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UPDATED DRAFT RED HERRING PROSPECTUS - I

Dated: January 21, 2026

Please read Section 32 of the Companies Act, 2013

(This Updated Draft Red Herring Prospectus - I will be updated upon filing of the RHP with the RoC)

100% Book Built Offer



PHONEPE LIMITED

(formerly known as PhonePe Private Limited)

CORPORATE IDENTITY NUMBER: U67190KA2012PLC176031

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Office-2, Floor 5, Wing A, Block A, Salarpuria Softzone, Bellandur Village, Varthur Hobli, Outer Ring Road, Bangalore South, Bangalore 560 103, Karnataka, India	Ankit Gunvantrai Popat, Company Secretary and Compliance Officer	Email: compliance.officer@phonepe.com Tel: +91 80 6910 4700	www.phonepe.com

OUR PROMOTERS: WM DIGITAL COMMERCE HOLDINGS PTE. LTD. AND WAL-MART INTERNATIONAL HOLDINGS, INC.

DETAILS OF THE OFFER TO THE PUBLIC

TYPE	SIZE OF FRESH ISSUE	SIZE OF THE OFFER FOR SALE	TOTAL OFFER SIZE	ELIGIBILITY AND SHARE RESERVATIONS AMONG QIBs, NIBs AND RIBs
Offer for Sale	Not applicable	Up to 50,660,446 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	Up to 50,660,446 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	The Offer is being made pursuant to Regulation 6(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”) as our Company does not fulfil the requirements under Regulation 6(1)(b) of the SEBI ICDR Regulations. For further details, see “Other Regulatory and Statutory Disclosures – Eligibility for the Offer” on page 455. For details in relation to share reservation among QIBs, NIBs and RIBs (as defined hereinafter) see “Offer Structure” on page 490.

DETAILS OF THE OFFER FOR SALE

NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OF FACE VALUE OF ₹1 EACH OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)*
WM Digital Commerce Holdings Pte. Ltd.	Promoter Selling Shareholder	Up to 45,942,496 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	1,996.80
Tiger Global PIP 9-1 Ltd.	Investor Selling Shareholder	Up to 1,039,160 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	1,996.80
Microsoft Global Finance Unlimited Company	Investor Selling Shareholder	Up to 3,678,790 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	1,996.80

*As certified by Manian & Rao, Chartered Accountants (FRN No. 001983S), by way of their certificate dated January 21, 2026.

For further details, see “The Offer” on page 101.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹1 each. The Floor Price, Cap Price and the Offer Price determined by our Company, in consultation with the book running lead managers (“BRLMs”), in accordance with the SEBI ICDR Regulations, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under “Basis for Offer Price” on page 140 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Updated Draft Red Herring Prospectus - I. Specific attention of the Bidders is invited to “Risk Factors” on page 39.

COMPANY’S AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Updated Draft Red Herring Prospectus - I contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Updated Draft Red Herring Prospectus - I is true and correct in all material aspects and is not misleading in any material respect, that opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Updated Draft Red Herring Prospectus - I as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements expressly and specifically made by such Selling

Shareholder in this Updated Draft Red Herring Prospectus - I, solely in relation to itself as the Selling Shareholder and its respective portion of the Offered Shares and confirms that such statements are true and correct in all material respects and not misleading in any material respect. No Selling Shareholder, severally or jointly, assumes responsibility for any other statements, disclosures and undertakings, including without limitation, any of the statements, disclosures and undertakings made or confirmed by or in relation to our Company or our Company's business or any other Selling Shareholders or any other person(s), in this Updated Draft Red Herring Prospectus - I.

LISTING

The Equity Shares that will be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges, being BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE" and together with BSE, the "Stock Exchanges"). For the purposes of the Offer, the Designated Stock Exchange shall be [●].

