measures financial instruments, such as, derivatives / investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- 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.

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

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**d. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the payment is being made. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contractual defined terms of payment and excluding taxes or duties collected on behalf of government. The following specific recognition criteria must also be met before revenue is recognized:

**Revenue from commission income**

Merchant checkout fees is recognised on the basis of successful pay-out to the respective merchants. The settlement are done daily for such transactions to the merchant on net of MDR revenue. Revenues from operating an internet portal providing recharge and bill payment services are recognised upon successful recharge / payment confirmation for the transactions executed. The Company collects Goods and Service Taxes on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

**Revenue from business support fee**

Pursuant to arrangement entered with Axis Bank Limited, the Company has started charging net cost incurred for the business along with a mark up. This income is in relation to financial services and customer acquisition services provided to Axis Bank Limited by the Company. Said charge is referred as business support fee which is calculated on the basis of net expenses incurred (as per IGAAP) by the Company to run its operations (excluding certain items as per contractual arrangements). Such fee is recognized on accrual basis.



**Freecharge Payment Technologies Private Limited**

**Notes to financial statements**

**For the year ended March 31, 2024**

**(All amounts in Rs. lakhs, except per share data and as stated otherwise)**

**Revenue from technical services**

Pursuant to arrangement entered with Axis Bank Limited and its fellow subsidiaries, the Company has started providing services in relation to development and management of technology products. The Company will charge Axis Bank and other fellow subsidiaries in the capacity of Technology Service Provider at a mutually agreed rate. Such fee is recognized on accrual basis.

**Sale of services**

Revenue from services i.e sound box is recognized when the performance obligation is completed as per the terms of the agreement with merchant i.e. as and when services are rendered. Revenues are disclosed net of variable consideration and Goods and Services Tax charged on such services.

**Other operating revenue**

Revenues from ancillary activities like convenience fees, merchant monetization fees, issuance fees, system integration, paid coupon income, marketing fee etc. are recognized upon completion of performance obligation.

**Interest**

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 Company 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 finance income in the statement of profit or loss.

**e. Taxes**

**Current income tax**

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.



**Freecharge Payment Technologies Private Limited**  
**Notes to financial statements**  
**For the year ended March 31, 2024**  
**(All amounts in Rs. lakhs, except per share data and as stated otherwise)**

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

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in statement of profit or loss.

**f. Property, plant and equipment**

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred directly to retained earnings.

Depreciation is calculated on straight line basis over the estimated useful life as follows

Category of assets	Estimated useful life
Computers and data processing units	3 - 6 years
Office machinery and equipments	18 months to 5 years
Furniture and fittings	10 years
Mobile devices	2 years
Leasehold improvement	over lease term

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on 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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Capital work in progress is stated at cost.



**Freecharge Payment Technologies Private Limited**  
**Notes to financial statements**  
**For the year ended March 31, 2024**  
**(All amounts in Rs. lakhs, except per share data and as stated otherwise)**

**g. Intangible assets**

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

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but 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.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

**h. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. 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.

**i. Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations are recognised in the statement of profit or loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life as estimated by the management.

For assets an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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**Freecharge Payment Technologies Private Limited**  
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**j. Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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 recognised as a finance cost.

**Onerous contracts**

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.

**Provision for bonus**

Provision for bonus is recognised on time proportion basis over the period of service

**Contingent Liabilities and Contingent Assets**

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or nonoccurrence of one or more uncertain future events not within the control of the Company; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

**k. Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

In accordance with Indian law, the Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees on retirement or on termination of employment for an amount based on the respective employee's salary and the years of employment with the Company.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method based on an actuarial valuation performed by an independent actuary.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit obligations, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit obligations or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and
- Net interest expense or income

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**Freecharge Payment Technologies Private Limited**

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Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. The compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Expense in respect of other short-term benefits is recognized on the basis of the amount paid or payable for the year during which services are rendered by the employee.

**I. Financial instruments**

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

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

**Subsequent measurement**

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

**Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

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**Freecharge Payment Technologies Private Limited**  
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**Equity investments**

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 statement of profit or loss, 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 statement of profit or loss.

**Derecognition**

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
- b) Available for sale financial assets
- c) Lease receivables under Ind AS 116
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other 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 a subsequent period, 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 recognising impairment loss allowance based on 12-month ECL.

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**Freecharge Payment Technologies Private Limited**

**Notes to financial statements**

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Lifetime ECL 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 reporting date.

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 cash 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, call and similar options) 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
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit or loss. This amount is reflected under the head 'other expenses' in the statement of profit or loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL 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.
- Available for sale financial assets: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

**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. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. 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 recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

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**Freecharge Payment Technologies Private Limited**  
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**Loans and borrowings**

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

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

**Derecognition**

A financial liability is derecognised 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 recognised in the statement of profit or loss.

**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. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. 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.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in statement of profit or loss, unless designated as effective hedging instruments.

**Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**Offsetting of financial instruments**

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

**m. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**n. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of 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 company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



**Freecharge Payment Technologies Private Limited**

**Notes to financial statements**

**For the year ended March 31, 2024**

**(All amounts in Rs. lakhs, except per share data and as stated otherwise)**

**o. Share Based Payments**

The Holding Company provides share based payment schemes to employees of the companies in the group including Freecharge Payment Technologies Private Limited. In accordance with para 43A of Ind AS 102 "Share Based Payments", company accounts for relevant cost in relation to options granted to its employees by the holding company. Cost for such options is recorded at fair value as on date of grant over the vesting periods.

**p. Leases**

Ind AS 116 sets out the principles for recognition, measurement, presentation, and disclosure of leases for both lessees and lessors.

**"The Company as a lessee"**

"The Company's lease asset classes primarily consist of leases for buildings. 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. "

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment about whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Aggregate depreciation expenses on the ROU assets is included under depreciation and amortisation in statement of profits and loss. For changes in the carrying amount of ROU and lease liabilities refer note 5 and note 14.

