

INDEPENDENT AUDITOR'S REPORT

To the Members of PhonePe Limited (formerly known as PhonePe Private Limited)

Report on the Audit of the Standalone Ind-AS Financial Statements**Opinion**

We have audited the accompanying Standalone Ind-AS Financial Statements of PhonePe Limited (formerly known as PhonePe Private Limited) ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2025, the Standalone Statement of Profit and Loss, including the Standalone Statement of Other Comprehensive Income, the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity for the year then ended, and notes to the Standalone Ind-AS 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 Standalone Ind-AS 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, 2025, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

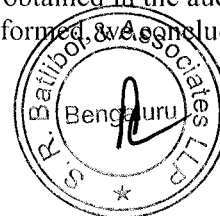
We conducted our audit of the Standalone Ind-AS Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind-AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Ind-AS 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 Standalone Ind-AS Financial Statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the Standalone Ind-AS Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Ind-AS 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 Standalone Ind-AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Standalone Ind-AS 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.

Responsibilities of the Management for the Standalone Ind-AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind-AS 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 Standalone Ind-AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind-AS 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.

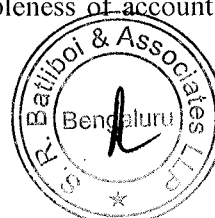
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind-AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone Ind-AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Ind-AS 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.



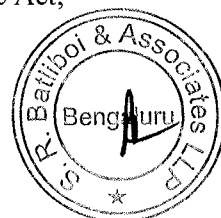
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we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

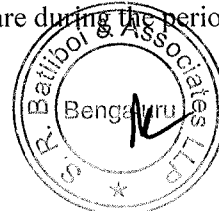
1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 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 that the backup of an ancillary application taken on a daily basis, however the location of the backup servers are not mentioned in System and organization controls report. Hence, we are unable to ascertain whether the backup of ancillary application is performed on servers physically located in India as stated in note 41 to the Standalone Ind-AS Financial Statements,
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including the Standalone Statement of Other Comprehensive Income, the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Standalone Ind-AS 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above
- (g) With respect to the adequacy of the internal financial controls with reference to these Standalone Ind-AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
- (h) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2025.
- (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 does not have any pending litigations which would impact its financial position;
 - 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.
 - a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 38 to the Standalone Ind-AS Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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;
 - b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 38 to the Standalone Ind-AS Financial Statements, 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, the Company has used an accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has operated for all relevant transactions recorded in the software during the period



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

April 25, 2024 to March 31, 2025, as stated in note 42 to the Standalone Ind-AS 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 accounting software where the audit trail has been enabled. Additionally, as per the statutory requirements for record retention, the audit trail of current year has been preserved by the Company to the extent and period it was enabled and recorded, however, audit trail feature was not enabled in legacy software in prior year, accordingly, audit trail for prior year has not been preserved by the Company, as stated in note 42 to the Standalone Ind-AS Financial Statements.

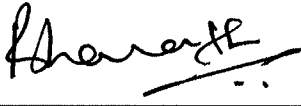
Further, the Company has also used certain other accounting software(s) for maintaining its books of account which does not have the feature of recording audit trail (edit log). Accordingly, audit trail of prior year and current year has not been preserved by the Company as per the statutory requirements for record retention, as stated in note 42 to the Standalone Ind-AS Financial Statements.

The Company has also used an ancillary accounting software which is operated by a third-party software service provider, for maintaining its books of account and for such application, the System and Organization Control (SOC) report does not include information related to audit trail. In the absence of an audit trail facility and information not made available in SOC report, we are unable to comment upon tampering of audit trail feature. Additionally, for the reasons stated in note 42 to the Standalone Ind-AS Financial Statements, we are unable to comment whether the audit trail has been preserved by the Company as per the statutory requirements for record retention

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Bharath N S

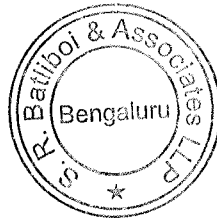
Partner

Membership Number: 210934

UDIN: 25210934BMLCGY2407

Place of Signature: Bengaluru

Date: July 24, 2025



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: PhonePe Limited (formerly known as PhonePe Private Limited) ("the Company")

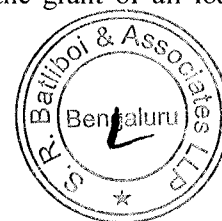
In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that;

- (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 in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, the existence of Electronic Data Capture machines and Smart speakers lying with customers is considered on the basis of the 'active user status' of the customers which is tracked from the Company's IT systems. 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, 2025.
- (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) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year, the Company has provided loans to its subsidiaries as follows:

Particulars	Amount In Millions
Aggregate amount provided during the year	638.45
Balance outstanding as at Balance Sheet date in respect of above cases	6,810.66

Further, during the year the Company has not provided any other loans, advances in the nature of loans, stood guarantee and provided security to firms, Limited Liability Partnerships or any other parties.

- (b) During the year the investments made and the terms and conditions of the grant of all loans to companies are not prejudicial to the Company's interest.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

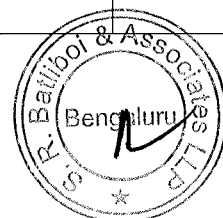
- (c) The Company has granted loans during the year to Subsidiaries where the schedule of repayment of principal and payment of interest is stipulated in the agreement as repayable on demand. The repayment or receipts wherever demanded are regular.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, limited liability partnerships or any other parties which had fallen due during the year.
- (f) As disclosed in note 10 to the Standalone Ind-AS Financial Statements, the Company has granted loans, repayable on demand to subsidiaries. Of these following are the details of the aggregate amount of loans to related parties as defined in clause (76) of Section 2 of the Companies Act, 2013:

Particulars	Subsidiaries
Aggregate amount of loans - Repayable on demand	638.45 Millions
Percentage of loans to the total loans	9%

- (iv) There are no loans, guarantees, and security in respect of which provisions of Sections 185 of the Companies Act, 2013 are applicable and hence not commented upon. According to the information and explanations given to us, provisions of Section 186 of the Act in respect of loans given and investment made have been complied with by the Company. The Company has not given any guarantees/ provided security to which the provisions of Section 186 of the Act apply.
- (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, 2013 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) Undisputed statutory dues including goods and services tax, income-tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of deposit of provident fund. According to the information and explanations given to us and based on audit procedures performed by us, undisputed dues in respect of provident fund which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Statement of Arrears of Statutory Dues Outstanding for More than Six Months

Name of the Statute	Nature of the Dues	Amount (Rs. in Millions)	Period to which the amount relates	Due Date	Date of Payment
The Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Employee's Provident	2.09	Various Dates	Various Dates	INR 1.28 million paid on various dates



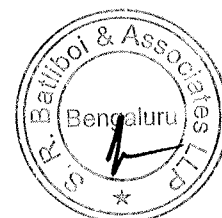
S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited on March 31, 2025 on account of dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in Millions)	Period to which the amount relates	Forum where the dispute is pending
Goods and Service Tax	Goods and Service Tax	9.64	July 2017-March 2018	Join Commissioner of Commercial Taxes

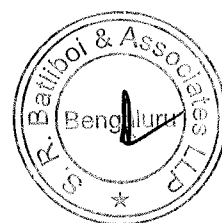
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (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.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (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.
- (d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (e) On an overall examination of the Standalone Ind-AS Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associate.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries and associate. 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.
- (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 material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (xii) 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) 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 28 to the Standalone Ind-AS 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.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
(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.
(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
(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)(c) of the Order is not applicable to the Company.
(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses during the current financial year and the 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 37 to the Standalone Ind-AS Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Ind-AS 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.

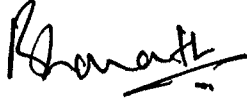


S.R. BATLIBOI & ASSOCIATES LLP

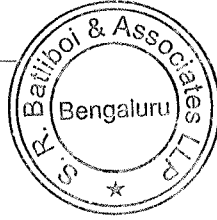
Chartered Accountants

- (xx) The Company has been incurring losses during immediately preceding three financial years hence the provisions of Section 135 to the Act in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the reporting on clause 3(xx) of the Order is not applicable to the Company for the year.

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



per Bharath N S
Partner
Membership Number: 210934
UDIN: 25210934BMLCGY2407



Place of Signature: Bengaluru
Date: July 24, 2025

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND-AS FINANCIAL STATEMENTS OF PHONEPE LIMITED (FORMERLY KNOWN AS PHONEPE 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 with reference to Standalone Ind-AS Financial Statements of PhonePe Limited (Formerly Known as PhonePe Private Limited) ("the Company") as of March 31, 2025 in conjunction with our audit of the Standalone Ind-AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

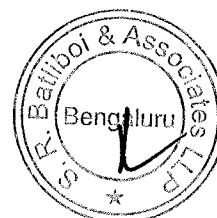
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these Standalone Ind-AS Financial Statements.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Meaning of Internal Financial Controls with reference to these Standalone Ind-AS Financial Statements

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

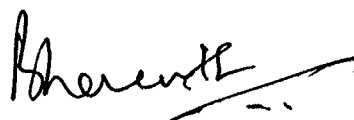
Inherent Limitations of Internal Financial Controls with reference to Standalone Ind-AS Financial Statements

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

Opinion

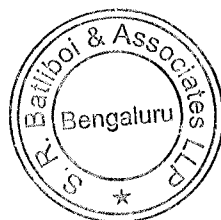
In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone Ind-AS Financial Statements and such internal financial controls with reference to Standalone Ind-AS Financial Statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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



per Bharath N S
Partner

Membership Number: 210934
UDIN: 25210934BMLCGY2407
Place of Signature: Bengaluru
Date: July 24, 2025



PhonePe Limited (formerly known as 'PhonePe Private Limited')

Standalone Ind-AS Financial Statements

Year ended March 31, 2025

PhonePe Limited (formerly known as 'PhonePe Private Limited')
Standalone Balance Sheet as at March 31, 2025
All amounts are in Rs. Millions, unless otherwise stated

	Notes	As at March 31, 2025	As at March 31, 2024
Assets			
Non-current assets			
Property, plant and equipment	3(i)	17,818.34	20,113.05
Capital work-in-progress	3(ii)	261.21	834.33
Goodwill	4	162.68	162.68
Other intangible assets	4	-	11.45
Right-of-use assets	5	6,169.96	3,578.79
Financial assets			
(i) Investments	6	31,527.69	28,571.50
(ii) Other financial assets	11	547.39	421.10
Non Current tax assets (net)		660.08	543.17
Other non-current assets	12	363.73	330.58
		57,511.08	54,566.65
Current assets			
Financial assets			
(i) Investments	6	33,644.64	24,329.19
(ii) Trade receivables	7	5,357.04	4,736.25
(iii) Cash and cash equivalents	8	4,948.67	6,992.37
(iv) Bank balances other than Cash and cash equivalents	9	22,550.00	22,486.00
(v) Loans	10	6,810.66	6,256.81
(vi) Other financial assets	11	57,520.90	11,974.30
Other current assets	12	11,019.26	12,037.63
		1,41,851.17	88,812.55
Total assets		1,99,362.25	1,43,379.20
Equity and liabilities			
Equity			
Equity share capital	13	442.74	442.74
Other equity	14	1,16,664.68	1,11,535.42
Total equity		1,17,107.42	1,11,978.16
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	15	4,851.97	2,663.40
(ii) Cash-settled share based payment liabilities		10,404.11	9,512.74
Provisions	19	475.86	364.47
Deferred tax liabilities (net)	20	19.13	8.30
Other non-current liabilities	18	52.16	-
		15,803.23	12,548.91
Current liabilities			
Financial liabilities			
(i) Lease liabilities	15	1,616.04	1,109.92
(ii) Trade payables	16		
a. Total outstanding dues of micro and small enterprises		2.33	62.75
b. Total outstanding dues of creditors other than micro and small enterprises		5,326.32	4,373.96
(iii) Other financial liabilities	17	51,932.41	6,930.33
Other current liabilities	18	6,524.94	5,509.42
Provisions	19	1,049.56	865.75
		66,451.60	18,852.13
Total equity and liabilities		1,99,362.25	1,43,379.20

Summary of Material accounting policies

2

The accompanying notes form an integral part of the Standalone Ind-AS Financial Statements.

As per our report of even date attached

For S.R. Battliboi & Associates LLP

Chartered Accountants

Firm registration number: 101049W/E3000004

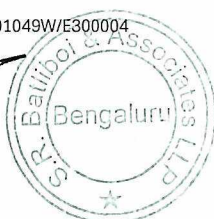

per Bharath N S

Partner

Membership no.: 210934

Place: Bengaluru

Date: July 24, 2025



For and on behalf of the Board of Directors of

PhonePe Limited (formerly known as 'PhonePe Private Limited')



Sameer Nigam

CEO & Whole-time Director

DIN: 02292840

Place: Bengaluru

Date: July 24, 2025



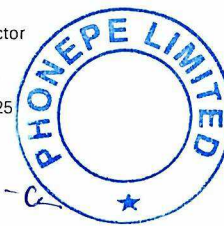
Rahul Chandra

Whole-time Director

DIN: 03052804

Place: Bengaluru

Date: July 24, 2025



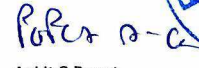


Adarsh Nahata

Chief Financial Officer

Place: Bengaluru

Date: July 24, 2025



Ankit G Popat

Company Secretary

Membership No.: A20774

Place: Bengaluru

Date: July 24, 2025

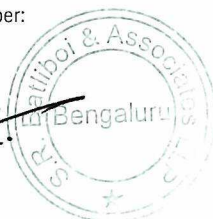
PhonePe Limited (formerly known as 'PhonePe Private Limited')
Standalone Statement of Profit and Loss for the year ended March 31, 2025
All amounts are in Rs. Millions, unless otherwise stated

	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Revenue from operations	21	65,438.37	49,097.80
Other income	22	6,955.92	7,225.93
Total income (i)		72,394.29	56,323.73
Expenses			
Payment processing charges		16,880.84	11,652.35
Employee benefits expense	23	34,020.10	30,349.68
Finance costs	24	367.13	315.45
Depreciation and amortization expense	25	11,459.46	10,277.22
Other expenses	26	18,106.95	15,389.19
Total expenses (ii)		80,834.48	67,983.89
Loss before exceptional items and tax [(i) - (ii)]		(8,440.19)	(11,660.16)
Exceptional items - loss (iii)	27	(4,205.00)	-
Loss before tax [(i) - (ii)-(iii)]		(12,645.19)	(11,660.16)
Tax expense			
Deferred tax	20	-	-
Loss for the year		(12,645.19)	(11,660.16)
Other comprehensive income			
Items that will not be reclassified to Profit or Loss in subsequent periods			
- Remeasurement losses on defined benefit plan, net of taxes		(16.17)	(27.40)
- Changes in the fair value gain accounted on equity instrument at FVOCI, net of taxes		50.37	29.14
Total other comprehensive income for the year, net of taxes		34.20	1.74
Total comprehensive loss for the year, net of taxes		(12,610.99)	(11,658.42)
Earnings per equity share [Nominal value of share Rs.1 (March 31, 2024: Rs.10)]			
Basic and diluted loss per share computed on the basis of loss for the year (Rs. per share)	30	(27.42)	(26.38)
Summary of Material accounting policies	2		

The accompanying notes form an integral part of the Standalone Ind-AS Financial Statements.