BOOK RUNNING LEAD MANAGERS

NAMES AND LOGOS OF THE BRLMS	CONTACT PERSON	EMAIL AND TELEPHONE	NAMES AND LOGOS OF THE BRLMS	CONTACT PERSON	EMAIL AND TELEPHONE
 Kotak Mahindra Capital Company Limited	Ganesh Rane	E-mail: Phonepe.ipo@kotak.com Tel: +91 22 4336 0000	 Axis Capital Limited	Sagar Jatakiya/ Krish Jain	E-mail: phonepe.ipo@axiscap.in Tel: +91 22 4325 2183
 J.P. Morgan India Private Limited	Vidit Jain/ Rishank Chheda	E-mail: Phonepe_IPO@jpmorgan.com Tel: + 91 22 6157 3000	 Goldman Sachs (India) Securities Private Limited	Saurav S	E-mail: phonepeipo@gs.com Tel: + 91 22 6616 9000
 Citigroup Global Markets India Private Limited	Jitesh Agarwal	E-mail: phonepe.ipo@citi.com Tel: +91 22 6175 9999	 Jefferies India Private Limited	Akshat Shah / Sahil Aggarwal	E-mail: phonepe.ipo@jefferies.com Tel: + 91 22 4356 6000
 Morgan Stanley India Company Private Limited	Shantanu Tilak	E-mail: phonepeipo@morganstanley.com Tel: +91 22 6118 1000	 JM Financial Limited	Prachee Dhuri	E-mail: PhonePe.ipo@jmfl.com Tel: + 91 22 6630 3030

REGISTRAR TO THE OFFER

NAME AND LOGO OF THE REGISTRAR	CONTACT PERSON	E-MAIL AND TELEPHONE
 KFin Technologies Limited	M. Murali Krishna	E-mail: phonepe.ipo@kfintech.com Tel: +91 40 6716 2222/ 180 0309 4001

BID/ OFFER PERIOD

ANCHOR INVESTOR BID/ OFFER PERIOD	[●] ⁽¹⁾
BID/ OFFER OPENS ON	[●]
BID/ OFFER CLOSING ON	[●] ⁽²⁾⁽³⁾

⁽¹⁾ Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date.

⁽²⁾ Our Company, in consultation with the BRLMs, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.

⁽³⁾ The UPI mandate end time and date shall be at 5.00 p.m. on the Bid/ Offer Closing Date.



PhonePe

PHONEPE LIMITED

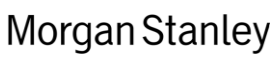
(formerly known as PhonePe Private Limited)

Our Company was originally incorporated as 'FX Mart Private Limited' a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation dated December 18, 2012, issued by the Registrar of Companies, Punjab and Chandigarh at Chandigarh. Subsequent to a change in our registered office from the state of Punjab to the state of Delhi pursuant to the Board resolution dated March 2, 2016, and the special resolution passed by our Shareholders on March 5, 2016, a fresh certificate of registration dated August 1, 2016, was issued by the Registrar of Companies, Delhi at New Delhi. Subsequently, our Company changed its name to 'PhonePe Private Limited' pursuant to the Board resolution dated November 9, 2016 and the special resolution dated November 9, 2016, further to which a fresh certificate of incorporation dated November 18, 2016, was issued by the Registrar of Companies, Delhi at New Delhi. The change in name was undertaken to align the name of our Company with its current business activities and the brand under which its services are offered, which was intended to enable better brand recognition and maximise overall stakeholder value. Thereafter, our registered office was changed from the state of Delhi to the state of Maharashtra pursuant to the Board resolution dated July 29, 2019, and the special resolution passed by our Shareholders on July 29, 2019. A fresh certificate of registration dated February 13, 2020, was issued by the Registrar of Companies, Maharashtra at Mumbai. Thereafter, upon changing our registered office from the state of Maharashtra to the state of Karnataka pursuant to the Board resolution dated August 12, 2022, and the special resolution passed by our Shareholders on August 16, 2022, a fresh certificate of registration dated July 14, 2023, was issued by the Registrar of Companies, Karnataka at Bangalore. Our Company was subsequently converted into a public limited company pursuant to the Board resolution dated April 3, 2025 and special resolution passed by our Shareholders on April 16, 2025 and the name of our Company was changed to 'PhonePe Limited'. A fresh certificate of incorporation dated May 1, 2025 was accordingly issued by the Registrar of Companies, Central Processing Centre, Ministry of Corporate Affairs at Haryana. For further details on the changes in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 252.