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Freecharge Payment Technologies Private Limited  
Notes to financial statements  
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(All amounts in Rs. lakhs, except per share data and as stated otherwise)

3. Property, plant and equipment

	Leasehold improvements	Computers	Office machinery and equipments	Furniture and fittings	Total
<b>Cost</b>					
As at April 01, 2022	340.50	1,096.76	145.82	97.20	1,680.28
Additions	0.56	375.67	31.50	0.20	407.93
Disposals	-	(61.37)	(4.65)	-	(66.02)
Impairment/ write off during the year	-	(12.38)	(2.44)	(0.91)	(15.73)
<b>As at March 31, 2023</b>	<b>341.06</b>	<b>1,398.68</b>	<b>170.23</b>	<b>96.49</b>	<b>2,006.46</b>
Additions	7.58	337.27	72.62	19.81	437.28
Disposals	-	(86.65)	(5.37)	(1.04)	(93.06)
Impairment/ write off during the year*	(20.12)	(35.47)	(19.69)	(18.65)	(93.93)
<b>As at March 31, 2024</b>	<b>328.52</b>	<b>1,613.83</b>	<b>217.79</b>	<b>96.61</b>	<b>2,256.75</b>

**Depreciation**

As at April 01, 2022	218.40	654.82	88.71	52.02	1,013.95
Charge for the year	81.97	274.95	27.35	9.60	393.87
Disposals	-	(58.86)	(4.50)	-	(63.36)
Impairment/ write off during the year	-	(12.38)	(2.44)	(0.87)	(15.69)
<b>As at March 31, 2023</b>	<b>300.37</b>	<b>858.53</b>	<b>109.12</b>	<b>60.75</b>	<b>1,328.77</b>
Charge for the year	30.19	347.59	34.23	10.10	422.11
Disposals	-	(86.65)	(5.33)	(0.54)	(92.52)
Impairment/ write off during the year*	(9.23)	(29.76)	(13.57)	(10.11)	(62.67)
<b>As at March 31, 2024</b>	<b>321.33</b>	<b>1,089.71</b>	<b>124.45</b>	<b>60.20</b>	<b>1,595.69</b>

**Net book value**

As at March 31, 2024	7.19	524.12	93.34	36.41	661.06
As at March 31, 2023	40.69	540.15	61.11	35.74	677.69

Capital work in progress (CWIP)

As at March 31, 2024	114.45
As at March 31, 2023	103.28

Ageing of Capital work in progress as at March 31, 2024

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	28.25	86.20	-	-	114.45
Projects temporarily suspended	-	-	-	-	-

Ageing of Capital work in progress as at March 31, 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	103.28	-	-	-	103.28
Projects temporarily suspended	-	-	-	-	-

\*The Company has vacated its office space in Maruthi Shappire (Bangalore) and terminated its lease agreement effective April 10, 2024. Accordingly, the Company has written off certain identified assets, of the said premises, that had a net book value of Rs. 25.20 lakhs. The gross block and accumulated depreciation of such assets were Rs. 73.42 lakhs and Rs. 48.42 lakhs, respectively.

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**Freecharge Payment Technologies Private Limited****Notes to financial statements****For the year ended March 31, 2024****(All amounts in Rs. lakhs, except per share data and as stated otherwise)****4 Intangible Assets**

	Software	Domain name	Trademarks	Server Licence	Total
<b>Cost</b>					
As at April 01, 2022	95.40	40.05	5.13	136.19	276.77
Additions	-	-	-	28.00	28.00
Disposals / adjustments	-	-	-	-	-
As at March 31, 2023	95.40	40.05	5.13	164.19	304.77
Additions	-	-	-	36.40	36.40
Disposals / adjustments	-	-	-	-	-
Write off during the year	-	-	-	(7.67)	(7.67)
As at March 31, 2024	95.40	40.05	5.13	192.92	333.50
<b>Depreciation</b>					
As at April 01, 2022	95.40	31.41	1.59	72.07	200.47
Charge for the year	-	1.40	0.51	24.28	26.19
Disposals / adjustments	-	-	-	-	-
As at March 31, 2023	95.40	32.81	2.10	96.35	226.66
Charge for the year	-	1.40	0.51	31.57	33.48
Disposals / adjustments	-	-	-	-	-
Write off during the year	-	-	-	(7.67)	(7.67)
As at March 31, 2024	95.40	34.21	2.61	120.25	252.47
<b>Net book value</b>					
As at March 31, 2024	-	5.84	2.52	72.67	81.03
As at March 31, 2023	-	7.24	3.03	67.84	78.11

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Freecharge Payment Technologies Private Limited  
Notes to financial statements  
For the year ended March 31, 2024  
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5 Right of use assets

	Amounts
Balance as at April 1, 2022	408.27
Reinstatement during the year	-
Depreciation impact due to reinstatement	-
Additions during the year	186.46
Depreciation for the year	(241.82)
<b>Balance as at March 31, 2023</b>	<b>352.91</b>
Reinstatement during the year	1,094.40
Depreciation impact due to reinstatement	-
Additions during the year	392.03
Disposals during the year*	(72.97)
Depreciation for the year	(357.76)
<b>Balance as at March 31, 2024</b>	<b>1,408.61</b>

\*The Company has vacated its office space in Maruthi Shappire (Bangalore) and terminated its lease agreement effective April 10, 2024. Accordingly, the Company has disposed off corresponding ROU.

6. Other financial assets

	As at March 31, 2024	As at March 31, 2023
<b>Other financial assets</b>		
<b>Unsecured, considered good unless stated otherwise</b>		
Security deposits		
- considered good	243.92	230.49
- considered doubtful	-	-
	<b>243.92</b>	<b>230.49</b>
Less: Provision for doubtful deposits	-	-
	<b>243.92</b>	<b>230.49</b>
Advances recoverable in cash or kind		
- considered good	6,798.48	3,502.56
- considered doubtful	249.51	362.81
	<b>7,047.99</b>	<b>3,865.37</b>
Less: Provision for doubtful advances	(249.51)	(362.81)
	<b>6,798.48</b>	<b>3,502.56</b>
Restricted cash held in separate accounts*	1.97	73.06
Restricted cash held in separate accounts - Related parties* (refer note 34)	5,021.30	4,615.15
Margin money deposit**	1,643.98	100.93
Deposits with original maturity of more than 12 months with Related party (refer note 34)	5,713.38	3,137.14
Recoverable from related parties (refer note 34)	4,693.00	5,293.76
<b>Total Other financial assets</b>	<b>24,116.03</b>	<b>16,953.09</b>
Current	16,550.51	13,660.47
Non-current	7,565.52	3,292.62
<b>Total other financial assets</b>	<b>24,116.03</b>	<b>16,953.09</b>

\* Pursuant to Reserve Bank of India notification dated November 24, 2009 the Company acts as an 'Intermediaries' and has accordingly received the said amount in its nodal bank account. From this nodal bank account, the Company has transferred the respective amount to the merchants. Balance lying in this nodal bank account as at March 31, 2024 & March 31, 2023 is disclosed as 'Restricted Cash held in separate accounts' & 'Restricted cash held in separate accounts - Related parties\* (Refer note 34)' in the financial statements.