As per our report of even date attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm registration number:
101049W/E300004


per Bharath N S
Partner
Membership no.: 210934
Place: Bengaluru
Date: July 24, 2025

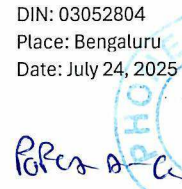


For and on behalf of the Board of Directors of
PhonePe Limited (formerly known as 'PhonePe Private Limited')


Sameer Nigam
CEO & Whole-time Director
DIN: 02292840
Place: Bengaluru
Date: July 24, 2025


Adarsh Nahata
Chief Financial Officer
Place: Bengaluru
Date: July 24, 2025


Rahul Chari
Whole-time Director
DIN: 03052804
Place: Bengaluru
Date: July 24, 2025


Ankit G Popat
Company Secretary
Membership No.: A20774
Place: Bengaluru
Date: July 24, 2025



PhonePe Limited (formerly known as 'PhonePe Private Limited')
Standalone Statement of Changes in Equity for the year ended March 31, 2025
All amounts are in Rs. Millions, unless otherwise stated

a. Equity share capital

For the year ended March 31, 2025

Equity share capital [refer note 13]
Total

As at April 01, 2024	Issue of equity share capital during the year	As at March 31, 2025
442.74	-	442.74
442.74	-	442.74

For the year ended March 31, 2024

Equity share capital [refer note 13]
Total

As at April 01, 2023	Issue of equity share capital during the year	As at March 31, 2024
434.53	8.21	442.74
434.53	8.21	442.74

b. Other equity

For the year ended March 31, 2025

Balance as at April 1, 2024

Loss for the year

Remeasurement loss on net defined benefit liability, net of taxes

Equity instruments through other comprehensive income, net of taxes

Total comprehensive loss for the year

Compensation related to employee share-based payments [refer note 31]

Balance as at March 31, 2025

Capital reserve	Reserves and Surplus				Equity instruments		Total
	Securities premium	Share-based payment reserve	Other reserves	Retained earnings	Remeasurement of the defined benefit plan	through other comprehensive income	
1,365.27	1,81,908.20	49,339.41	(7,326.16)	(1,13,785.34)	(30.24)	64.28	1,11,535.42
-	-	-	-	(12,645.19)	-	-	(12,645.19)
-	-	-	-	-	(16.17)	-	(16.17)
-	-	-	-	-	-	50.37	50.37
-	-	-	-	(12,645.19)	(16.17)	50.37	(12,610.99)
-	-	17,740.25	-	-	-	-	17,740.25
1,365.27	1,81,908.20	67,079.66	(7,326.16)	(1,26,430.53)	(46.41)	114.65	1,16,664.68



PhonePe Limited (formerly known as 'PhonePe Private Limited')
Standalone Statement of Changes in Equity for the year ended March 31, 2025
All amounts are in Rs. Millions, unless otherwise stated

For the year ended March 31, 2024

	Reserves and Surplus				Equity instruments through other comprehensive income	Total
	Capital reserve	Securities premium	Share-based payment reserve	Other reserves	Retained earnings	Remeasurement of the defined benefit plan
Balance as at April 1, 2023	1,365.27	1,65,529.50	21,830.60	(2,743.70)	(1,02,125.18)	(2.84)
Loss for the year	-	-	-	-	(11,660.16)	-
Remeasurement loss on net defined benefit liability, net of taxes	-	-	-	-	-	(27.40)
Equity instruments through other comprehensive income, net of taxes	-	-	-	-	-	29.14
Total comprehensive loss for the year	-	-	-	-	(11,660.16)	(27.40)
Securities premium on issue of equity shares	-	16,379.52	-	-	-	-
Transaction cost on issue of equity shares	-	(0.82)	-	-	-	-
Settlement/ compensation related to employee share-based payments	-	-	16,398.00	(129.34)	-	-
[refer note 31]	-	-	-	-	-	-
Modification of equity settled share-based payments to cash settled share-based payments [refer note 31]	-	-	(7,808.30)	(4,453.12)	-	-
Migration of equity settled share-based payments	-	-	18,919.11	-	-	-
[PFA 2020 to PFA 2023] [refer note 31]	-	-	-	-	-	-
Balance as at March 31, 2024	1,365.27	1,81,908.20	49,339.41	(7,326.16)	(1,13,785.34)	(30.24)

Refer note 14 for nature of reserves

The accompanying notes form an integral part of the Standalone Ind-AS Financial Statements.

As per our report of even date attached

For S.R. Batliboi & Associates LLP

Chartered Accountants

Firm registration number: 101049W/E3000004



S. R. Batliboi
Partner

Membership no.: 210934

Place: Bengaluru

Date: July 24, 2025

For and on behalf of the Board of Directors of

PhonePe Limited (formerly known as 'PhonePe Private Limited')

Sameer Nigam
CEO & Whole-time Director
DIN: 02292840

Place: Bengaluru

Date: July 24, 2025

Rahul Chari
Whole-time Director
DIN: 03052804

Place: Bengaluru

Date: July 24, 2025

Adarsh Nahata
Chief Financial Officer

Place: Bengaluru

Date: July 24, 2025

Ankit G Popat
Company Secretary

Membership No.: A20774

Place: Bengaluru

Date: July 24, 2025



PhonePe Limited (formerly known as 'PhonePe Private Limited')
Standalone Statement of Cash Flows for the year ended March 31, 2025
All amounts are in Rs. Millions, unless otherwise stated

	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flows from operating activities		
Loss before tax	(12,645.19)	(11,660.16)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortization expense	11,459.46	10,277.22
Gain on sale / fair valuation of investments	(548.90)	(529.17)
Interest income	(4,481.99)	(4,353.25)
Dividend income	(35.69)	(30.59)
Finance costs	367.13	315.45
Foreign exchange difference (net) (unrealised)	(4.24)	(1,507.43)
Bad debts written-off and provisions for doubtful debts and advances	618.20	337.35
Provision for impairment of property, plant and equipment	29.64	140.70
Impairment of investment in subsidiary	4,205.00	-
Liabilities no longer required, written back	(168.42)	(29.34)
Gain on sale of other intangible assets and property, plant and equipment (net)	(11.68)	(219.42)
Gain on lease modification/ termination	(6.01)	-
Share-based payment expense	20,172.03	18,316.09
Operating profit before working capital changes	18,949.34	11,057.45
Changes in working capital:		
Trade payables	931.28	(17,150.04)
Other financial liabilities	16,528.38	20,232.31
Other liabilities	1,067.68	811.98
Provisions	279.03	289.35
Trade receivables	(993.71)	(3,127.05)
Other financial assets	(13,575.41)	2,457.10
Other assets	892.05	139.86
Cash-settled share based payment liabilities	(4,947.01)	(9,937.26)
Cash from operations	19,131.63	4,773.70
Income tax paid (net of refund)	(101.37)	(87.26)
Net cash flows from operating activities (A)	19,030.26	4,686.44
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital advances, capital work in progress and other intangible assets	(8,555.55)	(13,347.80)
Proceeds from sale of property, plant and equipment and other intangible assets	11.68	2,154.30
Purchase of Investment in subsidiaries	(7,099.99)	(5,480.00)
Purchase of investments	(86,373.91)	(1,00,923.38)
Sale of investments	76,447.37	1,36,273.36
Investment in bank deposits (original maturity more than three months)	(47,509.00)	(35,720.00)
Redemption/ maturity of bank deposits (original maturity more than three months)	48,605.00	3,730.00
Intercompany loans given	(638.45)	(5,994.27)
Repayment of intercompany loans	84.60	287.60
Interest received	5,433.40	88.94
Dividend income	35.69	30.59
Net cash flows used in investing activities (B)	(19,559.16)	(18,900.66)



PhonePe Limited (formerly known as 'PhonePe Private Limited')
Standalone Statement of Cash Flows for the year ended March 31, 2025
 All amounts are in Rs. Millions, unless otherwise stated

	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flows from financing activities		
Proceeds from issue of equity share capital	-	16,387.73
Transaction cost on issue of shares	-	(0.82)
Payment of principal portion of lease liabilities	(1,150.05)	(911.60)
Interest on lease liabilities	(364.75)	(298.73)
Interest paid	-	(11.12)
Proceeds from short-term borrowings	-	8,300.45
Repayment of short term borrowings	-	(8,300.45)
Net cash flows (used in) / generated from financing activities (C)	(1,514.80)	15,165.46
Net (decrease)/ increase in Cash and cash equivalents (A+B+C)	(2,043.70)	951.24
Cash and cash equivalents at the beginning of the year	6,992.37	6,041.13
Cash and cash equivalents at the end of the year [refer note 8]	4,948.67	6,992.37

For financing and non-cash financing transactions, refer note 5, 15 and 33.

Summary of Material accounting policies

2

The accompanying notes form an integral part of the Standalone Ind-AS Financial Statements.

Note: The above Standalone Statement of Cash Flows has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind-AS) 7 - Statement of Cash Flows'.

As per our report of even date attached.

For S.R. Batliboi & Associates LLP

Chartered Accountants

Firm registration number: 101049W/E300004



per Bharath N S

Partner

Membership no.: 210934

Place : Bengaluru

Date: July 24, 2025



For and on behalf of the Board of Directors of

PhonePe Limited (formerly known as 'PhonePe Private Limited')



Sameer Nigam

CEO & Whole-time Director

DIN: 02292840

Place: Bengaluru

Date: July 24, 2025



Rahul Chari

Whole-time Director

DIN: 03052804

Place: Bengaluru

Date: July 24, 2025



Adarsh Nahata

Chief Financial Officer

Place: Bengaluru

Date: July 24, 2025



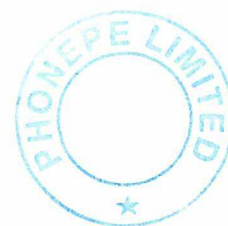
Ankit G Popat

Company Secretary

Membership No.: A20774

Place: Bengaluru

Date: July 24, 2025



PhonePe Limited (formerly known as 'PhonePe Private Limited')
Notes to Standalone Ind-AS Financial Statements for the year ended March 31, 2025
All amounts are in Rs. Millions, unless otherwise stated

1. Corporate information

PhonePe Limited (formerly known as 'PhonePe Private Limited') (herein after referred to as the "Company") (CIN: U67190KA2012PLC176031) domiciled in India and is incorporated on December 18, 2012 as a Private Limited Company under the Companies Act, 1956. The Company was converted to a Public Limited Company with effect from May 1, 2025. The registered office of the Company is located at Office-2, Floor 5, Wing A, Block A, Salarpuria Softzone, Bellandur Village, Varthur Hobli, Outer Ring Road, Bellandur, Bangalore, Bangalore South, Karnataka, India, 560103. Walmart Inc. is the ultimate holding company. The Company is involved in the business of a) operating payment system for semi-closed prepaid instruments services in India vide Reserve Bank India (RBI) Certificate of Authorization No. 98/2016 b) operating Bharat Bill Payment Operating Unit vide Certificate of Authorisation no. 148/2022 c) in-principle authorization to operate as a Payment Aggregator under the Payments and Settlements Systems Act, 2007 vide Reserve Bank of India (RBI) No. S2059/02.27.004/2022-23. The services are provided to customers through PhonePe application.

These Standalone Ind-AS Financial Statements were approved for issue by the Board of Directors of the Company on July 24, 2025.

2. Summary of Material accounting policies

2.1 Basis of preparation

These Standalone Ind-AS Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind-AS compliant Schedule III), as applicable to these Standalone Ind-AS Financial Statements.

The Standalone Ind-AS Financial Statements have been prepared under the historical cost convention on the accrual basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- Equity settled ESOP at grant date fair value and cash settled ESOP at fair value at each reporting date.

The Standalone Ind-AS Financial Statements are presented in Indian Rupees (Rs.) and all values are reported in Millions upto two decimals of Indian rupees (in Rs. Millions) except share data, unless otherwise stated.

The management has re-evaluated rounding off norms adopted by the Company for presentation in the Standalone Ind-AS Financial Statements. Basis re-evaluation, the Company has revised its presentation approach, and henceforth, all amounts in these Standalone Ind-As Financial Statements for all periods presented will be rounded off to the nearest millions, except where otherwise stated.

The management believes that this change will enhance the comparability and readability of the Standalone Ind-AS Financial Statements, without obscuring any material information.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Company has prepared these Standalone Ind-AS Financial Statements on the basis that it will continue to operate as a going concern.

2.2 Business Combination

Common control transactions

Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method. Assets and liabilities of the combining entities are reflected at their carrying amounts and no new asset or liability is recognised. Identity of reserves of the transferor company is preserved by reflecting them in the same form in the Standalone Ind-AS Financial Statements in which they appeared in the financial statements of the transferor company.

The financial information in the financial statements in respect of prior periods is restated from the beginning of the preceding period in the Standalone Ind-AS Financial Statements if the business combination date is prior to that date. However, if business combination date is after that date, the financial information in the Standalone Ind-AS Financial Statements is restated from the date of business combination.

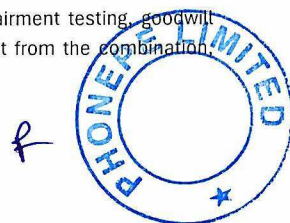
The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

The gain/loss on common control transactions is recognised in the other equity under Capital reserve.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units that are expected to benefit from the combination irrespective of whether other assets or liabilities of the acquiree are assigned to those units.



PhonePe Limited (formerly known as 'PhonePe Private Limited')

Notes to Standalone Ind-AS Financial Statements for the year ended March 31, 2025

All amounts are in Rs. Millions, unless otherwise stated

2.3 Current and non-current classification

The Company prepares assets and liabilities in the Standalone Balance Sheet based on current and non-current classification.

An asset is classified as current when:

- It is expected to be realised the asset, or intends to sell or consume it, in Company's normal operating cycle
- It holds the asset primarily for the purpose of trading
- It expects to realise the asset within twelve months after the reporting period or
- The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in the 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
- It does not have the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.

The Company classifies all other liabilities as non-current.

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

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

2.4 Functional and foreign currency

Functional and presentation currency

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional and presentation currency of the Company is determined as Indian Rupees (₹) or Rs.

Transactions and balances

At each Balance Sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated to the functional currency at the rates prevailing at the Balance Sheet date. Exchange differences are recognised in the Standalone Statement of Profit and Loss in the period in which they arise.

Non-monetary items that are measured in historical cost in a foreign currency are translated using the spot exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the spot exchange rates at the date when the fair value was determined.

2.5 Property, plant and equipment

(a) Recognition and measurement

All items of property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment loss, if any. Costs include expenditure directly attributable to acquisition of assets. The cost of an item of property, plant and equipment is recognised as an asset, if and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repair and maintenance costs are recognised in Standalone Statement of Profit and Loss as incurred. Any subsequent cost incurred is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied.

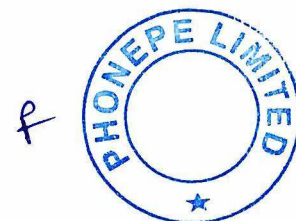
Cost of assets not ready for intended use are disclosed under 'Capital work-in-progress', net of accumulated impairment loss, if any.

(b) Depreciation

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for its intended use. Depreciation is not recorded on capital work-in-progress and installation are complete and the asset is ready for its intended use.

Reviews are made annually of the estimated remaining lives, residual value and depreciation method of individual assets, taking account of commercial and technological obsolescence as well as normal wear and tear and changes in expected useful lives are treated as changes in estimates. The estimated useful lives of assets are as follows:

Category of assets	Estimated useful life
Computers	3 years
Electronic Data Capture machines ("EDC") (included under "Computers")	3 years
Computer servers (included under "Computers")	5 years
Smart speakers ("SS") (included under "Computers")	1.5 years
Others (Includes office equipments, furnitures and fixtures and electrical installations)	5 years



2.5 Property, plant and equipment (Contd.)

Leasehold improvements are depreciated over the lease term or useful life of the asset, whichever is lower.

The Company, based on technical evaluation done by management's expert, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Act. 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 is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in the Standalone Statement of Profit and Loss in the year the asset is derecognised and are presented as adjustments in the note to Property, plant and equipment in these Standalone Ind-AS Financial Statements.

2.6 Intangible assets

Separately purchased intangible assets are initially measured at cost, being the purchase price as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and impairment loss, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Standalone Statement of Profit and Loss when it is incurred. Subsequent expenditure are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate.

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

The useful lives of intangible assets are assessed as either finite or indefinite. The useful lives of the intangible assets assessed by the management are as follows and these are amortized on a straight line basis over the period of the assets:

Category of assets	Estimated useful life
Computer software	1-3 years
Intellectual property rights	3 years

The amortisation period and amortisation method for intangible assets are reviewed annually and changes in expected useful lives are treated as changes in estimates.

2.7 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 instruments in the form of financial assets and financial liabilities are presented separately. Financial instruments are recognized on the Standalone Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Initial recognition

Financial instruments are initially measured at fair value. Trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognized in determining the carrying amount, if it is not classified as at Fair Value through profit and loss. Subsequently, financial instruments are measured according to the category in which they are classified.

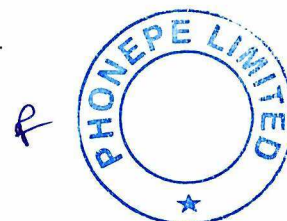
Financial assets are classified into following categories:

- Financial assets carried at amortised cost (debt instruments)
- Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)
- Financial assets at Fair Value Through profit and loss (FVTPL)

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost. For "Cash-settled share based payment liabilities", refer note 2.15.

Financial assets

Financial assets primarily comprise of trade receivables, cash and bank balances and marketable securities and investments.



2.7 Financial instruments (Contd.)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets carried at amortised cost (debt instruments)

A financial asset is subsequently measured at amortised cost if it meets both the following criteria:

- (i) the asset is held within a business model whose objective is to hold the asset to collect contractual cash flows, and
- (ii) the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal outstanding.

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 other income in the Standalone Statement of profit and loss. The losses arising from impairment are recognised in the Standalone Statement of profit and loss. The Company's financial assets at amortised cost includes trade receivables and investments in commercial paper and in NBFC included in other financial assets.

Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI) (debt instruments):

A financial asset is subsequently measured at FVTOCI if it meets both of the following criteria:

- (i) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- (ii) the contractual terms of the financial asset give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI) (equity instruments):

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

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

The Company elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at Fair Value Through profit and loss (FVTPL) :

A financial asset which does not meet the amortised cost or FVTOCI criteria is measured as FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or loss on re-measurement, gain or loss on disposal and Interest income earned on FVTPL instruments recognised in the Statement of Profit and Loss.