Registered and Corporate Office: Office-2, Floor 5, Wing A, Block A, Salarpuria Softzone, Bellandur Village, Varthur Hobli, Outer Ring Road, Bangalore South, Bangalore 560 103, Karnataka, India;

Tel: +91 80 6910 4700; **Website:** www.phonepe.com; **Contact person:** Ankit Gunvantrai Popat, Company Secretary and Compliance Officer; **E-mail:** compliance.officer@phonepe.com;

Corporate Identity Number: U67190KA2012PLC176031

OUR PROMOTERS: WM DIGITAL COMMERCE HOLDINGS PTE. LTD. AND WAL-MART INTERNATIONAL HOLDINGS, INC.				
INITIAL PUBLIC OFFERING OF UP TO 50,660,446 EQUITY SHARES OF FACE VALUE OF ₹1 EACH ("EQUITY SHARES") OF PHONEPE LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹10 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹9 PER EQUITY SHARE ("OFFER PRICE") AGGREGATING UP TO ₹506,660,446 MILLION THROUGH AN OFFER FOR SALE ("THE OFFER") OF UP TO 50,660,446 EQUITY SHARES OF FACE VALUE OF ₹1 EACH AGGREGATING UP TO ₹506,660,446 MILLION BY THE SELLING SHAREHOLDERS, CONSISTING OF UP TO 45,942,496 EQUITY SHARES OF FACE VALUE OF ₹1 EACH AGGREGATING UP TO ₹459,424,960 MILLION BY WM DIGITAL COMMERCE HOLDINGS PTE. LTD. (THE "PROMOTER SELLING SHAREHOLDER"), UP TO 1,039,160 EQUITY SHARES OF FACE VALUE OF ₹1 EACH AGGREGATING UP TO ₹10,391,600 MILLION BY TIGER GLOBAL PIP 9-1 LTD. AND UP TO 3,678,790 EQUITY SHARES OF FACE VALUE OF ₹1 EACH AGGREGATING UP TO ₹36,787,900 MILLION BY MICROSOFT GLOBAL FINANCE UNLIMITED COMPANY (COLLECTIVELY, THE "INVESTOR SELLING SHAREHOLDERS" AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDER, THE "SELLING SHAREHOLDERS") AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS ("OFFER FOR SALE" AND SUCH EQUITY SHARES, THE "OFFERED SHARES"), THE OFFER SHALL CONSTITUTE 10% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.				
THE FACE VALUE OF EQUITY SHARES IS ₹1 EACH. THE OFFER PRICE IS 10 TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND, AND THE MINIMUM BID LOT SHALL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS, AN ENGLISH NATIONAL DAILY NEWSPAPER, ALL EDITIONS OF JANSATTA, A HINDI NATIONAL DAILY NEWSPAPER AND BENGALURU EDITION OF KANNADA PRABHA, A KANNADA DAILY NEWSPAPER (KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE STOCK EXCHANGES FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.				
In case of any revision in the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Self-Certified Syndicate Banks ("SCSBs"), other Designated Intermediaries and the Sponsor Bank(s), as applicable.				
This is an Offer in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. This Offer is being made through the Book Building Process in compliance with Regulation 6(2) of the SEBI ICDR Regulations wherein in terms of Regulation 32(2) of the SEBI ICDR Regulations not less than 75% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") and such portion the "QIB Portion" provided that our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which 40% shall be available for allocation as follows, (i) 33.33% shall be available for allocation to domestic Mutual Funds, and (ii) 6.67% for Life Insurance Companies and Pension Funds, subject to valid Bids being received from domestic Mutual Funds, Life Insurance Companies and Pension Funds at or above the Anchor Investor Allocation Price. In the event of undersubscription in (ii) above, the allocation may be made to Domestic Mutual Funds, at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Offer shall be available for allocation to Non-Institutional Bidders ("NIBs") of which (a) one third portion shall be reserved for Bidders with application size of more than ₹20.00 million and up to ₹1.00 million; and (b) two-thirds of the portion shall be reserved for Bidders with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to Bidders in other sub-category of the NIBs in accordance with SEBI ICDR Regulations and not more than 10% of the Offer shall be available for allocation to Retail Individual Bidders ("RIBs") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA accounts and UPI ID (in case of UPI Bidders (defined herein) using the UPI Mechanism), in which case the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion of the Offer through the ASBA process. For details, see "Offer Procedure" on page 493.				