\*\* Margin money deposits with a carrying amount of March 31, 2024 Rs. 1643.98 (March 31, 2023 : Nil) are given to secure OD facility from Axis Bank. Further Rs Nil for March 31, 2024, (March 31, 2023 : 100.93 Lakh ) are given to secure payment gateway services from HDFC Bank. (Refer note 34)

7. Other assets

	As at March 31, 2024	As at March 31, 2023
<b>Other assets</b>		
Balances with statutory/government authorities	-	917.48
Prepayments	356.51	844.59
<b>Total other assets</b>	<b>356.51</b>	<b>1,762.07</b>
Current	351.91	1,745.19
Non-current	4.60	16.88
<b>Total other assets</b>	<b>356.51</b>	<b>1,762.07</b>



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Freecharge Payment Technologies Private Limited  
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8. Investments

	As at March 31, 2024	As at March 31, 2023
<b>Investments</b>		
<b>Investments at fair value through profit &amp; loss (fully paid)</b>		
<b>Unquoted mutual funds</b>		
1,41,417 (March 31, 2023 : 99,635) units of Axis liquid Fund	3,795.25	2,491.76
2,62,398 (March 31, 2023 : 156) units of Axis overnight fund	3,323.44	1.85
<b>Total investments at fair value through profit &amp; loss</b>	<b>7,118.69</b>	<b>2,493.61</b>
<b>Total investments</b>	<b>7,118.69</b>	<b>2,493.61</b>
Current	7,118.69	2,493.61
Non-current	-	-
<b>Total investments</b>	<b>7,118.69</b>	<b>2,493.61</b>

9. Trade receivables

	As at March 31, 2024	As at March 31, 2023
<b>Trade receivables</b>		
Trade receivables	11.06	34.01
Trade receivables - related parties (refer note 34)	4,607.79	4,435.02
<b>Total trade receivables</b>	<b>4,618.85</b>	<b>4,469.03</b>
<b>Breakup for Trade receivables</b>		
Trade Receivables considered good - Unsecured	4,618.85	4,469.03
<b>Total</b>	<b>4,618.85</b>	<b>4,469.03</b>
Current	4,618.85	4,469.03
Non-current	-	-
<b>Total trade receivable</b>	<b>4,618.85</b>	<b>4,469.03</b>

Ageing of Trade receivables as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 Months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,198.01	3,289.64	107.08	24.12	-	-	-	4,618.85
(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	-	-	-	-	-	-	-	-

Ageing of Trade receivables as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not Due	Less than 6 Months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	3,003.98	111.50	1,353.55	-	-	-	-	4,469.03
(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	-	-	-	-	-	-	-	-

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 15 to 90 days. For terms and conditions relating to related party receivables (refer note 34).



Freecharge Payment Technologies Private Limited  
Notes to financial statements  
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10. Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
<b>Cash and cash equivalents</b>		
Balances with banks:		
– On current accounts	291.46	3.01
– On current accounts with related parties (refer note 34)	7,999.92	7,985.91
<b>Total cash and cash equivalents</b>	<b>8,291.38</b>	<b>7,988.92</b>
Current	8,291.38	7,988.92
Non-current	-	-
<b>Total cash and cash equivalents</b>	<b>8,291.38</b>	<b>7,988.92</b>

11. Bank balances other than above

	As at March 31, 2024	As at March 31, 2023
Deposits with original maturity of more than 3 months but less than 12 months with Related party (refer note 34)	19.09	2,416.59
Margin money deposit*	1,360.78	2,742.65
	<b>1,379.87</b>	<b>5,159.24</b>

\* Margin money deposits with a carrying amount of Rs. 1252.89 lakhs (March 31, 2023 : Rs. 2742.65 lakhs) are given to secure corporate credit card limit and overdraft facility from Axis bank. Further Rs 107.89 lakh for March 31, 2024, (March 31, 2023 : Nil) are given to secure payment gateway services from HDFC Bank. (Refer note 34)

12. Income tax

The major components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are:

Statement of Profit & Loss	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Current income tax:</b>		
Current income tax charge	1,547.43	161.98
Deferred tax charge	1,150.90	1,238.96
<b>Income tax expense reported in the statement of profit and Loss</b>	<b>2,698.33</b>	<b>1,400.94</b>
<b>OCI section</b>		
Deferred tax related to items recognised in other comprehensive income during the year		
Net loss/(gain) on remeasurements of defined benefit plans	(19.63)	(26.35)
<b>Tax charged to other comprehensive income</b>	<b>(19.63)</b>	<b>(26.35)</b>

The Major Components of deferred tax assets and liabilities are as followed.

In view of the reasonable certainty of future taxable income, the Company has recognised deferred tax assets.

The deferred tax and current tax have been computed at 25.17%.

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets	520.76	1,652.02
Deferred tax liabilities	-	-
	<b>520.76</b>	<b>1,652.02</b>

Movement in deferred tax balances:

	Recognised in balance sheet		Recognised in statement of profit and loss	
	As at March 31, 2024	As at March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Difference in carrying values of property, plant & equipment and intangible assets	152.21	146.24	5.97	11.79
Provision for Leave encashment	131.24	118.70	12.54	28.58
Provision for Gratuity	134.79	106.20	28.59	13.31
Losses available for offsetting against future taxable income	-	1,182.48	(1,182.48)	(1,262.71)
Fair valuation of Investments in mutual funds	(4.80)	(5.88)	1.07	4.79
Fair valuation of Security deposits	13.25	4.14	9.11	1.21
Impact of Ind AS 116 - Leases	10.00	9.50	0.50	(10.75)
Others	84.07	90.64	(6.57)	1.17
<b>Deferred tax charge</b>			<b>(1,131.27)</b>	<b>(1,212.61)</b>
<b>Net deferred tax assets</b>	<b>520.76</b>	<b>1,652.02</b>		



Freecharge Payment Technologies Private Limited  
Notes to financial statements  
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13 (a) Share capital

	As at March 31, 2024	As at March 31, 2023
<b>Authorized shares</b>		
400,60,10,000 (March 31, 2023: 400,60,10,000) equity shares of Rs.10 each	4,00,601.00	4,00,601.00
<b>Issued, subscribed and fully paid-up shares</b>		
176,36,97,829 (March 31, 2023: 176,36,97,829) equity shares of Rs.10 each fully paid-up	1,76,369.78	1,76,369.78
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>1,76,369.78</b>	<b>1,76,369.78</b>

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

Equity shares

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	1,76,36,97,829	1,76,369.78	1,76,36,97,829	1,76,369.78
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,76,36,97,829</b>	<b>1,76,369.78</b>	<b>1,76,36,97,829</b>	<b>1,76,369.78</b>

(b) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. 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.

(c) Shares held by holding

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries / associates are as below:

	As at March 31, 2024	As at March 31, 2023
Axis Bank Limited, holding company	1,76,36,97,829	1,76,36,97,829
176,36,97,829 (March 31, 2023 : 176,36,97,829) equity shares of Rs.10 each fully paid-up (refer note 34)		

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

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Holding percentage	No. of shares	Holding percentage
Axis Bank Limited, holding company	1,76,36,97,829	100.00%	1,76,36,97,829	100.00%

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 ownership of shares.