Financial liabilities

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

Financial liabilities measured at amortized cost

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method, except for contingent considerations recognised in a business combination which is subsequently measured at FVTPL.

De-recognition of financial assets and liabilities

Financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred 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 group could be required to repay.



2.7 Financial instruments (Contd.)

On de-recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in Standalone Statement of Profit and Loss. In addition, on de-recognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to Standalone Statement of profit and loss. In contrast, on de-recognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to the Standalone Statement of Profit and Loss, but is transferred to retained earnings.

Financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, is recognised in the Standalone Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Trade and other receivables

In accordance with Ind AS 109 para 5.1.3, at initial recognition, an entity measures trade receivables at their transaction price (as defined in Ind AS 115) if the trade receivables do not contain a significant financing component. The Company holds the Trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Impairment

Financial assets

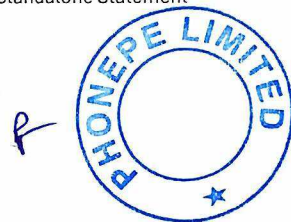
Ind-AS 109 requires the Company to record expected credit loss on all of its debt instruments (not held at fair value through profit and loss), loans and receivables, either on a 12-month or life time. The Company recognises loss allowances using the expected credit loss (ECL) model for the debt instruments which are not fair valued through profit and loss. For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.. For all other debt instruments, ECL are measured at an amount equal to 12-month ECL, unless there is a significant increase in the credit risk from initial recognition in which case those are measured at lifetime ECL. The expected credit loss (or reversal) necessary to adjust the loss allowance to its required amount as of the reporting date is recognized as an impairment gain or loss in the Standalone Statement of Profit and Loss.

Non - financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill is tested for impairment annually and at other times when such indicators exist.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to dispose and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit 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 post-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 to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. Impairment losses are recognised in Standalone Statement of Profit and loss.

Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.



PhonePe Limited (formerly known as 'PhonePe Private Limited')

Notes to Standalone Ind-AS Financial Statements for the year ended March 31, 2025

All amounts are in Rs. Millions, unless otherwise stated

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions, and highly liquid investments with an original maturities of three months or less and subject to an insignificant risk of changes in value. They are readily convertible into known amounts of cash and are held at amortised cost, where they meet the hold to collect 'solely payments of principal and interest' test criteria under Ind-AS 109. Those not meeting these criteria are held at fair value through profit and loss.

2.11 Restricted cash

Restricted cash refers to cash that is not available for general use by the Company. This cash is set aside for specific purposes, such as fulfilling merchant liabilities and reported separately under other financial assets, and is not included in the total cash and cash equivalents in the statements of cash flows and in the Consolidated Balance Sheet. The Company's restricted cash mainly represents (a) escrow bank balances representing prefunding, customer wallet balances and amounts held for settlement of merchant liabilities and (b) the secured deposits held in designated bank accounts for which Bank Guarantee/Letter of Credit/Buyer Credit/ Overdraft facility has been issued/utilized.

2.12 Semi-closed wallet

The Company operates semi-closed wallet (SCW), wherein monies received from subscribers are deposited in escrow bank account.

The amounts received from subscribers are recorded as wallet balance and disclosed under restricted cash. The restricted cash and corresponding wallet liabilities are presented on the Standalone Balance Sheet.

2.13 Provisions

Provisions are liabilities of uncertain timing or amount. A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at management's best estimate of the most likely outcome of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

2.14 Employee benefits

Defined benefit plan

In accordance with applicable laws in India, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") for every employee who has completed 5 years or more of service on separation at 15 days salary (last drawn salary) for each completed year of service. The Gratuity Plan provides for a lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment based on last drawn salary and tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date using projected unit credit method. The gratuity plan is not funded.

Current service costs are spread systematically over the period of rendered service and financing costs are recognised in full in the periods in which they arise. Remeasurements of the net defined benefit liability, including actuarial gains and losses, are recognised immediately in Other comprehensive income.

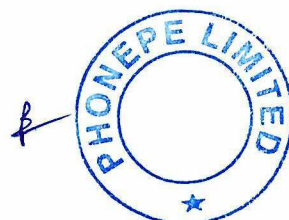
Defined contribution plan

The Company makes contributions to the Provident Fund scheme, a defined contribution plan. These contributions are deposited with Government administered fund and recognised as an expense in the period in which the related service is performed. There is no further obligation of the Company on this defined contribution plan.

Compensated absences

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/loss are immediately taken to the Standalone Statement of Profit and Loss and are not deferred. The Company presents the entire leave as a current liability in the Standalone Balance Sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.



2.15 Share based payments

Employees of the Company receive remuneration in the form of equity settled and cash settled share-based payments for services rendered.

Equity-settled transactions:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in note 31.

The cost is recognised in employee benefit expenses with a corresponding increase in Share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the Standalone Statement of Profit and Loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

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

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee.

Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

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

Cash-settled transactions:

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined using an appropriate valuation model, further details of which are given in note 31. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

2.16 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

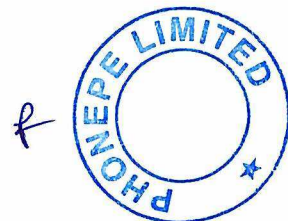
The Company as a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset is classified as an operating lease. Rental income from such operating leases is recognised as 'Sublease income' under 'Other income' in the Standalone Statement of Profit and Loss, on a straight-line basis over the lease term.

i) Right-of-use assets

The right of use asset is initially measured at cost, comprising: the initial lease liability; any lease payments already made less any lease incentives received; and initial direct costs. The right of use asset is subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

For impairment, refer note 2.9.



ii) Lease liabilities

The lease liabilities is measured at the present value of the lease payments, discounted at the lessee's incremental borrowing rate specific to the term, country, currency and start date of the lease. Lease payments include: fixed payments; variable lease payments dependent on an index or rate, initially measured using the index or rate at commencement; the exercise price under a purchase option if the Company is reasonably certain to exercise; penalties for early termination if the lease term reflects the Company exercising a break option; and payments in an optional renewal period if the Company is reasonably certain to exercise an extension option or not exercise a break option.

The lease liabilities are subsequently measured at amortised cost using the effective interest rate method. It is remeasured, with a corresponding adjustment to the right of use asset, when there is a change in future lease payments resulting from a rent review, change in an index or rate, or change in the Company's assessment of whether it is reasonably certain to exercise a purchase, extension or break option.

iii) Short-term leases

The Company has elected not to recognise right-of-use assets and liabilities for short-term leases that have a lease term of 12 months or less and do not contain a purchase option. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.17 Revenue from operations

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115, Revenue from Contracts with Customers.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price, net of taxes (net of variable consideration that is constrained) allocated towards that performance obligation. Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised service to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Company's contracts with customers may include multiple performance obligations. For such arrangements, the Company allocate revenues to each performance obligation based on its relative standalone selling price.

The Company includes estimates of variable consideration in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

The Company considers itself as a principal in an arrangement when it controls the goods or service provided. The Company has concluded that it does not control the service provided by the third party merchants. Accordingly, commission income on such transaction is included within revenue. Cash received before the services are delivered is recognised as a deferred revenue. The amount of consideration does not contain a significant financing component.

The Company provides incentives to its users in various forms including cashbacks. Cashbacks and other incentives given to users which are consideration payable to a customer are recognised as a reduction of revenue. However, when these incentives offered to the users are higher than the income earned from the users, the excess on an individual transaction basis is classified under Advertisement and sales promotion expenses.

The following is a description of principal activities from which the company generates its revenue:

(a) Payment services

Transaction Processing Fee:

The Company's consumers are levied Transaction Processing Fee, including Convenience Fee for availing recharges, bill payments, digital gold, and travel and transit ticketing services. The Company also facilitates online & offline merchant payments and earns Transaction Processing Fee. Revenue from these services is recognized when the control of service is transferred to the customer i.e. when the services have been provided by the Company as per the terms of the contract with customers.

The Company also earns Transaction Processing Fee for facilitating person-to-person (P2P) payments which is recognised at a point in time on completion of transaction.

Transaction Processing Fee is generally charged as fixed amount per transaction or as a percentage of monetary value of transaction processed. Contracts or terms and conditions stipulate the types of services and articulate how fees will be calculated. The Company generally contracts with consumers, merchants, financial institutions, or affiliates of those parties.

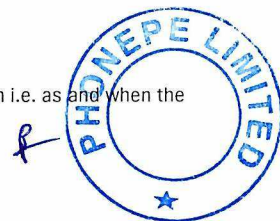
Amount received by the Company pending settlement are disclosed as merchant liabilities under the other financial liabilities. A corresponding asset is recognised as restricted cash for funds held in the Company's PA Escrow Bank Account, while amounts yet to be received are recorded as receivables from payment gateways / banks.

Platform Fees

Company charges Platform Fee to consumers for usage of the application. Control of service is transferred at a point in time when the transaction is successfully completed as per the terms and conditions agreed with the customer.

Advertisement services

Revenue from sale of Advertisement Services is recognised at point in time, on satisfaction of associated performance obligation i.e. as and when the relevant advertisement is displayed or distributed.



2.17 Revenue from operations (Contd.)

Subscription Fee

Revenue from setup fee of Payment Devices (Electronic Data Capture and Smart Speaker devices) is recognised as income as and when service is being provided to customers.

Revenue from Subscription Fee on Payment Devices is recognised over time, on satisfaction of associated performance obligation. The pattern of benefits received by the customer from Payment Device is generally even, throughout the period of contract and therefore revenue from such services is recognised on straight line basis over the period (i.e. over the contractual term).

Government Grants

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants related to revenue are recognised on a systematic basis as other operating revenue over the periods necessary to match them with the related costs, if any, which they are intended to compensate.

Contract liabilities (Deferred revenue)

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related services to the customer).

(b) Other income

Interest income is recognised using the effective interest method. Effective interest is the rate that discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in Other income in the Standalone Statement of Profit and Loss.

2.18 Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the Standalone Statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in OCI.

Current income tax

Current income tax for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

Current income tax relating to items recognised outside Standalone Statement of profit and loss is recognised outside Standalone Statement of profit and loss (either in OCI or equity). Management considers whether it is probable that a taxation authority will accept an uncertain tax position. The company reflects the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

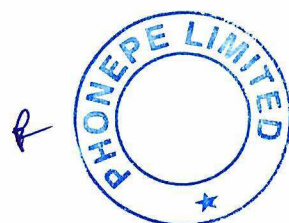
Deferred tax

Deferred income tax is recognized using the Balance Sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in Standalone Ind-AS Financial Statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction and does not give rise to equal taxable and deductible temporary differences. Deferred income tax assets are recognized to the extent 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 loss can be utilized.

The carrying amount of deferred income 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 income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting period.

Deferred tax relating to items recognised outside Standalone Statement of Profit and Loss are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority, where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.



PhonePe Limited (formerly known as 'PhonePe Private Limited')

Notes to Standalone Ind-AS Financial Statements for the year ended March 31, 2025

All amounts are in Rs. Millions, unless otherwise stated

2.19 Fair value measurement

Certain financial instruments are measured at fair value as of each reporting date after initial recognition. 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 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 by using quoted market rates, discounted cash flow analyses and other appropriate valuation models. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair values are being measured or disclosed in the Standalone Ind-AS Financial Statements are categorized within the fair value hierarchy, described as follows:

- Level 1- This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

2.20 PG / NPCI receivable and Escrow bank balances

Escrow balances represent customer funds maintained in Company's designated escrow bank accounts in accordance with RBI guidelines. These are classified as "restricted cash" under Other financial assets, measured at amortised cost, and are not available for general use by the Company. Any interest income earned is recognised on an accrual basis. Amounts receivable from payment gateways, banks, or NPCI for unsettled transactions are also recorded under Other financial assets. Corresponding obligations are recognised as "Payable to merchants" and "Payable towards wallet balances" under Other Financial Liabilities. Refer note 11 (Other financial assets) and note 17 (Other financial liabilities) for further details.

2.21 Contingencies

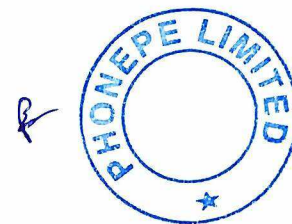
Contingent Liability:

Contingent liabilities are possible obligations whose existence will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the Company's control, or present obligations that are not recognised because it is not probable that a settlement will be required or the value of such a payment cannot be reliably estimated. The Company does not recognise contingent liabilities but discloses them.

2.22 Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) attributable to ordinary equity holders of the Company by weighted average number of equity shares outstanding during the period, if any. Diluted earnings per share is computed by dividing the profit/(loss) attributable to ordinary equity holders of the company by the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, except where the results would be anti-dilutive. Dilutive potential shares are deemed converted at the beginning of the period, unless issued at later date.

(This space has been intentionally left blank)



2.23. Significant accounting estimates and judgements

The preparation of the Company's Standalone Ind-AS Financial Statements in conformity with Ind-AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities at the reporting period. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Standalone Ind-AS Financial Statements are included in the following notes:

(a) Share Based Payments

The Company uses the most appropriate valuation model depending on the terms and conditions of the grant, including the expected life of the share option, volatility and dividend yield. For cash-settled transactions, the liability needs to be remeasured at the end of each reporting period upto the date of settlement, with any changes in fair value recognised in the Standalone Statement of Profit and Loss. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 31.

(b) Provision for expected credit loss on trade receivables and contract asset

The measurement of expected credit loss reflects a probability-weighted outcome, the time value of money and the best available forward-looking information. The correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The amount of expected credit loss is sensitive to changes in circumstances and forecasted economic conditions. The Company's historical credit loss experience and forecast of economic conditions may not be representative of the actual default in the future.

(c) Defined benefit plans and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(d) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 "Leases". Identification of a lease requires significant judgement in assessing the lease term including anticipated renewals and the applicable discount rate. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

(e) Useful lives of property, plant and equipment, right-of-use assets and intangible assets

The Company reviews the useful life of property, plant and equipment, right-of-use assets and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

(f) Income taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. Further details are disclosed in note 20.

(g) Revenue from operations

Management exercises judgment to determine the measurement and timing of revenue recognition including evaluation of whether the Company is acting as a principal or an agent including determination of performance obligations, allocation of transaction price to the identified performance obligation and satisfaction of such performance obligation, refer note 21 for further details.

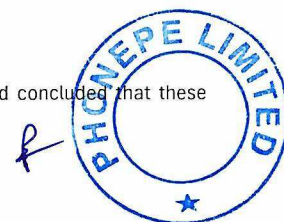
2.24 New and amended standards

The Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, effective from April 1, 2024. Key changes include amendments to:

Ind-AS 117 (Insurance Contracts) – effective August 16, 2024

Ind-AS 116 (Sale and Leaseback Transactions) – effective September 9, 2024

The Company also reviewed the amendments to Ind-AS 21, notified on May 7, 2025 and effective from April 1, 2025, and concluded that these amendments do not have a material impact on the Standalone Ind-AS financial statements.



PhonePe Limited (formerly known as 'PhonePe Private Limited')

Notes to Standalone Ind-AS Financial Statements for the year ended March 31, 2025

All amounts are in Rs. Millions, unless otherwise stated

3(i) Property, plant and equipment

At cost	Computers	Leasehold improvements	Others*	Total
As at April 1, 2023	24,120.13	84.60	126.24	24,330.97
Additions	12,755.36	41.27	40.15	12,836.78
Deletions	(128.59)	(0.02)	(1.35)	(129.96)
As at March 31, 2024	36,746.90	125.85	165.04	37,037.79
Additions	7,777.81	-	45.83	7,823.64
Deletions	(1,064.48)	-	(0.07)	(1,064.55)
As at March 31, 2025	43,460.23	125.85	210.80	43,796.88
Accumulated depreciation and impairment				
As at April 1, 2023	7,794.63	78.35	31.03	7,904.01
Charge for the year	8,959.86	13.63	33.24	9,006.73
Provision for impairment	140.70	-	-	140.70
Deletions	(125.29)	(0.02)	(1.39)	(126.70)
As at March 31, 2024	16,769.90	91.96	62.88	16,924.74
Charge for the year	10,041.67	12.08	34.75	10,088.50
Provision for impairment	29.64	-	-	29.64
Deletions	(1,064.27)	-	(0.07)	(1,064.34)
As at March 31, 2025	25,776.94	104.04	97.56	25,978.54
Net book value				
As at March 31, 2024	19,977.00	33.89	102.16	20,113.05
As at March 31, 2025	17,683.29	21.81	113.24	17,818.34

* Others include office equipments, furnitures and fixtures and electrical installations.

3(ii) Capital work-in-progress

	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	834.33	2,692.88
Additions during the year	3,198.00	4,982.44
Transfer to property, plant and equipment	(3,771.12)	(6,840.99)
Balance at the end of the year	261.21	834.33

Capital work-in-progress largely comprises of servers not ready for its intended use, upon transfer it is classified within the 'Computers' block of assets.