(e) Shares held by promoters

Promoter Name	As at March 31, 2024		As at March 31, 2023	
	No of Shares	% of total shares	No of Shares	% of total shares
Axis Bank Limited	1,76,36,97,829	100%	1,76,36,97,829	100%

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**Freecharge Payment Technologies Private Limited**  
**Notes to financial statements**  
**For the year ended March 31, 2024**  
**(All amounts in Rs. lakhs, except per share data and as stated otherwise)**

**13 (b) Other Equity**

	As at March 31, 2024	As at March 31, 2023
<b>(i) Amalgamation adjustment reserve</b>		
Opening balance	(50,296.52)	(50,296.52)
Addition during the year	-	-
<b>Closing balance (A)</b>	<b>(50,296.52)</b>	<b>(50,296.52)</b>
<b>(ii) Securities premium</b>		
Opening balance	34,697.36	34,697.36
Addition during the year	-	-
<b>Closing balance (B)</b>	<b>34,697.36</b>	<b>34,697.36</b>
<b>(ii) Retained earnings</b>		
Opening balance	(1,29,700.43)	(1,34,577.17)
Add : Profit for the year	7,920.80	4,955.09
Add : Re-measurement Gain / (loss) on defined benefit plans	(58.34)	(78.35)
<b>Closing balance (C)</b>	<b>(1,21,837.97)</b>	<b>(1,29,700.43)</b>
<b>(ii) Contribution to equity from Holding company</b>		
Opening balance	197.20	208.28
Add : Share based compensation (refer note 24 and 35)	-	(11.08)
<b>Closing balance (D)</b>	<b>197.20</b>	<b>197.20</b>
<b>Total other equity (A+B+C+D)</b>	<b>(1,37,239.93)</b>	<b>(1,45,102.39)</b>

**Nature and purpose of reserves**

**(i) Amalgamation adjustment reserve**

Amalgamation adjustment reserve represent net loss on account of amalgamation of Accelyst Solutions Pvt. Ltd (ASPL), a wholly owned subsidiary of Axis Bank Limited, into and with the Company. This reserve will be utilised in accordance with the provisions of the Companies Act.

**(ii) Securities premium**

Securities premium is used to record the premium on issue of shares. This reserve will be utilised in accordance with the provisions of the Companies Act.

**(iii) Retained earnings**

Retained earnings are the profits/(loss) that the Company has earned/incurred till date.

Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss. Retained earnings is a free reserve available to the Company and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date.

**(iv) Contribution to equity by Holding company**

These reserves represent the notional investment by holding company by way of granting shares under Employee Stock Option plans of the Holding company to the employees of the Company. This reserve will be utilised in accordance with the provisions of the Companies Act.

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Freecharge Payment Technologies Private Limited  
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14. Lease liabilities

	As at March 31, 2024	As at March 31, 2023
<b>Opening Balance</b>	390.67	488.75
Reinstatement during the year	1,050.00	-
Additions during the year	381.69	180.18
Disposals during the year*	(72.98)	
Finance cost accrued during the year	125.60	62.76
Payment of lease liabilities	(426.63)	(341.02)
<b>Closing Balance</b>	<b>1,448.35</b>	<b>390.67</b>
Current	340.17	117.10
Non-current	1,108.18	273.57
<b>Total other financial liabilities</b>	<b>1,448.35</b>	<b>390.67</b>

\*The Company has vacated its office space in Maruthi Shappire (Bangalore) and terminated its lease agreement effective April 10, 2024. Accordingly, the Company has disposed off corresponding lease liabilities.

15. Net employee defined benefits obligations

	As at March 31, 2024	As at March 31, 2023
Provision for gratuity	507.21	421.98
Provision for compensated absences	521.44	471.63
<b>Total net employee defined benefit obligations</b>	<b>1,028.65</b>	<b>893.61</b>
Current	621.59	594.28
Non-current	407.06	299.33
<b>Total net employee defined benefit obligations</b>	<b>1,028.65</b>	<b>893.61</b>

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment of amounts that are based on salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date.

The following tables summarises the components of net benefit expense recognised in the income statement and the funded status and amounts recognised in the balance sheet for the plan:

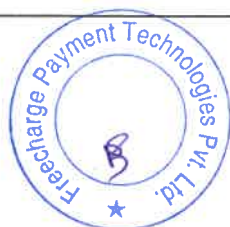
	As at March 31, 2024	As at March 31, 2023
Current Service cost	93.62	60.10
Interest cost on benefit obligation	26.26	15.12
<b>Net benefit expense</b>	<b>119.88</b>	<b>75.22</b>

Changes in the present value of the defined benefit obligation are as follows :

	Amount in Lakhs
<b>Defined benefit obligation at April 1, 2022</b>	<b>369.11</b>
Current Service cost	60.10
Past Service cost	-
Interest cost on benefit obligation	15.12
Benefits paid	(129.53)
Acquisition	2.47
Actuarial (gains) / losses on obligation	104.71
<b>Defined benefit obligation at March 31, 2023</b>	<b>421.98</b>
Current Service cost	93.62
Past Service cost	-
Interest cost on benefit obligation	26.26
Benefits paid	(107.37)
Acquisition	(5.25)
Actuarial (gains) / losses on obligation	77.97
<b>Defined benefit obligation at March 31, 2024</b>	<b>507.21</b>

The principal actuarial assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:

	As at March 31, 2024	As at March 31, 2023
Discount rate	7.14%	7.28%
Salary escalation rate	8.00%	8.50%
Withdrawal rate	35%	35%



**Sensitivity Analysis**

The Company regularly assesses these assumptions with the projected long term plans and prevalent industry standards.

**The impact of sensitivity due to change in the significant actuarial assumptions on the defined benefit obligations is given in the table below:**

	Change in Assumption	As at	As at
		March 31, 2024	March 31, 2023
Discount rate	1.00%	492.18	410.66
	-1.00%	523.15	433.98
Salary Increase rate	1.00%	523.81	434.22
	-1.00%	491.12	410.08

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations, as a result of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular underlying actuarial assumption, while assuming all other assumptions to be constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**The table below summarises the maturity profile of the Company's gratuity liability:**

	As at	As at
	March 31, 2024	March 31, 2023
Within one year	100.15	122.65
Between one and three years	206.04	149.92
Between three and five years	169.21	124.46
Above five years	171.28	132.63
Weighted average duration (in years)	2.85	2.85

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Freecharge Payment Technologies Private Limited  
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16. Trade and other payables

	As at March 31, 2024	As at March 31, 2023
<b>Trade payables</b>		
Total outstanding dues of micro enterprises and	4.41	231.29
Total outstanding dues of creditors other than micro enterprises and small enterprise	1,172.63	1,511.37
<b>Total trade payable</b>	<b>1,177.04</b>	<b>1,742.66</b>
Trade payables	1,018.56	1,685.01
Trade payables - related parties (refer note 34)	158.48	57.65
<b>Total trade payable</b>	<b>1,177.04</b>	<b>1,742.66</b>
<b>Other payables</b>		
Accrued salaries and benefits	1,334.48	1,143.32
Payable to creditors for capital goods	-	0.95
Payable to related parties (refer note 34)	1,615.64	1,854.93
Payable to merchants	2,510.65	4,601.44
Other payables	164.19	795.93
<b>Total other payables</b>	<b>5,624.96</b>	<b>8,396.57</b>
<b>Total trade and other payables</b>	<b>6,802.00</b>	<b>10,139.23</b>
Current	6,802.00	10,139.23
Non-current	-	-
<b>Total trade and other payables</b>	<b>6,802.00</b>	<b>10,139.23</b>

Ageing of Trade payables as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Provisions	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	2.35	2.06	-	-	-	4.41
(ii) Others	1,014.83	112.73	45.07	-	-	-	1,172.63
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

Ageing of Trade payables as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Provisions	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	231.10	0.19	-	-	-	231.29
(ii) Others	937.16	536.62	37.59	-	-	-	1,511.37
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

17. Other current liabilities

	As at March 31, 2024	As at March 31, 2023
Statutory liabilities payable	1,277.44	471.28
Advance from customers	-	1.64
<b>Total other current liabilities</b>	<b>1,277.44</b>	<b>472.92</b>
Current	1,277.44	472.92
Non-current	-	-
<b>Total other current liabilities</b>	<b>1,277.44</b>	<b>472.92</b>

18. Other financial liabilities

	As at March 31, 2024	As at March 31, 2023
<b>Other financial liabilities</b>		
Other payables to aggregators	489.67	203.73
	<b>489.67</b>	<b>203.73</b>



**Freecharge Payment Technologies Private Limited**  
**Notes to financial statements**  
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**(All amounts in Rs. lakhs, except per share data and as stated otherwise)**

**19. Revenue from contracts with customers**

**Disaggregated revenue information**

	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from commission fees	3,878.78	1,609.21
Revenue from commission fees - related party (refer note 34)	736.21	425.49
Revenue from business support fees (refer note 34)	16,343.86	20,187.42
Revenue from TSP fees (refer note 34)	17,339.58	10,201.04
Other operating revenue	7,089.30	7,968.93
<b>Total revenue from contracts with customers</b>	<b>45,387.73</b>	<b>40,392.09</b>
India	45,387.73	40,392.09
Outside India	-	-
<b>Total revenue from contracts with customers</b>	<b>45,387.73</b>	<b>40,392.09</b>
<b>Timing of revenue recognition</b>		
Services transferred over time	33,683.44	30,388.46
Services transferred at a point in time	11,704.29	10,003.63
<b>Total revenue from contracts with customers</b>	<b>45,387.73</b>	<b>40,392.09</b>

**Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

Revenue as per contracted price	45,387.73	40,392.09
Adjustments	-	-
<b>Revenue from contract with customers</b>	<b>45,387.73</b>	<b>40,392.09</b>

**20. Other income**

	For the year ended March 31, 2024	For the year ended March 31, 2023
Liabilities no longer required written back	59.75	78.45
Profit on sale of Property, plant and equipment (net)	7.09	4.13
Other non - operating income	1.59	1.40
<b>Total other income</b>	<b>68.43</b>	<b>83.98</b>

**21. Finance income**

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income on bank deposits (refer note 34)	491.58	371.48
Interest on income tax refund	35.03	27.01
Unwinding of discount on financial assets at amortised cost	16.44	14.25
Realised Gain on sale of current investments (net)	564.33	287.90
<b>Total finance income</b>	<b>1,107.38</b>	<b>700.64</b>

**22. Service charges**

	For the year ended March 31, 2024	For the year ended March 31, 2023
Payment gateway charges	5,881.71	5,577.95
Payment gateway charges - related party (refer note 34)	2,365.95	1,629.41
Web Hosting and Other charges	1,534.17	2,004.75
<b>Total service charges</b>	<b>9,781.83</b>	<b>9,212.11</b>

**23. Advertisement and publicity expenses**

	For the year ended March 31, 2024	For the year ended March 31, 2023
Advertisement and other expenses	4,499.86	6,145.85
<b>Total advertisement and publicity expenses</b>	<b>4,499.86</b>	<b>6,145.85</b>



**Freecharge Payment Technologies Private Limited**  
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**24. Employee benefits expense**

	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	15,804.71	13,008.87
Contribution to provident and other fund	599.54	467.45
Gratuity expense (refer note 15)	119.88	75.22
Employee stock option scheme (refer note 34 and 35)	244.20	85.85
Staff welfare expenses	371.57	369.91
<b>Total employee benefit expenses</b>	<b>17,139.90</b>	<b>14,007.30</b>

**25. Depreciation expense**

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (refer note 3)	422.11	393.87
Amortisation of intangible assets (refer note 4)	33.48	26.19
Depreciation of right of use asset (refer note 5)	357.76	241.82
<b>Total depreciation expense</b>	<b>813.35</b>	<b>661.88</b>

**26. Finance costs**

	For the year ended March 31, 2024	For the year ended March 31, 2023
Finance charges on leases	125.60	62.76
Bank charges	1.11	2.09
Mark to market loss on current investments	4.26	19.03
<b>Total finance costs</b>	<b>130.97</b>	<b>83.88</b>

**27. Other expenses**

	For the year ended March 31, 2024	For the year ended March 31, 2023
Power and fuel	37.58	22.11
Rent	18.60	19.83
Bad debt	27.50	28.02
Provision for Doubtful Debts	(28.78)	12.13
Payment to auditor (Refer note A below)	24.72	22.10
CSR Expenses ( Refer note B below)	102.12	54.20
Legal and professional fees	1,314.10	2,232.92
Rates and taxes	17.07	5.78
Repairs and maintenance		
-Building	63.93	60.68
-Others	20.90	30.37
Traveling and conveyance	263.73	313.71
Software expenses	1,187.37	1,489.50
Collection Agency Commission	216.73	61.62
Loss on write off of fixed assets	25.22	-
Loss on impairment of property plant and equipment	6.04	-
Recruitment expenses	33.44	132.27
Foreign exchange loss	3.88	8.36
Loss due to technical configuration issues	9.12	8.79
Administrative & miscellaneous expenses	235.23	207.27
<b>Total other expenses</b>	<b>3,578.50</b>	<b>4,709.66</b>

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**Freecharge Payment Technologies Private Limited**  
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**A. Payment to Auditors**

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>As auditor:</b>		
Audit fee	19.50	18.00
Tax audit fee	1.00	1.00
Limited Review	3.00	3.00
Out of pocket expenses	1.22	0.10
	<b>24.72</b>	<b>22.10</b>