R

PhonePe Limited (formerly known as 'PhonePe Private Limited')

Notes to Standalone Ind-AS Financial Statements for the year ended March 31, 2025

All amounts are in Rs. Millions, unless otherwise stated

3(ii) Capital work-in-progress (Contd.)

Capital work-in-progress (CWIP) ageing schedule

As at March 31, 2025

	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	261.21	-	-	261.21
As at March 31, 2025	261.21	-	-	261.21

As at March 31, 2024

	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	834.33	-	-	834.33
As at March 31, 2024	834.33	-	-	834.33

As at March 31, 2025 and March 31, 2024, there were no projects/ CWIP assets which are overdue for capitalisation/ have exceeded estimated cost compared to its original plan.

Refer Note 35 for capital commitments

4. Goodwill and Other intangible assets*

At cost

As at April 1, 2023	83.26	262.64	345.90	162.68	508.58
Additions	-	2,154.30	2,154.30	-	2,154.30
Disposals	-	(2,139.99)	(2,139.99)	-	(2,139.99)
As at March 31, 2024	83.26	276.95	360.21	162.68	522.89
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at March 31, 2025	83.26	276.95	360.21	162.68	522.89

Accumulated amortisation

As at April 1, 2023	82.00	262.64	344.64	-	344.64
Charge for the year	1.26	217.42	218.68	-	218.68
Disposals	-	(214.56)	(214.56)	-	(214.56)
As at March 31, 2024	83.26	265.50	348.76	-	348.76
Charge for the year	-	11.45	11.45	-	11.45
Disposals	-	-	-	-	-
As at March 31, 2025	83.26	276.95	360.21	-	360.21

Net Block

As at March 31, 2024	-	11.45	11.45	162.68	174.13
As at March 31, 2025	-	-	-	162.68	162.68

* The management has identified the Company as a whole as one CGU.

* Includes assets whose carrying value amounts to Nil (March 31, 2024: Rs. 1,583.96), which is co-owned, without any restriction on use or sale.



PhonePe Limited (formerly known as 'PhonePe Private Limited')
Notes to Standalone Ind-AS Financial Statements for the year ended March 31, 2025
All amounts are in Rs. Millions, unless otherwise stated

4. Goodwill and other intangible assets (Contd.)

Key assumptions which the Company has used in determination of value in use includes:

Value in use calculation:

The recoverable amount of the CGUs as at March 31, 2025, have been determined based on value in use using cash flow projections for a forecast period of 22 years approved by the Board of Directors. The pre-tax discount rate is applied to cash flow projections for impairment testing during the financial years. It is concluded that the carrying value of goodwill does not exceed the value in use. As a result of this analysis, the management concluded that impairment is not required for this CGU.

Discount rates:

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation of each CGU is derived from its Weighted Average Cost of Capital (WACC).

Growth rate estimates:

Growth rate is based on the Company's projection of business and growth of the industry in which the respective CGU is operating.

List of key assumptions used in the value in use calculation for the CGU is as given below.

Assumptions

Long term growth rate
Discount rate

For the year ended March 31, 2025	For the year ended March 31, 2024
5.00%	5.00%
16.40%	18.80%

An analysis of the calculation's sensitivity to a change in the key parameters (discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the CGU's recoverable amount would fall below its carrying amount.

Goodwill is tested for impairment as on 31st March every year and no impairment is recognised as at March 31, 2025 and March 31, 2024.



(This space has been intentionally left blank)



PhonePe Limited (formerly known as 'PhonePe Private Limited')
Notes to Standalone Ind-AS Financial Statements for the year ended March 31, 2025
All amounts are in Rs. Millions, unless otherwise stated

5. Right-of-use assets

The changes in the carrying value of Right-of-use assets (RoU) are as follows:

	Buildings	Data Centres	Total RoU Assets
Gross carrying value at cost			
As at April 1, 2023	2,846.58	1,423.54	4,270.12
Additions	585.00	836.52	1,421.52
Terminations	(49.52)	-	(49.52)
As at March 31, 2024	3,382.06	2,260.06	5,642.12
Additions	1,664.72	1,659.40	3,324.12
Remeasurements [refer note 15]	777.69	-	777.69
Modification	(136.37)	-	(136.37)
Terminations	(63.13)	-	(63.13)
As at March 31, 2025	5,624.97	3,919.46	9,544.43
Accumulated amortisation			
As at April 1, 2023	769.22	291.82	1,061.04
Charge for the year	637.45	414.36	1,051.81
Terminations	(49.52)	-	(49.52)
As at March 31, 2024	1,357.15	706.18	2,063.33
Charge for the year	772.20	587.31	1,359.51
Terminations	(48.37)	-	(48.37)
As at March 31, 2025	2,080.98	1,293.49	3,374.47
Net carrying value			
As at March 31, 2024	2,024.91	1,553.88	3,578.79
As at March 31, 2025	3,543.99	2,625.97	6,169.96



(This space has been intentionally left blank)



P

PhonePe Limited (formerly known as 'PhonePe Private Limited')

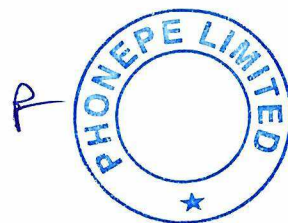
Notes to Standalone Ind-AS Financial Statements for the year ended March 31, 2025

All amounts are in Rs. Millions, unless otherwise stated

6. Investments

	Non-current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
At amortised cost				
Investment in commercial papers (quoted)	-	-	8,107.52	11,099.19
Investment in fixed deposits with NBFC	-	-	12,070.00	13,230.00
Sub-total (a)	-	-	20,177.52	24,329.19
At fair value (through OCI)				
Investment in equity shares (unquoted)				
National Payments Corporation of India	210.79	149.60	-	-
fully paid-up equity shares 61,320 (March 31, 2024: 61,320)				
Sub-total (b)	210.79	149.60	-	-
At fair value (through profit and loss)				
Investment in mutual funds (quoted)	-	-	13,467.12	-
Sub-total (c)	-	-	13,467.12	-
At cost				
Investment in wholly-owned subsidiaries (fully paid) (unquoted)				
PhonePe Technology Services Private Limited				
39,500,000 equity shares of face value of Rs. 10 each	395.00	295.00	-	-
(March 31, 2024 - 29,500,000 equity shares of face value of Rs. 10 each)				
PhonePe Insurance Broking Services Private Limited				
1,108,000,000 equity shares of face value of Rs. 10 each	11,080.00	10,630.00	-	-
(March 31, 2024 - 1,063,000,000 equity shares of face value of Rs. 10 each)				
PhonePe Wealth Broking Private Limited				
1,065,150,000 equity shares of face value of Rs. 10 each	10,651.50	7,001.50	-	-
(March 31, 2024 - 700,150,000 equity shares of face value of Rs. 10 each)				
Pincode Shopping Solutions Private Limited				
(formerly known as 'PhonePe Shopping Solutions Private Limited')				
389,900,000 equity shares of face value of Rs. 10 each	3,899.00	999.00	-	-
(March 31, 2024 - 99,900,000 equity shares of face value of Rs. 10 each)				
PhonePe Finance Private Limited				
14,900,000 equity shares of face value of Rs. 10 each	149.00	149.00	-	-
(March 31, 2024 - 14,900,000 equity shares of face value of Rs. 10 each)				
PhonePe Lending Services Private Limited				
(formerly known as 'PhonePe Credit Services Private Limited' and 'Explorium	760.27	760.27	-	-
Innovative Technologies Private Limited')				
11,780 equity shares of face value of Rs. 10 each				
(March 31, 2024 - 11,780 equity shares of face value of Rs. 10 each)				
Indus Appstore (Singapore) Pte. Ltd.				
(formerly known as 'OS Labs Pte. Ltd.')	7,619.60	7,619.60	-	-
2,155,502 equity shares (March 31, 2024 - 2,155,502)				
Sub-total (d)	34,554.37	27,454.37	-	-
Investment in associate (quoted)				
C.E. Info Systems Ltd				
10,197,966 equity shares of face value of Rs. 2 each (March 31, 2024 -	967.53	967.53	-	-
10,197,966 of face value of Rs. 2 each)				
Sub-total (e)	967.53	967.53	-	-
Total - (a)+(b)+(c)+(d)+(e)	35,732.69	28,571.50	33,644.64	24,329.19
Allowance for impairment of investment*	(4,205.00)	-	-	-
Total	31,527.69	28,571.50	33,644.64	24,329.19

* Allowance for impairment of investment in PhonePe Technology Services Private Limited amounting to Rs. 395.00 and Indus Appstore (Singapore) Pte. Ltd. amounting to Rs. 3,810.00.



PhonePe Limited (formerly known as 'PhonePe Private Limited')

Notes to Standalone Ind-AS Financial Statements for the year ended March 31, 2025

All amounts are in Rs. Millions, unless otherwise stated

6. Investments (Contd.)

Set out below is the aggregate amount of quoted and unquoted investments disclosed above:

Aggregate Book value of quoted investments	967.53	967.53	21,574.64	11,099.19
Aggregate Market value of quoted investments	17,227.93	19,007.99	21,574.10	11,080.00
Aggregate value of unquoted investments	34,765.16	27,603.97	12,070.00	13,230.00
Aggregate amount of impairment in value of investments	4,205.00	-	-	-

7. Trade receivables (at amortised cost)

	As at March 31, 2025	As at March 31, 2024
Unsecured receivables, considered good*	5,533.39	4,901.37
Credit impaired receivables	374.39	350.55
	5,907.78	5,251.92
Less: Allowance for unsecured receivables, considered good	(176.35)	(165.12)
Less: Allowance for credit impaired receivables	(374.39)	(350.55)
Total	5,357.04	4,736.25

Movement in the allowance for expected credit losses of trade receivables is as follows:

	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	(515.67)	(302.61)
Allowances made during the year	(345.04)	(217.78)
Written off	309.97	4.72
Balance as at the end of the year	(550.74)	(515.67)

Trade receivables are non-interest bearing and are generally due on a defined credit period.

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

*includes receivables from related parties [refer note 28].

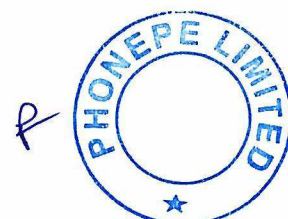
Trade receivables ageing Schedule

As at March 31, 2025

Current but not due	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables, considered good	4,773.68	735.85	23.86	-	-	5,533.39
Undisputed Trade receivables, credit impaired	-	-	140.64	126.38	45.67	374.39
	4,773.68	735.85	164.50	126.38	45.67	5,907.78

As at March 31, 2024

Current but not due	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	4,282.51	618.86	-	-	-	4,901.37
Undisputed Trade receivables – credit impaired	-	121.53	128.49	79.65	10.64	350.55
	4,282.51	740.39	128.49	79.65	10.64	5,251.92



PhonePe Limited (formerly known as 'PhonePe Private Limited')
Notes to Standalone Ind-AS Financial Statements for the year ended March 31, 2025
All amounts are in Rs. Millions, unless otherwise stated
8. Cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
Balance with banks:		
- In current accounts	4,078.67	6,952.37
- Deposits with original maturity of less than three months	870.00	40.00
Total	4,948.67	6,992.37

	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents as per Ind-AS 7 (Statement of cash flows)	4,948.67	6,992.37

9. Bank balances other than Cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
Short term deposits *	22,550.00	22,486.00
	22,550.00	22,486.00

* Represents deposits having original maturity of more than three months and less than twelve months.

10. Loans

	Current	
	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Intercompany loans - related parties [refer note 28]	6,810.66	6,256.81
Total	6,810.66	6,256.81

Disclosure required under Section 186(4) of the Companies Act, 2013

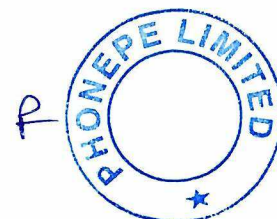
Included in loans are certain intercompany loans the particulars of which are disclosed below as required by Section 186(4) of the Companies Act, 2013:

Name of the loanee	Rate of Interest	Due date	Secured/ unsecured	As at March 31, 2025	As at March 31, 2024
Indus Appstore Private Limited [refer note 28]* (formerly known as 'OS Labs Technology (India) Private Limited')	7.8% p.a.	On demand	Unsecured	3,495.08	3,016.23
PhonePe Lending Services Private Limited [refer note 28]* (formerly known as 'PhonePe Credit Services Private Limited' and 'Explorium Innovative Technologies Private Limited')	7.8% p.a.	On demand	Unsecured	3,315.58	3,240.58
				6,810.66	6,256.81

* The loans will be utilized for meeting liabilities and/ working capital requirements by recipients. The maximum amount outstanding for the above mentioned loans at any point of time during the current and previous financial year are equivalent to the outstanding balance as at the respective year end.

11. Other financial assets (at amortised cost)

	Non-current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good				
Restricted cash				
- Balances in escrow accounts [refer note (a) and (b) below]	-	-	46,147.01	7,406.42
- Bank deposits [refer note (c) below]	2.51	5.00	5.00	2.50
Receivables from payment gateways/ banks [refer note (b) below]	-	-	8,165.49	-
Interest accrued on fixed deposits and loans	-	-	1,569.38	2,594.07
Security deposits	544.88	416.10	95.38	61.35
Other receivables [refer note (d) below]	-	-	1,538.64	1,909.96
Unsecured, credit impaired				
Security deposits	-	-	2.01	1.56
Other receivables	-	-	325.34	255.37
	547.39	421.10	57,848.25	12,231.23
Allowance for impairment of doubtful assets	-	-	(327.35)	(256.93)
Total	547.39	421.10	57,520.90	11,974.30



PhonePe Limited (formerly known as 'PhonePe Private Limited')

Notes to Standalone Ind-AS Financial Statements for the year ended March 31, 2025

All amounts are in Rs. Millions, unless otherwise stated

11. Other financial assets (at amortised cost) (Contd.)

(a) Includes Unwithdrawn revenue amounting to Rs. 3,200.43 (March 31, 2024: Rs. 4,064.29).

(b) The Company holds an in-principle authorization under the Payments and Settlements Systems Act, 2007 from the Reserve Bank of India (RBI) to operate as a non-bank Payment Aggregator (PA).

During the previous year, the Company held nodal account balances with Banks for transactions processed through payment gateway and/ or unified payment interface, as applicable, which are required by the Reserve Bank of India (RBI). The nodal bank account operated as internal accounts of the banks. The Company did not have the ability to withdraw funds from the nodal accounts except for the limited purposes as defined in the RBI Directions for opening and operation of accounts and settlement of payments for electronic payment transactions involving intermediaries dated November 24, 2009. Further, the Company could not create a lien on such nodal accounts and acted merely as a facilitator. The Company did not have the primary obligation to pay to the counterparty for amounts held in the said nodal accounts and hence, the amount did not represent an asset or a liability for the Company. Accordingly, the merchant liabilities (including other payables) of Rs. 39,040.95, Nodal bank balances Rs. 29,258.40 and receivable from payment from gateways (including other receivables) Rs. 9,782.55 were presented on a net basis as of March 31, 2024.

In the current year, the existing Nodal arrangements have been converted into Escrow arrangement to adhere with Reserve Bank of India (RBI) Guidelines on 'Regulation of Payment Aggregators and Payment Gateways' 2021('RBI Guidelines'). With this transition to escrow arrangements, the Company's rights and responsibilities have been modified to align with the RBI's Guidelines, and the Company has become the primary obligor for settling merchant liabilities (including payables under the Bharat Bill Payment System (BBPS) settlement). Consequently, the Company has recorded the amounts owed to merchants as liabilities under other financial liabilities, and the corresponding assets, which include the balance in the escrow accounts and receivables from payment gateways/banks, as other financial assets. The Company maintains additional funding in escrow through prefunding for settlement of merchant liabilities and the Company does not currently have a legally enforceable right to set off the escrow bank balance against merchant liabilities.

(c) It consist of fixed deposits under lien for payment integration amounting to Rs. 5.00 (March 31, 2024 : Rs. 5.00), for bank guarantee and others amounting to Rs. 2.51 (March 31, 2024 : Rs. 2.50).

(d) includes receivables from related parties [refer note 28].

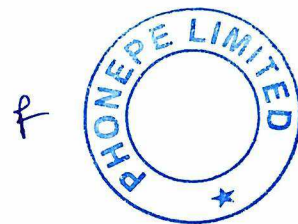
12. Other assets

	Non-current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good				
Capital advances	13.69	106.86	-	-
Advances other than capital advances*	-	-	4,117.34	3,593.57
[net of provision Rs. 14.08 (March 31, 2024 : Rs. 27.45)]				
Balances with statutory authorities ** #				
[net of provision against current balances Rs. 161.43 (March 31, 2024 : Rs. 96.10)]	3.57	21.51	5,862.80	7,399.46
Prepaid expenses	346.47	202.21	1,039.12	1,044.60
Total	363.73	330.58	11,019.26	12,037.63

*Advances other than capital advances includes advances to employees amounting to Rs. 121.25 (March 31, 2024 Rs. 58.22)

**Balances with statutory authorities includes Goods and Services Tax (GST) input credit, including GST paid on gross value of electronic recharge transactions. The Company recognises revenue on facilitation of electronic recharge transactions to the extent of net consideration it expects to receive on such transactions.

Includes Rs. 90.91 (March 31, 2024 : Rs. 21.20) paid under protest on account of Central Goods and Services Tax Act, 2017 against demands under appeal, which are not contingent liabilities as possibility of an outflow of resources embodying economic benefits is remote.



PhonePe Limited (formerly known as 'PhonePe Private Limited')
Notes to Standalone Ind-AS Financial Statements for the year ended March 31, 2025

All amounts are in Rs. Millions, unless otherwise stated

13. Equity share capital

	As at March 31, 2025	As at March 31, 2024
Authorized share capital*		
1,000,000,000 equity shares of Rs.1 each (March 31, 2024: 100,000,000 equity shares of Rs.10 each)	1,000.00	1,000.00
Issued, subscribed and fully paid-up share capital [refer note (a) below]		
442,743,610 equity shares of Rs.1 each (March 31, 2024: 44,274,361 equity shares of Rs.10 each)	442.74	442.74
Total issued, subscribed and fully paid-up share capital	442.74	442.74

* During the year ended March 31, 2025, there were no changes to the authorised share capital.

(a) Stock Split impact

The Company effected a stock split of its equity shares in the ratio of 1:10, whereby each equity share of face value Rs.10 was split into 10 equity shares of face value Rs.1 each. The stock split was approved by the Board of directors and shareholders on March 11, 2025 and March 31, 2025 respectively and became effective from March 31, 2025.

Consequent to the stock split, the number of shares outstanding has been proportionately adjusted.

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

	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 1 each issued, subscribed and fully paid up (March 31, 2024: equity shares of Rs. 10 each)				
At the beginning of the year	4,42,74,361	442.74	4,34,53,661	434.53
Issued during the year	-	-	8,20,700	8.21
Split of 1 share of Rs. 10 each to 10 shares of Rs. 1 each	39,84,69,249	-	-	-
Outstanding at the end of the year	44,27,43,610	442.74	4,42,74,361	442.74

(c) Terms and rights attached to equity shares

The Company has only one class of equity share having par value of Rs.1 per share. Each holder of equity share 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. The Company declares and pays dividends in Indian rupees, if any. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

	As at March 31, 2025		As at March 31, 2024	
Name of the shareholder	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs.1 each fully paid up (March 31, 2024: equity shares of Rs. 10 each)				
WM Digital Commerce Holdings Pte. Ltd (Formerly known as 'FIT Parent Pte. Ltd.' and 'FIT Holdings S.A.R.L.')	37,15,17,890	83.91%	3,71,51,789	83.91%
(Subsidiary of Wal-Mart International Holdings, Inc. with ultimate holding company as walmart Inc.)				
Headstand Pte. Ltd. (Formerly known as 'PhonePe Private Limited') (incorporated in Singapore)	2,96,66,640	6.70%	29,66,664	6.70%
General Atlantic Singapore PPIL Pte. Ltd.	2,27,55,280	5.14%	22,75,528	5.14%

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

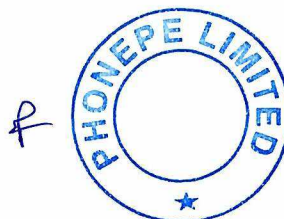
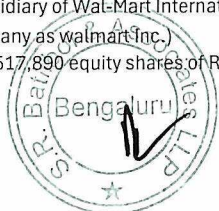
(e) Stock options granted under the Company's employee share option plan carry no rights to dividend and no voting rights. Further details of the Employee Stock Option Plan (ESOPs) are provided in note 31.

(f) Shares held by holding/ intermediate holding company/ ultimate holding company/ fellow subsidiary

	As at March 31, 2025	As at March 31, 2024
	Amount	Amount
WM Digital Commerce Holdings Pte. Ltd (Formerly known as 'FIT Parent Pte. Ltd.' and 'FIT Holdings S.A.R.L.')	371.52	371.52

(Subsidiary of Wal-Mart International Holdings, Inc. with ultimate holding company as walmart Inc.)

371,517,890 equity shares of Rs.1 each (March 31, 2024: 37,151,789 equity shares of Rs.10 each)



PhonePe Limited (formerly known as 'PhonePe Private Limited')
Notes to Standalone Ind-AS Financial Statements for the year ended March 31, 2025
All amounts are in Rs. Millions, unless otherwise stated

13. Equity share capital (Contd.)

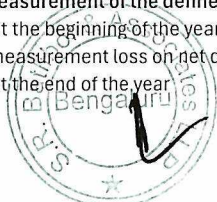
(g) Details of shares held by promoters

As at March 31, 2025					
Promoter name	No. of shares at the beginning of the year	Change during the year*	No. of shares at the end of the year	% of Total shares	% change during the year
Equity shares of Rs.1 each fully paid up					
WM Digital Commerce Holdings Pte. Ltd (Formerly known as 'FIT Parent Pte. Ltd.' and 'FIT Holdings S.A.R.L.')	3,71,51,789	33,43,66,101	37,15,17,890	83.91%	-
(Subsidiary of Wal-Mart International Holdings, Inc. with ultimate holding company as walmart Inc.)					
Total	3,71,51,789	33,43,66,101	37,15,17,890	83.91%	-
As at March 31, 2024					
Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% change during the year
Equity shares of Rs.10 each fully paid up					
WM Digital Commerce Holdings Pte. Ltd (Formerly known as 'FIT Parent Pte. Ltd.' and 'FIT Holdings S.A.R.L.')	3,71,51,789	-	3,71,51,789	83.91%	-
(Subsidiary of Wal-Mart International Holdings, Inc. with ultimate holding company as walmart Inc.)					
Total	3,71,51,789	-	3,71,51,789	83.91%	-

*Impact of Stock split of 1 share of Rs. 10 each to 10 shares of Rs. 1 each

14. Other equity

	As at March 31, 2025	As at March 31, 2024
Reserves and Surplus		
Capital reserve		
As at the beginning of the year	1,365.27	1,365.27
As at the end of the year	1,365.27	1,365.27
Securities premium		
As at the beginning of the year	1,81,908.20	1,65,529.50
Securities premium on issue of equity shares	-	16,379.52
Transaction cost on issue of equity shares	-	(0.82)
As at the end of the year	1,81,908.20	1,81,908.20
Share-based payments reserve		
As at the beginning of the year	49,339.41	21,830.60
Settlement/ compensation related to share-based payments [refer note 31]	17,740.25	16,398.00
Modification of equity settled share-based payments to cash settled share-based payments [refer note 31]	-	(7,808.30)
Migration of equity settled share-based payments [refer note 31]	-	18,919.11
As at the end of the year	67,079.66	49,339.41
Other reserves		
As at the beginning of the year	(7,326.16)	(2,743.70)
Settlement/ compensation related to share-based payments [refer note 31]	-	(129.34)
Modification of equity settled share-based payments to cash settled share-based payments [refer note 31]	-	(4,453.12)
As at the end of the year	(7,326.16)	(7,326.16)
Retained earnings		
As at the beginning of the year	(1,13,785.34)	(1,02,125.18)
Loss for the year	(12,645.19)	(11,660.16)
As at the end of the year	(1,26,430.53)	(1,13,785.34)
Remeasurement of the defined benefit plan		
As at the beginning of the year	(30.24)	(2.84)
Remeasurement loss on net defined benefit liability, net of taxes	(16.17)	(27.40)
As at the end of the year	(46.41)	(30.24)



R



14. Other equity (Contd.)

Equity instruments through other comprehensive income		
As at the beginning of the year	64.28	35.14
Equity instruments through other comprehensive income, net of taxes	50.37	29.14
As at the end of the year	<u>114.65</u>	<u>64.28</u>
Other equity attributable to owners of the Company	<u>1,16,664.68</u>	<u>1,11,535.42</u>

The description of the nature and purpose of each reserve within other equity is as follows:

Capital reserve

Represents the excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration. The reserve can be utilised in accordance with the provision of Companies Act, 2013.

Securities premium

Represents premium on issue of shares. The reserve can be utilised only for the limited purposes in accordance with the provisions of the Companies Act, 2013.

Share-based payment reserve

Represents reserve in respect of equity settled share options granted to the Company's employees in pursuance of the employee stock option plan. The reserve will be utilised on exercise of the options.

Other reserve

Represents (a) the difference between grant date fair value of equity settled share options issued to employees compared to the modification date fair value, (b) settlement/ compensation related to share-based payments.

Retained Earnings

Represents accumulated losses of current and prior years of the Company. This reserve can be utilised in accordance with the provision of Companies Act, 2013.

Remeasurement of the defined benefit plan

Represents changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments.

Equity instruments through other comprehensive income

Represents cumulative gains and losses arising on the revaluation of equity instruments on the balance sheet date measured at fair value through other comprehensive income.

15. Lease liabilities (at amortised cost)

	Non-current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Lease liabilities	4,851.97	2,663.40	1,616.04	1,109.92
Total	<u>4,851.97</u>	<u>2,663.40</u>	<u>1,616.04</u>	<u>1,109.92</u>

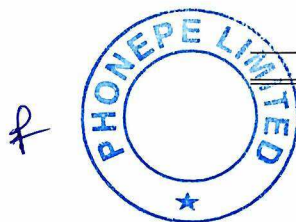
The Company leases buildings including data centres which have a renewal option in the normal course of the business. Extension and termination options are included in such leases across the Company. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor. The Company assesses at the time of lease commencement whether it is reasonably certain to exercise the extension or termination option. The Company re-assesses whether it is reasonably certain to exercise options if there is a significant event or significant change in circumstances within its control.

The sensitivity of variable lease payments and effect of extension/ termination options not included in measurement of lease liabilities is not material. Possible future cash outflows amounting to Rs. 1,239.45 (March 31, 2024: Rs. 1,379.85) were not included in lease liabilities because it is not reasonably certain that the leases will be extended (or not terminated). Leases that the Company has entered into as a lessee but that have not yet commenced result in possible future cash outflows totalling to Nil (March 31, 2024: 9.60).

The maturity analysis of lease liabilities are disclosed in note 33.

Movement of Lease Liabilities during the year

Particulars	As at March 31, 2025	As at March 31, 2024
Opening lease liabilities	3,773.32	3,298.02
Addition of new leases	3,227.81	1,386.90
Re-measurements of leases*	777.69	-
Modification of leases	(147.11)	-
Termination of leases	(13.65)	-
Interest expense on lease liabilities	364.75	298.73
Payment of lease liabilities (including interest)	(1,514.80)	(1,210.33)
Closing lease liabilities	<u>6,468.01</u>	<u>3,773.32</u>



PhonePe Limited (formerly known as 'PhonePe Private Limited')
Notes to Standalone Ind-AS Financial Statements for the year ended March 31, 2025
All amounts are in Rs. Millions, unless otherwise stated

15. Lease liabilities (at amortised cost) (Contd.)

The following are the amounts recognized in the Standalone Statement of Profit and Loss:

	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on lease liabilities [refer note 24]	364.75	298.73
Depreciation of right-of-use assets [refer note 25]	1,359.51	1,051.81
Variable lease payments not included in the measurement of lease liabilities [refer note 26]	79.17	70.55
Total amount recognised in Profit or loss	1,803.43	1,421.09

Changes in lease liabilities arising from financing activities and non-cash financing:

	April 01, 2024	New leases**	Cash flows	Interest expense	March 31, 2025
Lease liabilities	3,773.32	3,844.74	(1,514.80)	364.75	6,468.01

	April 01, 2023	New leases	Cash flows	Interest expense	March 31, 2024
Lease liabilities	3,298.02	1,386.90	(1,210.33)	298.73	3,773.32

*relates to re-assessment of lease term as the Company elected for extension option

**Includes effects of modifications, remeasurements and terminations.

16. Trade payables (at amortised cost)

	As at March 31, 2025	As at March 31, 2024
Trade payables*	5,328.65	4,436.71
Total	5,328.65	4,436.71

Dues to suppliers who are registered as micro and small enterprises under "The Micro, Small and Medium and Enterprises Development Act, 2006 (MSMED Act)" as at March 31, 2025 is Rs. 2.33 (March 31, 2024: Rs. 62.75).

*includes amounts payable to related parties [refer note 28].

Trade payables are non-interest bearing and are normally settled basis the agreed credit terms.

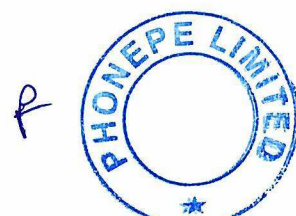
Trade payables ageing schedule

As at March 31, 2025

	Not due (including unbilled)	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	0.30	2.02	-	0.01	-	2.33
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,995.16	331.08	-	0.08	-	5,326.32
Total	4,995.46	333.10	-	0.09	-	5,328.65

As at March 31, 2024

	Not due (including unbilled)	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	49.65	5.60	2.94	2.47	2.09	62.75
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,120.21	234.24	19.51	-	-	4,373.96
Total	4,169.86	239.84	22.45	2.47	2.09	4,436.71



16. Trade payables (at amortised cost) (Contd.)

Details relating to Outstanding dues to Micro and Small Enterprises

	As at March 31, 2025	As at March 31, 2024
(a) the principal amount remaining unpaid to any supplier at the end of the accounting year	1.59	49.65
(b) the interest due thereon remaining unpaid to any supplier at the end of the accounting year	0.74	5.60
(c) the amount of interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(e) the amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(f) the amount of further interest remaining due and payable even in the succeeding years, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act	-	7.50
Total	2.33	62.75

Micro and Small enterprises have been identified by the Company on the basis of the information available.

17. Other financial liabilities (at amortised cost)

	Current	
	As at March 31, 2025	As at March 31, 2024
Payable to merchants [refer note 11(b)]	47,243.61	-
Payable towards wallet balances	2,981.20	2,936.24
Capital creditors *	784.54	2,182.95
Employee liabilities	132.60	122.22
Others**#	790.46	1,688.92
Total	51,932.41	6,930.33

* Dues to suppliers who are registered as micro and small enterprises under "The Micro, Small and Medium and Enterprises Development Act, 2006 (MSMED Act)" as at March 31, 2025 is Rs. 2.75 (March 31, 2024: Rs. 100.33).

** Majorly includes car lease payables amounting to Rs. 416.84 (March 31, 2024 : Rs. 404.86)

Includes amounts payable to related parties [refer note 28].

18. Other liabilities

	Non-current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Payable to statutory authorities*	-	-	5,951.73	5,245.14
Deferred revenue**	52.16	-	573.21	264.28
Total	52.16	-	6,524.94	5,509.42

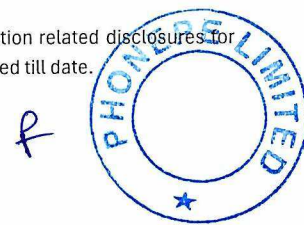
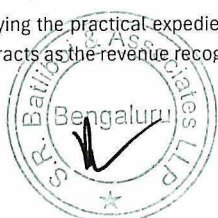
* Payable to statutory authorities includes GST obligation, including GST on gross value of electronic recharge transactions carried out through the PhonePe platform. The Company recognises revenue on facilitation of electronic recharge transactions to the extent of net consideration it expects to receive on such transactions.

** Changes in deferred revenue are as follows:

	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	264.28	-
Revenue recognised that was included in the balance at the beginning of the year	(205.62)	-
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	566.71	264.28
Balance as at the end of the year	625.37	264.28

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognised corresponds directly with the value to the customer of the entity's performance completed till date.