**B. Details of CSR expenditure:**

	For the year ended March 31, 2024	For the year ended March 31, 2023
a. Gross amount required to be spent by the Company during the year	102.12	54.20
b. Amount approved by the Board to be spent during the year	102.12	54.20
	<b>Amount paid</b>	<b>Amount yet to be paid</b>
c. Amount spent during the year ending on March 31, 2024:		<b>Total</b>
- Sustainable Livelihood	102.12	-
d. Amount spent during the year ending on March 31, 2023:		
- Sustainable Livelihood	54.20	-
	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
e. i. Details related to spent obligations		
i) Contribution to Axis Bank Foundation for Sustainable Livelihood Program	102.12	54.20
ii. Details related to unspent obligations	-	-

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**Freecharge Payment Technologies Private Limited**  
**Notes to financial statements**  
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**28. Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying Value		Fair Value	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Financial assets</b>				
Investments at fair value through profit & loss	7,118.69	2,493.61	7,118.69	2,493.61
Other financial assets	24,116.03	16,953.09	24,116.03	16,953.09
<b>Total</b>	<b>31,234.72</b>	<b>19,446.70</b>	<b>31,234.72</b>	<b>19,446.70</b>
<b>Financial liabilities</b>				
Other financial liabilities	489.67	203.73	489.67	203.73
<b>Total</b>	<b>489.67</b>	<b>203.73</b>	<b>489.67</b>	<b>203.73</b>

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current 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. The following methods and assumptions were used to estimate the fair values:

(a) Long-term receivables are evaluated by the Company based on parameters such as interest rates, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

(b) The financial instruments in the nature of investment in mutual funds which are recognised at Fair Value are categorised as Level 1 within the fair value hierarchy, as the Quoted prices (unadjusted) being available in active markets for identical assets.

29. The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include, liquidity risk and market risk. The Board provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

**(a) Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and short-term deposits), the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

*Excessive risk concentration*

Concentration arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

*Exposure to credit risk*

The Company's maximum exposure to credit risk for the components of the statement of financial position as of March 31, 2024 and March 31, 2023 is the carrying amounts as disclosed in note 9 (Trade receivables).

*Financial assets that are neither past due nor impaired*

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Company. Cash and short-term deposits and investment securities that are neither past due nor impaired are placed with reputable financial institutions or companies with high credit ratings and no history of default.

*Financial assets that are either past due or impaired*

Information regarding financial assets that are either past due or impaired is disclosed in note 9 (Trade receivables).

**b) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company maintains a balance between continuity of funding and flexibility.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available.

**c) Capital Management**

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.





**Freecharge Payment Technologies Private Limited****Notes to financial statements****For the year ended March 31, 2024****(All amounts in Rs. lakhs, except per share data and as stated otherwise)****30. Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the 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.

The following reflects the income and share data used in the basic and diluted EPS computations:

	As at March 31, 2024	As at March 31, 2023
Profit for the year attributable to equity share holders of the Company (A)	7,862.46	4,876.74
Weighted average number of equity shares in calculating basic EPS (Nos) (B)	1,76,36,97,829	1,76,36,97,829
Basic earning per equity share (Rs.) (A/B)	0.45	0.28
Weighted average number of equity shares in calculating diluted EPS (Nos) (C)	1,76,36,97,829	1,76,36,97,829
Diluted earning per equity share (Rs.) (A/C)	0.45	0.28

**31. Segment information**

The Company's primary business is to provide, promote, develop, design, set-up, maintain, operate, market and carry on the business of all types of physical, electronic and virtual payment system services, e-wallets, mobile wallets, pre-paid instruments, whether open, closed, semi-closed, cash card, payment gateways service. The Company also owns and operates a web and mobile based recharge platform called Freecharge which enables users to recharge mobile talktime, pay mobile bills, utility bills, data cards, direct to home (DTH) recharge and metro bills etc. The Chief Operating Decision Makers of the Company review all these aforementioned services under technology enable services either to its customers or to the Holding company and hence do not identify any separate reportable business or geographical segments to be disclosed as per notified Ind AS - 108 "Operating Segments".

**32. Commitments and contingencies****a. Contingent liabilities**

Contingent liabilities as at March 31, 2024 : Rs. 3,547.94 (March 31, 2023 : Rs. 3,547.94)

In the case of Delhi Towers Ltd v. Government of the National Capital Territory of Delhi (2009), the High Court has held that schemes of amalgamation would qualify as conveyances and would attract stamp duty under Entry 23 of Schedule 1A of the Stamp Act, 1899 as applicable to Delhi. In the judgement, the court also discussed notification dated 25th December 1937. As per notification dated 25th December 1937 the Central Govt. granted exemption from payment of stamp duty on amalgamation scheme where the transfer takes place between two subsidiary companies of each of which not less than 90 per cent of the share capital is in the beneficial ownership of a common parent company provided that a certificate is obtained from the officer appointed in this behalf by the Chief Commissioner of Delhi that the conditions above prescribed are fulfilled.

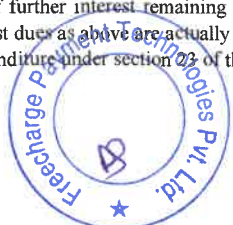
The Company had applied for adjudication on May 04, 2021 to Collector of Stamp. Collector of Stamp vide order F. No. COS(DC)/NDD/2021/782 dated May 26, 2022, imposed on the company (i) an amount of Rs. 3,547.94 Lakhs as stamp duty under Article 23 of Schedule 1-A of the Stamp Act and (ii) an additional amount of Rs. 3,547.94 Lakhs as penalty without providing any justification for imposing such penalty and directed the company to pay the total sum of Rs. 7,095.88 Lakhs within 30 days. The copy of said order was received by company on July 19, 2022. The company filed a Writ Petition before Delhi High Court against the said order of Collector of Stamp. High Court vide an Interim order dated Aug 22, 2022 directed Collector of Stamp not to initiate any recovery proceedings till the next date of hearing. Next date of hearing is on May 1, 2024

**b. Capital commitments and other commitments**

At March 31, 2024, the Company has commitments of Rs. 59.95 lakhs (March 31, 2023 : Rs. 223.48 lakhs) net of advances relating to capital contracts.