PhonePe Limited (formerly known as 'PhonePe Private Limited')
Notes to Standalone Ind-AS Financial Statements for the year ended March 31, 2025
All amounts are in Rs. Millions, unless otherwise stated

19. Provisions

	Non-current		Current	
	As at	As at	As at	As at
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Provision for gratuity [refer note 29]	475.86	364.47	89.81	53.49
Provision for compensated absences	-	-	959.75	812.26
Total	475.86	364.47	1,049.56	865.75

20. Income tax

a) Reconciliation of tax expense and the accounting loss

	As at March 31, 2025	As at March 31, 2024
Accounting loss before taxes	(12,645.19)	(11,660.16)
At India's statutory income tax rate of 25.17% (March 31, 2024: 25.17%)	(3,182.54)	(2,934.63)
Adjustments:		
Deferred tax assets not recognised on tax loss and unabsorbed depreciation	1,334.63	3,612.10
Permanent differences	(12.79)	(65.83)
Deferred tax assets not recognised on timing differences	1,860.70	(611.64)
Income tax expense recognized in the Standalone Statement of Profit and loss.	-	-

b) Amounts recognised in OCI

Deferred tax related to items charged to OCI during the year:

- Remeasurement loss on net defined benefit liability	-	-
- Equity instruments through other comprehensive income	(10.83)	(3.76)
	(10.83)	(3.76)

c) Deferred tax liabilities (net)

Particulars	For the year ended March 31, 2025			
	As at	Recognised in	Recognised in	As at
	April 01, 2024	the Standalone Statement of Profit and Loss	Other Comprehensive Income	March 31, 2025
Tax effect of items resulting in taxable temporary differences				
Property, plant and equipment and other intangible assets	(525.33)	525.33	-	-
Right-of-use assets	(900.71)	(652.15)	-	(1,552.86)
Unrealised gain on investments	-	(52.92)	-	(52.92)
Investments in equity shares (unquoted) (at FVOCI)	(8.30)	-	(10.83)	(19.13)
Tax effect of items resulting in deductible temporary differences				
Lease liabilities	949.67	656.11	-	1,605.78
Carry forward loss allowed to be offset against future profits	476.37	(476.37)	-	-
Deferred tax assets/ (liabilities)	(8.30)	-	(10.83)	(19.13)

Particulars	For the year ended March 31, 2024			
	As at	Recognised in	Recognised in	As at
	April 01, 2023	the Standalone Statement of Profit and Loss	Other Comprehensive Income	March 31, 2024
Tax effect of items resulting in taxable temporary differences				
Property, plant and equipment and other intangible assets	(763.50)	238.17	-	(525.33)
Right-of-use assets	(807.73)	(92.98)	-	(900.71)
Unrealised gain on investments	(21.37)	21.37	-	-
Investments in equity shares (unquoted) (at FVOCI)	(4.54)	-	(3.76)	(8.30)
Tax effect of items resulting in deductible temporary differences				
Lease liabilities	807.73	141.94	-	949.67
Carry forward loss allowed to be offset against future profits	784.87	(308.50)	-	476.37
Deferred tax assets/ (liabilities)	(4.54)	-	(3.76)	(8.30)



20. Income tax (Contd.)

Ministry of Corporate Affairs ("MCA"), under the Companies (Indian Accounting Standards) Amendment Rules, 2023, issued an amendment to Ind-AS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction such as leases and decommissioning obligations. This amendment is effective from the beginning of the comparative period presented i.e. April 01, 2023. There is a change in deferred tax disclosures from net to gross for Right-of-use assets and lease liabilities for the Company.

Under the Income-tax Act, 1961, unabsorbed business losses expire 8 years after the year in which they originate and unabsorbed depreciation can be carried forward indefinitely. Unrecognised deferred tax assets relate primarily to business losses, unabsorbed depreciation and temporary differences, if any, which do not qualify for recognition as per the applicable accounting standards. The Company has not recognised any deferred tax assets on the unabsorbed business losses and unabsorbed depreciation amounting to Rs. 91,151.59 (March 31, 2024: Rs. 89,286.66) and Rs. 24,913.38 (March 31, 2024: Rs. 19,604.35) respectively.

These unexpired business losses will expire based on the year of origination as follows:

For the year ended	Unabsorbed business loss
March 31, 2026	-
March 31, 2027	18,656.50
March 31, 2028	16,563.32
March 31, 2029	15,991.72
March 31, 2030	15,485.66
Thereafter	24,454.39
	91,151.59

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax loss is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent loss, the Company has recognised deferred tax asset only to the extent that it has sufficient taxable temporary differences or there are other evidences that sufficient taxable profit will be available against which such deferred tax asset can be realised.

d) Deferred tax liabilities relates to

Investments in equity shares (unquoted) (at FVOCI)
Total

As at	As at
March 31, 2025	March 31, 2024
19.13	8.30
19.13	8.30

(This space has been intentionally left blank)



PhonePe Limited (formerly known as 'PhonePe Private Limited')
Notes to Standalone Ind-AS Financial Statements for the year ended March 31, 2025
All amounts are in Rs. Millions, unless otherwise stated

	For the year ended March 31, 2025	For the year ended March 31, 2024
21. Revenue from operations		
Sale of services*	63,440.70	48,398.46
Other operating revenue [refer note (i) below]*	1,997.67	699.34
Total	65,438.37	49,097.80

*Includes transactions with related parties [refer note 28].

(i) Other operating revenue includes consideration received from National Payments Corporation of India for RuPay Credit Cards on UPI Acceptance Incentive Scheme amounting to Rs. 90.00 (March 31, 2024: Nil) and the incentive received by the Company in accordance with the circular issued by the Reserve Bank of India on qualifying expenditure incurred towards deployment of payment acceptance devices amounting to Rs. 1,892.28 (March 31, 2024: Rs. 698.29) against the incentive scheme issued by the Open Network for Digital Commerce on qualifying expenditure incurred towards promoting the buyer side digital orders.

(ii) Disaggregation of revenue

Type of business operations	For the year ended March 31, 2025	For the year ended March 31, 2024
Payment services	63,440.70	48,329.01
Other services	-	69.45
Total revenue from operations	63,440.70	48,398.46

	For the year ended March 31, 2025	For the year ended March 31, 2024
Timing of revenue recognition		
Services transferred at a point in time	56,524.60	44,316.91
Services transferred over a period of time	6,916.10	4,081.55
Total revenue from operations	63,440.70	48,398.46

	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
(iii) Contract balances			
Trade receivables [refer note 7]	5,357.04	4,736.25	1,946.55

For contract liabilities, refer note 18

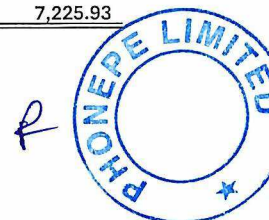
(iv) Reconciliation of revenue recognised in the Standalone Statement of Profit and Loss with contracted price:

	As at March 31, 2025	As at March 31, 2024
Revenue from contracts with customers as per the contract price	63,546.80	48,461.74
Less: Trade discounts, volume incentives etc.	(106.10)	(63.28)
Revenue from contracts with customers as per the Standalone statement of Profit and Loss	63,440.70	48,398.46

	For the year ended March 31, 2025	For the year ended March 31, 2024
22. Other income		
Interest income on financial assets carried at amortised cost:		
- Interest on fixed deposits with banks and NBFC's	2,869.45	2,669.55
- Interest on Commercial papers	1,026.21	1,424.70
- Interest on intercompany loan*	513.05	179.51
- Interest on escrow balances	188.17	96.04
- Interest, others	49.24	79.49
Gain on sale / fair valuation of investments carried at FVTPL (net):		
- Gain on sale	338.62	529.17
- Gain on fair valuation	210.28	-
Gain on sale of other intangible assets and property, plant and equipment (net)	11.68	219.42
Foreign exchange gain (net)	4.24	1,507.43
Manpower and Technology services*	1,250.38	283.57
Sublease Income*	249.58	162.76
Dividend income *	35.69	30.59
Others**	209.33	43.70
Total	6,955.92	7,225.93

* Includes transactions with related parties [refer note 28].

** Includes liabilities no longer required, written back amounting to Rs. 168.42 (March 31, 2024: Rs. 29.34)



23. Employee benefits expense

	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus*	12,574.73	10,520.44
Contribution to provident and other funds	324.20	283.48
Gratuity [refer note 29]	163.39	126.52
Staff welfare	785.75	654.77
Share based payments* [refer note 31]	20,172.03	18,764.47
Total	34,020.10	30,349.68

*Includes transactions with related parties [refer note 28].

24. Finance costs

Interest expense on financial liabilities at amortised cost:

- Interest on working capital demand loan	-	11.12
- Interest on lease liabilities [refer note 15]	364.75	298.73
- Interest, others	2.38	5.60
Total	367.13	315.45

25. Depreciation and amortization expense

Depreciation of property, plant and equipment [refer note 3(i)]	10,088.50	9,006.73
Amortization of intangible assets [refer note 4]	11.45	218.68
Depreciation of right-of-use assets [refer note 5]	1,359.51	1,051.81
Total	11,459.46	10,277.22

26. Other expenses

Electricity and water	83.23	73.90
Advertisement and sales promotions	3,478.85	4,763.38
Information technology infrastructure	4,351.99	3,528.07
License and service*	1,771.08	1,375.50
Repairs and maintenance*	574.57	328.56
Legal and professional	743.27	464.81
Rates and taxes	196.80	114.57
Subcontract expenses and customer support	5,265.34	3,353.57
Bad debts written-off and provisions for doubtful debts and advances	618.20	337.35
Provision for impairment of property, plant and equipment	29.64	140.70
Rent	237.39	181.53
Insurance	56.23	39.74
Travelling and conveyance*	351.34	313.17
Logistics	300.28	334.05
Auditor's remuneration **	37.08	25.26
Miscellaneous	11.66	15.03
Total	18,106.95	15,389.19

*Includes transactions with related parties [refer note 28].

** Auditor's remuneration

As auditor:

Statutory audit fees	26.30	17.48
Tax audit fees	0.35	0.18
Limited reviews	9.00	7.50

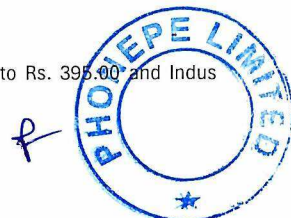
In other capacity:

Other services	1.43	-
Out of pocket expenses	-	0.10
Total	37.08	25.26

27. Exceptional items - loss

Provision for impairment on investment in wholly owned subsidiary*	4,205.00
--	----------

*Exceptional item is pertaining to impairment of investment in PhonePe Technology Services Private Limited amounting to Rs. 395.00 and Indus Appstore (Singapore) Pte. Ltd. in Rs. 3,810.00.



PHONEPE LIMITED

28. Related party disclosures (Contd.)

c) Key management personnel (KMP)

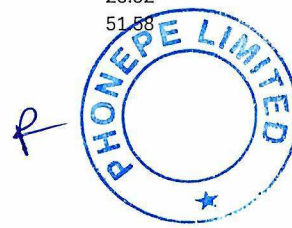
Name	Designation
Sameer Nigam	Whole-time Director and Chief Executive Officer
Rahul Chari	Whole-time Director
Judith Jane McKenna	Non-Executive Director (w.e.f January 06, 2023 upto January 31, 2024)
Leigh Douglas Hopkins	Non-Executive Director (w.e.f January 06, 2023)
Rohit Bhagat	Non-Executive Director (w.e.f January 06, 2023)
Binny Bansal	Non-Executive Director (w.e.f January 06, 2023 upto November 12, 2024)
Donna Catherine Morris	Non-Executive Director (w.e.f January 24, 2024)
John David Rainey Jr	Non-Executive Director (w.e.f January 24, 2024)
Tarun Bajaj	Non-Executive Independent Director (w.e.f January 24, 2024)
Manish Sabharwal	Non-Executive Independent Director (w.e.f November 21, 2024)
Adarsh Nahata	Chief Financial Officer (designated as KMP w.e.f. September 18, 2024)
Ankit Gunvantarai Papat	Company Secretary (designated as KMP w.e.f. September 18, 2024)

The Company along with its direct and indirect subsidiaries are together considered as the Group for the purpose of disclosures in the Standalone Ind-AS Financial Statements.

d) Related party transactions

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

Nature of Transactions	For the year ended	
	March 31, 2025	March 31, 2024
Revenue from operations		
Flipkart Internet Private Limited	139.00	86.50
Flipkart Health Limited	0.23	0.80
Instakart Services Private Limited	243.49	249.31
Myntra Designs Private Ltd	81.91	75.48
Cleartrip Private Limited	29.11	45.70
Comercio Digital Wal-Mart, S. de R.L. de C.V.	15.39	1.04
Jeeves Consumer Services Private Limited	0.01	0.06
Wal-Mart India Private Limited	3.23	12.12
PhonePe Technology Services Private Limited	-	10.42
PhonePe Insurance Broking Services Private Limited	53.52	68.79
PhonePe Wealth Broking Private Limited	268.92	224.88
Pincode Shopping Solutions Private Limited	7.41	1.69
PhonePe Lending Services Private Limited	113.19	140.19
Indus Appstore Private Limited	4.75	-
Yuvdhi Apparels Private Limited	0.01	0.01
Wildcraft India Limited	0.71	0.86
Flipkart Advanz Private Limited	-	9.48
Flipkart India Private Limited	-	0.56
Interest income on Loans		
PhonePe Lending Services Private Limited	257.65	90.50
Indus Appstore Private Limited	255.40	89.01
Manpower and Technology services income		
PhonePe Technology Services Private Limited	17.80	5.00
PhonePe Insurance Broking Services Private Limited	72.99	-
PhonePe Wealth Broking Private Limited	20.36	-
Pincode Shopping Solutions Private Limited	104.72	-
PhonePe Lending Services Private Limited	1,032.46	278.57
Indus Appstore Private Limited	2.05	-
Sub lease income		
PhonePe Technology Services Private Limited	0.70	2.51
PhonePe Insurance Broking Services Private Limited	18.63	26.70
PhonePe Wealth Broking Private Limited	67.83	41.41
Pincode Shopping Solutions Private Limited	65.27	11.84
PhonePe Finance Private Limited	0.50	1.80
PhonePe Lending Services Private Limited	61.31	26.92
Indus Appstore Private Limited	35.35	51.88



PhonePe Limited (formerly known as 'PhonePe Private Limited')
Notes to Standalone Ind-AS Financial Statements for the year ended March 31, 2025
All amounts are in Rs. Millions, unless otherwise stated

28. Related party disclosures (Contd.)

Nature of Transactions	For the year ended	
	March 31, 2025	March 31, 2024
Dividend Income		
C.E. Info Systems Limited	35.69	30.59
Expenses incurred on behalf of related parties		
Walmart Inc.	34.61	30.92
PhonePe Technology Services Private Limited	4.23	-
PhonePe Insurance Broking Services Private Limited	29.18	85.15
PhonePe Wealth Broking Pvt Ltd	68.73	13.41
Pincode Shopping Solutions Private Limited	186.60	152.96
PhonePe Finance Private Limited	5.36	5.39
PhonePe Lending Services Private Limited	54.98	0.39
Indus Appstore Private Limited	16.85	16.20
Expenses incurred by related parties on Company's behalf		
PhonePe Insurance Broking Services Private Limited	-	1.74
Pincode Shopping Solutions Private Limited	0.88	-
Indus Appstore Private Limited	-	0.02
Share based payments cross charge		
Headstand Pte. Ltd.	-	443.91
PhonePe Technology Services Private Limited	36.56	138.13
PhonePe Insurance Broking Services Private Limited	669.52	614.73
PhonePe Wealth Broking Private Limited	639.54	921.12
Pincode Shopping Solutions Private Limited	749.91	438.36
PhonePe Lending Services Private Limited	990.95	590.53
Indus Appstore Private Limited	320.12	464.33
Reversal of ESOP liability on account of migration		
Headstand Pte. Ltd.	-	21,070.00
License and service expense		
Flipkart Internet Private Limited	6.93	21.02
C.E. Info Systems Limited	61.96	68.04
Travelling and conveyance expense		
Cleartrip Packages and Tours Private Limited	-	5.10
Repairs and Maintenance expense		
F1 Info Solution and Services Private Limited	66.89	14.35
Staff Welfare expense		
Wildcraft India Limited	-	1.25
Employee Transfers asset / (liability) (net)		
PhonePe Technology Services Private Limited	(1.12)	(4.14)
PhonePe Insurance Broking Services Private Limited	0.61	(2.12)
PhonePe Wealth Broking Private Limited	5.27	3.37
Pincode Shopping Solutions Private Limited	2.49	(66.54)
PhonePe Lending Services Private Limited	(5.83)	(40.36)
Indus Appstore Private Limited	(5.73)	3.66
Equity Investment		
PhonePe Technology Services Private Limited	100.00	250.00
PhonePe Insurance Broking Services Private Limited	450.00	2,260.00
PhonePe Wealth Broking Private Limited	3,650.00	2,070.00
Pincode Shopping Solutions Private Limited	2,900.00	900.00
Loans given		
PhonePe Lending Services Private Limited	159.60	3,485.28
Indus Appstore Private Limited	478.85	2,549.23



PhonePe Limited (formerly known as 'PhonePe Private Limited')
Notes to Standalone Ind-AS Financial Statements for the year ended March 31, 2025
All amounts are in Rs. Millions, unless otherwise stated

28. Related party disclosures (Contd.)

Nature of Transactions	For the year ended	
	March 31, 2025	March 31, 2024
Loans repaid (including interest)		
PhonePe Lending Services Private Limited	380.56	248.41
Indus Appstore Private Limited	297.44	43.35
Purchase of intangibles		
PhonePe Lending Services Private Limited	-	14.30
Sale of intangibles		
PhonePe Lending Services Private Limited	-	2,136.00
Transfer of other liability		
PhonePe Insurance Broking Services Private Limited	0.06	2.88

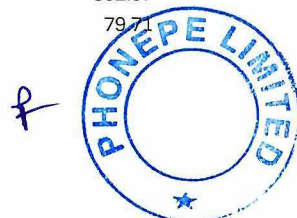
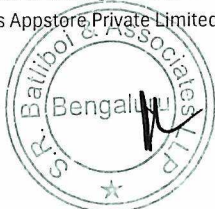
Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

The following table provides the compensation paid to key management personnel, which comprises directors and executive officers for the relevant financial years:

		For the year ended	
		March 31, 2025	March 31, 2024
Key management personnel [refer note below]	Remuneration - salary and other benefits*	73.14	50.01
	Remuneration - share based payments (including SARs)	9,192.55	2,264.91
	Legal and professional	35.76	17.54
	Reimbursements	0.13	-

* Key management personnel are entitled to post-employment benefits and other long-term employee benefits recognised as per Ind-AS 19 'Employee Benefits' in the Standalone Ind-AS financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same will be included on a payment basis.

Nature of Outstanding balances	As at	
	March 31, 2025	March 31, 2024
Loans		
PhonePe Lending Services Private Limited	3,315.58	3,240.58
Indus Appstore Private Limited	3,495.08	3,016.23
Interest accrued		
PhonePe Lending Services Private Limited	48.48	86.79
Indus Appstore Private Limited	65.65	107.70
Trade receivables		
Flipkart Internet Private Limited	23.60	1.68
Myntra Designs Private Limited	2.31	23.98
Cleartrip Private Limited	-	0.96
Comercio Digital Wal-Mart, S. de R.L. de C.V.	2.35	-
Wal-Mart India Private Limited	0.03	-
PhonePe Insurance Broking Services Private Limited	-	6.63
PhonePe Wealth Broking Pvt Ltd	-	24.80
PhonePe Lending Services Private Limited	-	90.96
Wildcraft India Limited	-	0.12
Flipkart Advanz Private Limited	-	0.01
Other receivables		
Walmart Inc.	19.62	20.85
PhonePe Technology Services Private Limited	16.81	31.76
PhonePe Insurance Broking Services Private Limited	120.89	115.32
PhonePe Wealth Broking Pvt Ltd	143.64	156.60
Pincode Shopping Solutions Private Limited	158.35	230.58
PhonePe Finance Private Limited	-	11.79
PhonePe Lending Services Private Limited	324.38	302.97
Indus Appstore Private Limited	95.71	79.71

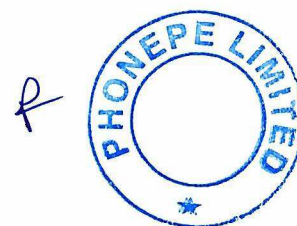


28. Related party disclosures (Contd.)

Nature of Outstanding balances	As at March 31, 2025	As at March 31, 2024
Trade payables		
Flipkart Internet Private Limited	-	5.23
F1 Info Solution and Services Private Limited	2.67	6.14
Cleartrip Packages and Tours Private Limited	-	0.43
PhonePe Technology Services Private Limited	0.90	2.91
PhonePe Insurance Broking Services Private Limited	10.91	19.40
PhonePe Wealth Broking Pvt Ltd	15.61	8.73
Pincode Shopping Solutions Private Limited	80.15	62.09
PhonePe Lending Services Private Limited	9.44	51.49
Indus Appstore Private Limited	4.92	6.00
C.E. Info Systems Limited	2.36	0.33
Payable to merchants (net)		
Flipkart Internet Private Limited	5.31	709.99
Flipkart Health Limited	-	0.85
Instakart Services Private Limited	2,391.37	1,429.17
Myntra Designs Pvt Ltd	184.34	116.43
Cleartrip Private Limited	0.21	3.74
Jeeves Consumer Services Private Limited	0.04	0.38
Wal-Mart India Private Limited	46.29	15.57
PhonePe Wealth Broking Pvt Ltd	4.15	2.04
Pincode Shopping Solutions Private Limited	1.52	6.68
Arvind Youth Brands Private Limited	-	0.01
Shadowfax Technologies	128.43	-
Wildcraft India Limited	2.71	1.41
Other financial liabilities (Others)		
Flipkart Internet Private Limited	1.11	10.70
Flipkart Health Limited	0.07	-
Wal-Mart India Private Limited	-	0.02
Directors remuneration payable to key managerial personnel	12.19	7.16

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
All the outstanding balances (payables or receivables) with related parties are unsecured.

(This space has been intentionally left blank)



29. Employee Benefit Plans

Defined Contribution Plan

The Company participates in certain defined contribution plans such as Provident Fund, 401K plan and National Pension Scheme. Under these plans, the Company's sole obligation is to pay a fixed contribution. The Company has recognised Rs. 324.20 (March 31, 2024: Rs. 283.48) for such defined contribution plan in the Standalone Statement of Profit and Loss.

Defined Benefit Plan

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") for every employee who has completed 5 years or more of service on separation at 15 days salary (last drawn salary) for each completed year of service. The Gratuity Plan provides for a lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment based on last drawn salary and tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date using projected unit credit method and are discounted to present value by reference to market yields at the end of the reporting period on government bonds. The gratuity scheme is not funded. The gratuity plan is governed by the Payment of Gratuity Act, 1972.

The defined benefits plan exposes the Company to the following risks:

Interest rate risk

The present value of the defined benefit plan liability is generally calculated using a discount rate determined by reference to government bond yields. If bond yields fall, the defined benefit obligation will increase the plan's liability.

Salary escalation risk

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Life expectancy

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Withdrawal risk

The present value of the defined benefit plan liability is calculated by reference to the expected long-term future employee turnover within the organization. An increase in the withdrawal rate of the plan participants will decrease the plan's liability.

The following tables summarize the components of net benefit expense recognized in the Standalone Statement of Profit and Loss and the funded status and amounts recognized in the Standalone Balance Sheet:

	For the year ended March 31, 2025	For the year ended March 31, 2024
Standalone Statement of Profit and Loss		
Current service cost	133.69	105.21
Interest cost	29.70	21.31
	163.39	126.52
Remeasurement losses/ (gains) in Other Comprehensive Income		
Actuarial losses/ (gains) arising from changes in -		
- experience adjustments	3.38	15.44
- financial assumptions	33.83	8.20
- demographic assumptions	(21.04)	3.76
	16.17	27.40
	179.56	153.92
Net benefit expense		
Standalone Balance Sheet		
Defined benefit obligation (DBO) - Current [refer note 19]	89.81	53.49
Defined benefit obligation (DBO) - Non-Current [refer note 19]	475.86	364.47
Net defined benefit liability	565.67	417.96
Change in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	417.96	307.04
Current service cost	133.69	105.21
Acquisition/ transfers (net) - cost*	(6.19)	(35.55)
Interest cost	29.70	21.31
Amount recognised in Other Comprehensive Income	16.17	27.40
Benefits paid	(25.66)	(7.45)
Closing defined benefit obligation	565.67	417.96

*Acquisition/ transfers (net) - cost for the year ended March 31, 2025 and March 31, 2024 pertains to transfer of employees between the entities within the Group.



29. Employee Benefit Plans (Contd.)

The principal assumptions used in determining gratuity for the Company's plan are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	6.55%	7.20%
Salary escalation rate	8% to 10%	8% to 10%
Mortality rate	100% of IALM*	100% of IALM*
Withdrawal rate	17.27% to 37.13%	17.9% to 38.1%

*According to Indian Assured Lives Mortality (IALM) 2012-14 as published by IRDA and adopted as Standard Mortality Table as recommended by Institute of Actuaries of India effective April 1, 2019.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Sensitivity analysis of assumptions used

	As at March 31, 2025	As at March 31, 2024
Decrease in DBO due to 0.5% increase in discount rate	(13.20)	(11.82)
Increase in DBO due to 0.5% decrease in discount rate	13.79	12.96
Increase in DBO due to 0.5% increase in salary escalation rate	9.55	9.25
Decrease in DBO due to 0.5% decrease in salary escalation rate	(9.46)	(8.63)

Method used for sensitivity analysis: The sensitivity analysis above determine the individual impact on the plan's defined benefit obligation at year end. In reality, the plan is subject to multiple external experience items which may move the defined benefit obligation in similar or opposite directions, while the plan's sensitivity to such changes can vary over time.

Expected benefit payments

	As at March 31, 2025	As at March 31, 2024
Within 1 year	89.81	53.73
2 - 5 years	358.87	229.65
6 - 10 years	221.81	196.86
More than 10 years	140.65	220.77

The weighted average duration of the defined benefit obligation is 5 years.

30. Earnings per share (EPS)

	As at March 31, 2025	As at March 31, 2024
The following reflects the loss and share data used in computation of basic EPS:		
Loss for the year	(12,645.19)	(11,660.16)
Weighted average number of equity shares#	461,115,924	441,947,107
Basic and diluted earnings per share computed on total loss (Rs. per share)*	(27.42)	(26.38)

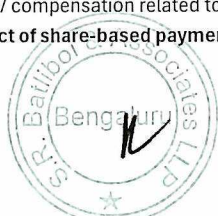
The weighted average number of equity shares have been restated to incorporate the event of stock split. Refer note 13(a) for further details.

* The outstanding share options are anti dilutive. Hence the same is ignored in the calculation of diluted loss per share.

31. Share based payments

The expense/ settlement recognised for employee services received during the year is shown in the following table

	March 31, 2025	March 31, 2024
Expense arising from cash-settled share-based payment transactions [refer note (b) and (f) below]	5,872.84	2,880.50
Expense arising from equity-settled share-based payment transactions [refer note (b), (c) and (e) below]	14,299.18	13,063.41
Modification related to equity-settled share based payment transactions [refer note (b) below]	-	2,820.56
Total expense recognized in the Standalone Statement of Profit and Loss (i)	20,172.02	18,764.47
Modification related to equity-settled share based payment transactions recognised in	-	4,453.12
Other reserves [refer note (b) below] (ii)	-	129.34
Settlement/ compensation related to employee share-based payments (iii)	-	-
Total impact of share-based payment transactions (i)+(ii)+(iii)	20,172.02	23,346.93



31. Share based payments (Contd.)

(a) Stock Split

For Stock Split details [refer note 13 (a)]

(b) PhonePe Stock Option Plan, India ('PSOP 2022')

Eligible employees of the Company are granted share options of the Company under the PhonePe Stock Option Plan ('PSOP 2022'). Time-based stock options granted under PSOP 2022 would vest from one year and not more than four years from the date of grant of such options. Vesting of options would be subject to continued employment with the Group or such other criteria determined by the Board and thus the options would vest on passage of time. The specific vesting schedule and conditions subject to which vesting would take place would be outlined in the Stock Option Agreement given to the option grantee at the time of grant of options. The options will lapse and be cancelled on its expiry date i.e., ten years after the date of the relevant Stock Option Agreement, or such other expiry date as may be specified. The exercise price of the time-based share options is Rs. 1 per option (March 31, 2024: Rs. 10 per option).

During the previous year, the Board of Directors approved a modification to the PSOP 2022 plan, introducing cash settlement of 25% of the total options issued. The modification resulted in incremental fair value of Rs. 3,734.00 per option (calculated basis the inputs given below). The incremental fair value per option resulting from the modification stems from the difference between the share price and the equity option price on the modification date, with the latter being adjusted for the Discount for Lack Of Marketability ('DLOM') impact.

Time based options:

	As at March 31, 2025 (Number)	As at March 31, 2024 (Number)
Outstanding as at the beginning of the year	27,15,050	35,88,251
- Granted	45,05,760	3,30,776
- Replaced with SARs*	-	(9,718)
- Forfeited unvested	(8,88,710)	(77,084)
- Repurchased	(13,73,310)	(2,84,441)
- Transfers (net)**	(1,17,170)	(8,32,734)
- Split of 1 share of Rs. 10 each to 10 shares of Rs. 1 each	2,44,35,450	-
Outstanding as at the end of the year	2,92,77,070	27,15,050
Vested as at the end of the year	1,88,16,300	17,56,735
Exercisable as at the end of the year	-	-

* During the previous year, certain former employees of the Company were granted SARs under SARs Plan 2022 against the equity stock options held under PSOP 2022 plan.

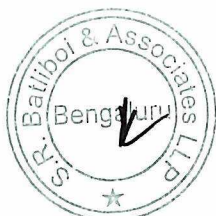
**Transfers (net) pertains to transfer of employees between the entities within the Group.

Fair value of time based share options granted

The grant date fair value of share options granted is estimated at the grant date using the Discounted Cash Flow method for deriving the share price for certain portion of options and the Discounted Cash Flow method and Finnerty model for calculation of DLOM for remaining options, taking into account the terms and conditions upon which the share options were granted. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information. Weighted average fair value of the options granted to the employees of the Company during the year is Rs. 2,028.10 per option (March 31, 2024: Rs. 16,234.00). As of March 31, 2025, the contractual life of time-based options is 4 years (March 31, 2024: 4 years).

The following table lists the inputs to the option pricing models:

	March 31, 2025	March 31, 2024
Risk free interest rate (% p.a.)	6.3% - 7.0%	7.4%
Weighted average exercise price (in Rs.)	1	10
Dividend yield (% p.a.)	0%	0%
Expected volatility (% p.a.)	53.9%	50.6% - 53.9%
Expected life of option (years)	2.7 years	2.7 years - 3.0 years



(This space has been intentionally left blank)



31. Share based payments (Contd.)

(c) PhonePe Founder Awards, Singapore ('PFA 2020')

Certain eligible employees of the Company were previously granted share options of Headstand Pte Ltd (incorporated in Singapore) (formerly known as 'PhonePe Private Limited') (erstwhile immediate holding company) under the PhonePe Founder Awards ('PFA 2020'). As per the terms of PFA 2020, time-based and performance-based awards vested in full as on the date of execution of the PFA 2020 and remained exercisable at any time. The exercise price of the time-based and performance based stock options is Nil.

A proportion of time-based and performance-based stock options once exercised are or may become subject to a buyback effected by the Company under the terms of the PFA 2020 (such proportion of time-based and performance-based stock options being the "restricted time-award shares" (calculated based on remaining service period) and "restricted performance-award shares" (calculated based on market conditions linked to the valuation of the Company) respectively).

Time based options:

The following table illustrates the movement of the time based options during the financial year:

	As at March 31, 2024 (Number)
Outstanding as at the beginning of the year	31,29,445
- Migrated to PFA 2023 plan [refer note (d) below]	(31,29,445)
Outstanding as at the end of the year	-
Vested as at the year end [refer note (d) below]	NA
The following table lists the inputs to the option pricing models for the year ended	As at March 31, 2024
Expected life of option (years)	NA

Performance based options:

The following table illustrates the movement of the performance based options during the financial year:

	As at March 31, 2024 (Number)
Outstanding as at the beginning of the year	27,38,265
- Migrated to PFA 2023 plan [refer note (d) below]	(27,38,265)
Outstanding as at the end of the year	-
Vested as at the year end [refer note (d) below]	NA
The following table lists the inputs to the option pricing models for the year ended	As at March 31, 2024
Expected life of option (years)	NA

(d) Migration of share-based payment plan from PFA 2020 to PFA 2023

The PhonePe Founder Awards, India, 2023 ('PFA 2023') plan was approved by the Board of Directors and Shareholders of the Company during the previous year. Pursuant to such approval, options granted under PFA 2020 by Headstand Pte. Ltd. (formerly known as 'PhonePe Private Limited') (erstwhile immediate holding company) got migrated to a new plan, namely PFA 2023. The migration of share-based payment arrangement from PFA 2020 to PFA 2023 plan has been treated as a modification of an existing share-based payment plan. All the options granted under PFA 2020 were automatically cancelled, and fresh options were granted to the eligible employees on the basis of a pre-determined swap ratio. The Company also signed a PhonePe Founder Share Appreciation Rights Plan (PFSARs). The plan had a one-year period beginning on the grant date of the options provided under PFA 2023 and has expired as of the reporting date.

(This space has been intentionally left blank)



31. Share based payments (Contd.)

(e) PhonePe Founder Awards, India ('PFA 2023')

Certain eligible employees of the Company have been granted share options of PhonePe Limited (formerly known as 'PhonePe Private Limited') (incorporated in India) under the PhonePe Founder Awards ('PFA 2023').

As per the terms of PFA 2023, time-based and performance-based stock options shall be deemed to have vested immediately upon completion of the vesting cliff, defined as one year from the grant date as required by the provisions of the Companies Act, 2013. Post vesting cliff, the stock options remain exercisable at any time. The time-based and performance-based stock options that have not been exercised will lapse and be cancelled following the expiry of ten years and twelve years respectively after the date of grant. The exercise price of the time-based and performance-based stock options is Rs. 1 per option (March 31, 2024: Rs. 10 per option).

A proportion of time-based and performance-based stock options once exercised may be subject to buyback effected by the Company or such other restrictions under the terms of the PFA 2023 (such proportion of time-based and performance-based stock options being the "Restricted Time-Award Shares" (calculated based on remaining service period) and "Restricted Performance-Award Shares" (calculated based on market conditions linked to the valuation of the Company) respectively).

No fresh options were granted during current year. Weighted average fair value of the options granted to the employees of the Company during the year ended March 31, 2024: Rs. 19,968.00.

The fair value of share options is estimated at the grant date using the Discounted Cash Flow method for deriving the share price (refer note 4).