**33. Amounts due to micro and small enterprises under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 based on the information available with the Company:**

	March 31, 2024	March 31, 2023
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	4.41	231.29
b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c) The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-



Freecharge Payment Technologies Private Limited  
Notes to financial statements  
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34. Related party disclosures

a) Names of related parties where control exists and/or with whom transactions have taken place

Holding Company Axis Bank Limited

a) Names of subsidiary with whom transactions have taken place

Fellow Subsidiary Axis Securities Limited  
Axis Finance limited  
Axis Asset Management Company Limited

b) Names of other related parties with whom transactions have taken place

Key management personnel (KMP)

Mr. Siddharth Mehta, Managing Director (till February 15, 2023)  
Mr. Mohit Jain, Director ( Additional Director w.e.f February 8, 2023 to March 31, 2023, Managing Director w.e.f. April 1, 2023 to December 31, 2023 and Director w.e.f. January 1, 2024)  
Mr. Balaji Narayanamurthy, Additional Director w.e.f. October 14, 2022 & Director from September 18, 2023.  
Mr. Sameer Bhujanga Shetty, Director  
Mr. Subrat Mohanty, Director  
Mr. Sumit Bhatnagar, Chief Executive Officer (w.e.f. December 20, 2023)  
Mr. Rahul Vermani, Chief Financial Officer (till December 15, 2023)  
Mr. Prasenjit Saha, Chief Financial Officer (w.e.f. Decemebr 16, 2023)  
Mr. Samarth Govila, Company Secretary

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year:

	From April 1, 2023 to March 31, 2024			From April 1, 2022 to March 31, 2023		
	Holding Company	Fellow Subsidiary	Key management personnel	Holding Company	Fellow Subsidiary	Key management personnel
<b>Transactions during the year</b>						
<b>Revenue from contracts with customers (refer note 19)</b>						
Axis Bank Limited	34,365.87	-	-	30,702.75	-	-
Axis Securities Limited	-	1.22	-	-	1.31	-
Axis Asset Management Company Limited	-	51.66	-	-	111.20	-
Axis Finance limited	-	0.98	-	-	-	-
<b>Finance income (refer note 21)</b>						
Axis Bank Limited	484.35	-	-	370.45	-	-
<b>Rent (refer note 27)</b>						
Axis Bank Limited	2.47	-	-	3.03	-	-
<b>Finance costs (refer note 26)</b>						
Axis Bank Limited	1.05	-	-	2.01	-	-
<b>Advertisement and publicity expenses (net) (refer note 23)</b>						
Axis Bank Limited	-	-	-	0.17	-	-
<b>Payment gateway charges (refer note 22)</b>						
Axis Bank Limited	2,365.95	-	-	1,629.40	-	-
<b>Reimbursement of expenses by related party</b>						
Axis Bank Limited	14.93	-	-	6.05	-	-
<b>Reimbursement of expenses to related party</b>						
Axis Bank Limited	14.68	-	-	1.23	-	-
<b>Employee stock option scheme related expense (refer note 24)</b>						
Axis Bank Limited	244.20	-	-	85.85	-	-
<b>Other expenses</b>						
Axis Bank Limited	62.81	-	-	78.91	-	-
<b>Salary, bonus and contribution to PF #</b>	-	-	405.64	-	-	402.30

# Remuneration and other benefits of key managerial persons does not includes the provisions made for gratuity and leave benefits, as they are determined on an accrued basis for the Company as a whole.

Terms and Conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.



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Freecharge Payment Technologies Private Limited  
Notes to financial statements  
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Related party disclosures (Cont.)

	As at March 31, 2024			As at March 31, 2023		
	Holding Company	Fellow Subsidiary	Key management personnel	Holding Company	Fellow Subsidiary	Key management personnel
<b>Balance as at the year end:</b>						
<b>Equity Share Capital (refer note 13)</b>						
Axis Bank Limited	1,76,369.78	-	-	1,76,369.78	-	-
<b>Deemed Capital Contribution (ESOP)</b>						
Axis Bank Limited	197.20	-	-	197.20	-	-
<b>Share premium on issue of shares (refer note 13)</b>						
Axis Bank Limited	34,697.36	-	-	34,697.36	-	-
<b>Trade receivables (refer note 9)</b>						
Axis Bank Limited	4,607.79	-	-	4,405.75	-	-
Axis Asset Management Company Limited	-	-	-	-	29.14	-
Axis Securities Limited	-	-	-	-	0.14	-
Axis Finance limited	-	-	-	-	-	-
<b>Trade Payables (refer note 16)</b>						
Axis Bank Limited	158.48	-	-	57.65	-	-
<b>Other Payables (refer note 16)</b>						
Axis Bank Limited	1,615.64	-	-	1,854.93	-	-
<b>Other financial liabilities (refer note 18)</b>						
Axis Bank Limited	-	-	-	-	-	-
<b>Other financial asset (refer note 6)</b>						
Axis Bank Limited	17,071.66	-	-	13,046.05	-	-
<b>Bank balances other than above (refer note 11)</b>						
Axis Bank Limited	1,271.98	-	-	5,159.24	-	-
<b>Cash and cash equivalents (refer note 10)</b>						
Axis Bank Limited	7,999.92	-	-	7,985.91	-	-

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**Freecharge Payment Technologies Private Limited**  
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**35. Employee stock option plan**

The Holding Company provides share-based payment schemes to employees of the Company and its subsidiaries. During the year ended March 31, 2024, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and grant are as below.

Since the financial year 2000-01, the Holding Company has formulated and adopted Employee Stock Option Schemes (ESOS) for the benefit of the eligible Employees of the Bank and that of its subsidiary companies, in terms of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended. The objective of the said ESOS is to enhance employee motivation, enable employees to participate, directly or indirectly, in the long-term growth and financial success of the Holding Company, to act as a retention mechanism by enabling employee participation in the business of the Bank as its active stakeholder and to usher an 'ownermanager' culture.

The net compensation expense arising from equity settled share based payment transaction is March 31, 2024 Rs. 244.20 (March 31, 2023 Rs. 85.85)

The relevant terms of the grant are as below:

Vesting period	3 years
Exercise period	0-5 Years
Exercise price (Rs /-)	Rs 488.35 - Rs 848.80

The details of activity under the ESOS Scheme 2000-01 is as follows:

	March 31, 2024		March 31, 2023	
	No. of options*	Weighted average exercise price	No. of options *	Weighted average exercise price
Outstanding at the beginning of the year	1,28,499	688.97	1,58,689	632.35
Granted during the year	77,211	848.80	1,23,500	725.90
Transfer from group company	51,000	726.01	-	-
Forfeited during the year	23,046	747.98	83,750	686.29
Lapsed during the year	6,530	653.27	17,250	702.28
Exercised during the year	23,849	636.40	52,690	604.91
Transfer to group company	1,22,011	792.44	-	-
Outstanding at the end of the year	<b>81,274</b>	<b>710.28</b>	<b>1,28,499</b>	<b>688.97</b>
Exercisable at the end of the year	<b>55,722</b>	<b>692.19</b>	<b>66,029</b>	<b>653.97</b>

The holding company also issued Restricted Stock Unit (RSU) to eligible employees of the Bank and that of its subsidiary companies. The relevant term of grant is as follow:

Vesting period	3 years
Exercise period	0-5 Years
Exercise price (Rs /-)	Rs. 2.00

RSU	March 31, 2024		March 31, 2023	
	No. of options*	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	23,005	2.00	-	-
Transfer from group company	-	-	-	-
Forfeited during the year	3,532	2.00	-	-
Lapsed during the year	-	-	-	-
Exercised during the year	-	-	-	-
Transfer to group company	1,068	2.00	-	-
Outstanding at the end of the year	<b>18,405</b>	<b>2.00</b>	-	-
Exercisable at the end of the year	<b>5,522</b>	<b>2.00</b>	-	-

\*includes the options granted to employees prior to their transfer to the Company from other group companies.



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**Freecharge Payment Technologies Private Limited**

**Notes to financial statements**

**For the year ended March 31, 2024**

**(All amounts in Rs. lakhs, except per share data and as stated otherwise)**

**36. Expenditure in foreign currency (on accrual basis)**

	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
<b>Expenditure:</b>		
Software expenses	184.72	331.75
Advertisement and other expenses	112.75	217.11
Hosting charges	51.27	51.76
Other expenses	8.64	8.11
<b>Total</b>	<b>357.38</b>	<b>608.73</b>

There were no earnings in foreign currency during current and previous year.

**37. Unhedged foreign currency exposure**

Particulars of unhedged foreign currency exposure as at the reporting date

<b>Particulars</b>	<b>Amount</b>
Unhedged foreign currency payable	As at March 31, 2024 : Nil As at March 31, 2023 : Nil

**38. Disclosure of Struck off Companies**

There are no amount payable or receivable with respect to any company which has been struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

**39. Freecharge amongst other businesses is providing Payment Services in line with the extant of Business Correspondent (“BC”) guidelines. Pursuant to Guidelines on Regulation of Payment Aggregators and Payment Gateways’ (the “Guidelines”) on Regulation of Payment Aggregator (“PA”) issued by Reserve Bank of India (“RBI”) in March 2020 requiring authorisation for carrying out PA activities, Freecharge applied for a PA license in September 2021 for its online payments business.**

On February 10, 2023, RBI returned the said PA application citing that Payment Aggregation activities are outside the scope of a BC in terms of Para 8 (D) of Master Circular of Branch Authorisation dated June 01, 2014 and advised the Company to submit fresh application within 120 days i.e. by June 10, 2023 and not to onboard any new online merchants. The Company has accordingly stopped onboarding new online merchant but continues to onboard offline merchants and provide PA services to all existing merchants. However, this does not impact existing PA operations (Online and offline) or other businesses of the Company.

The Company has re-submitted the application on June 6, 2023, and same is under process as per status of PA applications published by RBI.

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Freecharge Payment Technologies Private Limited  
Notes to financial statements  
For the year ended March 31, 2024  
(All amounts in Rs. lakhs, except per share data and as stated otherwise)

40. Ratio Analysis

Particulars	Numerator	Denominator	Numerator		Denominator		Ratio		% Variance	Reason for variance
			March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023		
(a) Current ratio	Current assets	Current liabilities	39,819.93	37,194.04	9,530.87	11,527.26	4.18	3.23	29%	Due to increase in merchant business
(b) Debt-equity ratio	Total debt	Shareholder's equity	1,448.35	390.67	39,129.85	31,267.39	0.04	0.01	196%	Due to increase in lease assets and operational earnings
(c) Debt service coverage ratio	Earnings available for debt service	Debt service	11,593.60	7,099.70	426.63	341.02	27.17	20.82	31%	Due to increase in operational earnings
(d) Return on equity ratio	Net profits after taxes	Average shareholder's equity	7,920.80	4,955.09	35,198.62	28,834.56	0.23	0.17	31%	Due to increase in operational earnings
(e) Inventory turnover ratio	Cost of goods sold	Average inventory				Not Applicable				
(f) Trade receivables turnover ratio	Net credit sales	Average trade receivable	34,524.06	31,301.07	4,543.94	3,868.95	7.60	8.09	-6%	Not applicable
(g) Trade payables turnover ratio	Net credit purchases	Average trade payables	7,763.57	11,421.31	1,459.85	1,795.75	5.32	6.36	-16%	Not applicable
(h) Net capital turnover ratio	Net sales	Working capital	45,387.73	40,392.09	30,289.06	25,666.78	1.50	1.57	-5%	Not applicable
(i) Net profit ratio	Net profit after tax	Net sales	7,920.80	4,955.09	45,387.73	40,392.09	0.17	0.12	42%	Due to increase in operational earnings
(j) Return on capital employed	Earnings before interest and taxes	Capital employed	10,744.73	6,418.79	40,578.20	31,658.06	0.26	0.20	31%	Due to increase in operational earnings
(k) Return on investment	Interest (Finance Income)	Investment	560.07	268.87	7,118.69	2,493.61	0.08	0.11	-27%	On account of gain on redemption of mutual fund investment.

Notes

Total Debts = Total lease liabilities

Debt Service = Interest and Lease payments

Net credit sales = Represent sales for which collections are not happened immediately.

Net credit purchases = Represent Services taken from vendors for which Company availed credit period.

Working capital = Total Current Assets - Total Current Liabilities

Capital employed = Total Equity and Total Debts

(This space has been intentionally left blank)



Freecharge Payment Technologies Private Limited

Notes to financial statements

For the year ended March 31, 2024

(All amounts in Rs. lakhs, except per share data and as stated otherwise)

41. Standards notified but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements.

42. Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
  - (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
  - (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
  - (iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
    - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
    - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
  - (v) 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,
  - (vi) The Company does not have any such transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
43. The Company have used Microsoft Navision accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. However, audit trail feature is not enabled at the database level insofar as it relates to Microsoft Navision accounting software. Further no instance of audit trail feature being tampered was noted in respect of the accounting software.
44. Previous year figures have been regrouped / reclassified, wherever necessary, to conform to current year's classification. These are not material and do not effect the previously reported net profit or shareholders' equity.

For S. R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration Number: 101049W / E300004

*Suparna De*

per Sriparna De  
Partner  
Membership Number : 060978



Place of Signature: Gurugram  
Date: 17.04.2024

For and on behalf of Board of Directors of  
Freecharge Payment Technologies Private Limited

*Mohit Jain*  
Mohit Jain  
Director  
DIN : 07945124

*Prasenjit Saha*  
Prasenjit Saha  
Chief Financial Officer

*Sameer Bhujanga Shetty*  
Sameer Bhujanga Shetty  
Director  
DIN : 08536421



*Sumit Bhatnagar*  
Sumit Bhatnagar  
Chief Executive Officer

*Samarth Govila*  
Samarth Govila  
Company Secretary  
M. No. : A17522