Time based options:

The following table illustrates the movement of the time based options during the financial year:

	As at March 31, 2025 (Number)	As at March 31, 2024 (Number)
Outstanding as at the beginning of the year	26,97,316	-
- Migrated [refer note (d) above]	-	18,55,276
- Granted	-	8,42,040
- Split of 1 share of Rs. 10 each to 10 shares of Rs. 1 each	2,42,75,844	-
Outstanding as at the end of the year	<u>2,69,73,160</u>	<u>26,97,316</u>
Exercisable as at the end of the year*	<u>2,69,73,160</u>	<u>-</u>

*Includes 8,420,400 Restricted Time-Award Shares (March 31, 2024: Nil).

The following table lists the inputs to the option pricing models:

Expected life of option (years)

As at March 31, 2025	As at March 31, 2024
1.25 years	1.19 years

Performance based options:

The following table illustrates the movement of the performance based options during the financial year:

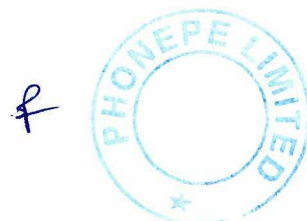
	As at March 31, 2025 (Number)	As at March 31, 2024 (Number)
Outstanding as at the beginning of the year	16,23,366	-
- Migrated [refer note (d) above]	-	16,23,366
- Split of 1 share of Rs. 10 each to 10 shares of Rs. 1 each	1,46,10,294	-
Outstanding as at the end of the year	<u>1,62,33,660</u>	<u>16,23,366</u>
Exercisable as at the end of the year*	<u>1,62,33,660</u>	<u>-</u>

*Includes 9,276,377 Restricted Performance-Award Shares (March 31, 2024: Nil).

The following table lists the inputs to the option pricing models for the year ended

Expected life of option (years)

As at March 31, 2025	As at March 31, 2024
10 years	11 years



31. Share based payments (Contd.)

(f) PhonePe Share Appreciation Rights Plan

The Company's eligible employees or former employees are granted share appreciation rights (SARs), to be settled in cash under PhonePe SAR Plan I & Plan II ("SARs Plan 2022"). The SARs granted vest immediately on the grant date, as the same is issued against the vested equity stock options. The liability for the SARs is measured, initially and at the end of each reporting period until settled, at the fair value of the SARs. The effect of stock split shall not be impacted on SARs as the event of liquidation of outstanding SARs concluded prior to stock split.

SARs:

The following table illustrates the movement of SARs:

	As at March 31, 2025 (Number)	As at March 31, 2024 (Number)
Outstanding as at the beginning of the year	1,976	81,082
- Granted	-	9,718
- Repurchased*	(1,976)	(88,824)
Outstanding as at the end of the year	-	1,976
Vested as at the end of the year	-	1,976
Exercisable as at the end of the year	-	-

Fair value of SARs granted

The liability for the SARs is measured, initially and at the end of each reporting period until settled, at the fair value of the SARs by applying a Finnerty model taking into account the terms and conditions upon which the SARs were granted. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information. No fresh options were granted during current year, as SARs Plan 2022 plan is no longer in existence. Weighted average fair value of the SARs granted to the employees of the Company during the year ended March 31, 2024: Rs. 16,234.

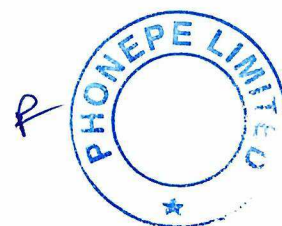
The following table lists the inputs to the option pricing models:

	March 31, 2025	March 31, 2024
Risk free interest rate (% p.a.)	NA	7.4%
Weighted average exercise price (in Rs.)	NA	10
Dividend yield (% p.a.)	NA	0%
Expected volatility (% p.a.)	NA	50.6% - 53.9%
Expected life of option (years)	NA	2.7 years - 3.0 years

* On December 05, 2023 (i.e., during the year ended March 31, 2024), the Board of Directors approved the liquidation of all outstanding SARs amounting to Rs. 1,813.09 issued under SARs Plans 2022.



(This space has been intentionally left blank)



32. Capital management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through equity and/or short term borrowings as may be appropriate. The Company does not have any borrowing as on March 31, 2025 and March 31, 2024.

33. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk, interest rate risk and other price risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks.

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 from the previous year to the Company's exposure to these financial risks or the manner in which it manages and measures risks, except as disclosed in note 33(c) foreign currency risk section.

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 objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Credit risk has been managed by the Company through continuously monitoring the creditworthiness of the parties that the Company deals with in the normal course of business.

The Company's exposure to credit risk arises primarily from trade and other receivables. The Company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for trade receivables. The Company has computed expected credit losses using a provision matrix based on historical credit loss experience of the Company. Credit risk on balances with banks (including short term deposits), financial institutions, commercial papers/ certificate of deposits, liquid mutual funds is limited as the Company only deals with counterparties which have high credit rating given by external rating agencies as well as based on company's internal assessment and managed by the Company in accordance with the Company's Investment policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 78,421.63 (March 31, 2024: Rs. 63,532.79), being the total of the carrying amount of balances with banks, bank deposits, investments, trade receivables and other financial assets. None of the Company's cash equivalents, including time deposits with banks and other investments, are past due or impaired.

For movement of credit loss allowance on trade receivables, refer note 7.

Financial assets that are impaired

Information regarding financial assets that are impaired is disclosed below:

	For the year ended March 31, 2025	For the year ended March 31, 2024
Trade receivables [refer note 7]	550.74	515.67
Other financial assets [refer note 11]	327.35	256.93
Total past due and impaired	878.09	772.60

Concentration of credit risk in terms of Top 5 amounts receivable from customers is 40.55% (March 31, 2024: 62.13%).

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's objective is to maintain a balance between continuity of funding and flexibility.

Considering the nature of business activity of the Company, the concentration of liquidity risk is low as merchant payments are generally backed by customer receivables in a designated escrow account. The Company has obtained fund and non-fund based lines of credit from various banks. The Company invests its surplus funds in fixed deposit, mutual fund schemes and commercial papers, which carry no/low mark to market risks.



33. Financial risk management objectives and policies (Contd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

As at March 31, 2025				
	Less than 1 year	1-5 years	More than 5 years	Total
Financial liabilities				
Trade payables	5,328.65	-	-	5,328.65
Lease liabilities	1,984.83	4,879.18	746.76	7,610.77
Other financial liabilities	51,932.41	-	-	51,932.41
Cash-settled share based payment liability	-	10,404.11	-	10,404.11
Total undiscounted financial liabilities	59,245.89	15,283.29	746.76	75,275.94
As at March 31, 2024				
	Less than 1 year	1-5 years	More than 5 years	Total
Financial liabilities				
Trade payables	4,436.71	-	-	4,436.71
Lease liabilities	1,347.56	2,921.99	-	4,269.55
Other financial liabilities	6,930.33	-	-	6,930.33
Cash-settled share based payment liability	-	9,512.74	-	9,512.74
Total undiscounted financial liabilities	12,714.60	12,434.73	-	25,149.33

Changes in liabilities arising from financing and non-cash financing activities:

	April 01, 2023	New loans	Cash flows	Interest expense	March 31, 2024
Short-term borrowings	-	8,300.45	(8,311.57)	11.12	-

There are no new loans availed or repaid during the current year.

c) Foreign currency risk

The Company's exposure to currency risk relates primarily to the Company's operating activities where the transactions are denominated in a currency other than the Company's functional currency.

The carrying amounts of the Company's foreign currency exposure at the end of the reporting period are as follows :

As at March 31, 2025				
Particulars	USD	AED	EUR	Total
Financial assets	60.55	-	-	60.55
Financial liabilities	298.68	5.12	-	303.80
As at March 31, 2024				
Particulars	USD	AED	EUR	Total
Financial assets	73.07	38.72	0.31	112.10
Financial liabilities	257.35	-	-	257.35

Foreign exchange rate sensitivity

The fluctuation in foreign currency exchange rates may have potential impact on the Standalone Statement of Profit and Loss and Statement of Changes in Equity, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than the functional currency of the Company. The impact on the Company's Profit/ loss before tax due to changes in the foreign currency rate is as below.

	As at March 31, 2025 +/- 5%	As at March 31, 2024 +/- 5%
Percentage points		
Increase/decrease in Loss before tax	12.16	7.26

d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company has investments in high quality credit rating commercial papers(held till maturity) with fixed yield and in deposits with counter parties bearing fixed interest rates. There is no interest rate risk as the Company does not have borrowings at the end of the current year (March 31, 2024: Nil).



34. Fair value hierarchy

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 (i.e. an exit price).

Financial instruments whose carrying amounts approximate fair value

The carrying values of trade receivables, other assets, cash and cash equivalents, bank balances other than cash and cash equivalents, trade payables, lease liabilities, other liabilities and balances with related parties, based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature.

Fair value of financial instruments that are carried at fair value [Refer note 6]

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

There were no transfers between Level 1, Level 2 and Level 3 during the year.

Financial assets measured at fair value:	As at March 31, 2025			
	Total	Quoted prices in active markets* (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs ** (Level 3)
Investments (through Other Comprehensive Income)	210.79	-	-	210.79
Investments (through Profit and Loss)	13,467.12	13,467.12	-	-
	13,677.91	13,467.12	-	210.79

Financial assets measured at fair value:	As at March 31, 2024			
	Total	Quoted prices in active markets* (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs ** (Level 3)
Investments (through Other Comprehensive Income)	149.60	-	-	149.60
	149.60	-	-	149.60

* These security instruments have been valued using recently available transaction price and earnings.

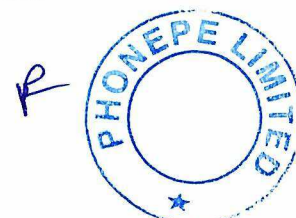
** This investment in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purposes. Upon the application of Ind-AS 109, the Company has chosen to designate these investments in equity instruments at FVTOCI as the Company believes this provides a more meaningful presentation for medium or long term strategic investments, than reflecting changes in fair value immediately in profit and loss.

Set out below is the movement of the carrying amounts of the Company's financial instruments classified under level 3:

	As at March 31, 2025	As at March 31, 2024
Opening balance	149.60	116.70
Changes in fair value	61.19	32.90
Closing balance	210.79	149.60

Financial assets measured at fair value:	As at March 31, 2025			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments (at amortised cost)	20,177.52	-	20,177.52	-
	20,177.52	-	20,177.52	-

Financial assets measured at fair value:	As at March 31, 2024			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments (at amortised cost)	24,329.19	-	24,329.19	-
	24,329.19	-	24,329.19	-



34. Fair value hierarchy (Contd.)

Following table describes the valuation techniques used and key inputs thereto for the level 3 financial assets:

Financial assets	Valuation techniques	Significant unobservable inputs	Sensitivity of the input to fair value
Investment in equity instruments of other entities	Market approach	Net asset value	A one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets does not have a significant impact in its value.

35. Contingent liabilities and Commitments

	As at March 31, 2025	As at March 31, 2024
a. Contingent liabilities	-	-
b. Commitments		
- Towards Property, plant and equipment (net of capital advances)	2,403.15	3,587.44
- Towards right-of-use assets [refer note 15]	-	9.60
Total	2,403.15	3,597.04

The Company has reviewed all pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities in its Standalone Ind-AS Financial Statements where financial outflow is not probable.

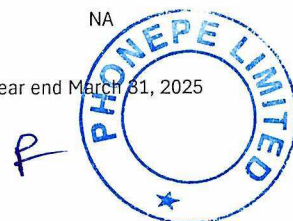
36. Regulatory Inspection

The Company's Prepaid Payment Instruments ("PPIs") and Bharat Bill Payment Operating Unit ("BBPOU") Licences were subject to inspection by the Regulator. The Company received an Inspection Report dated May 27, 2024 from RBI, to which Company had submitted responses addressing the observations and had received closure on all observations from RBI as on March 31, 2025. Additionally, the Company has received another inspection report dated June 06, 2025 from the RBI. The Management is currently in the process of submitting the responses to the observations noted in aforementioned inspection report, based on its internal assessment, the Company is of the view these will not have any material impact on the operation and financial results.

37. Ratio analysis

Ratio	Numerator	Denominator	As at March 31, 2025	As at March 31, 2024	% Change	Reason for variances exceeding 25% as compared to previous year
Current ratio	Current assets	Current liabilities	2.13	4.71	-54.78%	Due to increase in current liabilities in the current year
Return on Equity ratio	Net profit after taxes	Average shareholder's equity	-11.04%	-11.88%	7.07%	NA
Trade Receivable Turnover ratio	Revenue from operations	Average Trade Receivable	12.97	14.69	-11.71%	NA
Trade Payable Turnover ratio	Payment processing charges+other expenses-non-cash expenditure	Average Trade Payables	7.03	1.89	271.96%	Due to decrease in average trade payables
Net Capital Turnover ratio	Revenue from operations	Working capital = Current assets – Current liabilities	0.87	0.70	24.29%	NA
Net Profit ratio	Net profit before taxes	Revenue from operations	-19.32%	-23.75%	18.63%	NA
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth+Deferred tax liability	-6.90%	-10.15%	32.00%	Due to higher equity
Return on Investment	Income from investments	Time weighted average investments	7.85%	7.66%	2.48%	NA

Debt-equity and debt-service coverage ratios are not applicable, as the Company did not have any debt outstanding as at the year end March 31, 2025 and March 31, 2024.



38. Other Statutory Information

- (i) The Company does not have any outstanding loans and has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (ii) The Company does not have any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (iii) The Company has not revalued its Property, plant & equipment, Intangible assets and Right-of-use assets during the year.
- (iv) The Company does not have any balances with any company struck off under Section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
- (v) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vi) The Company has not traded or invested in Crypto currency or Virtual Currency during the current year.
- (vii) 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.
- (viii) 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.
- (ix) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (x) The Company has not granted any loans and advances to promoters, directors, KMP's and other related parties (as defined under Companies Act 2013) during the year.
- (xi) The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.



(This space has been intentionally left blank)



39. Transfer Pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of preparing the documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by October 31, 2025 as required under law. The Management is of the opinion that its international transactions are at arm's length so the aforesaid legislation will not have any impact on the Standalone Ind-AS Financial Statements, particularly on the amount of tax expense and that of provision for taxation.

40. Segment reporting

Operating segments are determined by how the Chief Operating Decision Maker (CODM) allocates resources and evaluates performance. For the Company, the CODM is its Board of Directors, who consistently reviews financial and operational results on a consolidated basis. Consequently, the Company operates as a single operating segment, as the Board of Directors makes all resource allocation decisions and assesses performance at a consolidated level.

41. Back up of servers

The Company maintains proper books of account, in electronic mode on servers physically located in India in accordance with the provisions of Section 128 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014 (as amended). The Company also uses ancillary application where back-ups are taken on a daily basis, however the location of the backup servers are not mentioned in the System and organization controls report (SOC Report).

42. Audit Trail

The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated for all relevant transactions recorded in the software during the period April 25, 2024 to March 31, 2025. Further, no instance of audit trail feature being tampered with was noted in respect of accounting software(s) where the audit trail has been enabled. The audit trail of current year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded. However, the audit trail feature in respect of the legacy accounting software in the prior year was not enabled and accordingly audit trail for prior year has not been preserved by the Company. The Company has used certain accounting software(s) for maintaining its books of account which does not have the feature of recording audit trail (edit log).

The Company has also used an ancillary accounting software which is operated by a third-party software service provider, for maintaining its books of account and for such application, the System and Organization Control (SOC) report does not include information related to audit trail. In the absence of information related to audit trail in SOC report, the Company is unable to assess whether the audit trail has been preserved as per the statutory requirements for record retention.

43. Events occurring after the reporting period

On June 13, 2025, the Company divested a portion of its holding in C.E. Info Systems Limited, for a total consideration of Rs. 4,808.94, reducing its stake from 18.74% to 13.74%. The investment continues to be accounted for in accordance with the principles of Ind-AS 28. This event arose after the balance sheet date and does not reflect conditions existing at the balance sheet date and therefore do not impact the financial position as of the balance sheet date.

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

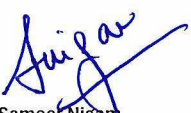
Firm registration number: 101049W/E300004


per Bharath N S
Partner
Membership no.: 210934
Place: Bengaluru
Date: July 24, 2025



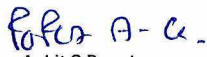
For and on behalf of the Board of Directors of

PhonePe Limited (formerly known as 'PhonePe Private Limited')


Sameer Nigam
CEO & Whole-time Director
DIN: 02292840
Place: Bengaluru
Date: July 24, 2025


Rahul Chari
Whole-time Director
DIN: 03052804
Place: Bengaluru
Date: July 24, 2025


Adarsh Nahata
Chief Financial Officer
Place: Bengaluru
Date: July 24, 2025


Ankit G Popat
Company Secretary
Membership No.: A20774
Place: Bengaluru
Date: July 24, 2025