RISKS IN RELATION TO THE FIRST OFFER				
This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹1 each. The Floor Price and Cap Price, determined by our Company, in consultation with the BRLMs, and the Offer Price determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for Offer Price" on page 140, in accordance with the SEBI ICDR Regulations, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.				
GENERAL RISK				
Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Updated Draft Red Herring Prospectus - I. Specific attention of the Bidders is invited to "Risk Factors" on page 39.				
COMPANY AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY				
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Updated Draft Red Herring Prospectus - I contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Updated Draft Red Herring Prospectus - I is true and correct in all material aspects and is not misleading in any material respect, that opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Updated Draft Red Herring Prospectus - I as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements expressly and specifically made by such Selling Shareholder in this Updated Draft Red Herring Prospectus - I, solely in relation to itself as the Selling Shareholder and its respective portion of the Offered Shares and confirms that such statements are true and correct in all material respects and not misleading in any material respect. No Selling Shareholder, severally or jointly, assumes responsibility for any other statements, disclosures and undertakings, including without limitation, any of the statements, disclosures and undertakings made or confirmed by or in relation to our Company or our Company's business or any other Selling Shareholders or any other person(s), in this Updated Draft Red Herring Prospectus - I.				
LISTING				
The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters each dated December 1, 2025. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 547.				
BOOK RUNNING LEAD MANAGERS TO THE OFFER				
 Kotak Mahindra Capital Company Limited 27BKC, 1st Floor, Plot No. C-27 "G" Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India Tel: +91 22 4336 0000 E-mail: Phonepe.ipo@kotak.com Website: https://investmentbank.kotak.com Investor Grievance E-mail: kmccredressal@kotak.com Contact Person: Ganesh Rane SEBI Registration No: INM000008704	 J.P. Morgan India Private Limited J.P. Morgan Towers, Off C.S.T Road Kalina, Santacruz - East Mumbai 400 098 Maharashtra, India Tel: +91 22 6157 3000 E-mail: Phonepe_IPO@jpmorgan.com Website: www.jpmil.com Investor Grievance E-mail: investorsmb.jpmil@jpmorgan.com Contact Person: Vidit Jain / Rishank Chheda SEBI Registration No: INM000002970	 Citigroup Global Markets India Private Limited 1202, 12th Floor, First International Financial Centre G Block Bandra Kurla Complex Bandra (East), Mumbai 400 098 Maharashtra, India Tel: +91 22 6175 9999 E-mail: phonepe.ipo@citigroup.com Website: www.online.citibank.co.in/rhtm/citigroupglobalsercen1.htm Investor Grievance E-mail: investors.cgmb@citigroup.com Contact Person: Jitesh Agarwal SEBI Registration No: INM000010718	 Morgan Stanley India Company Private Limited Altimus, Level 39 & 40 Pandurang Budhkar Marg, Worli Mumbai 400 013 Maharashtra, India Tel: +91 22 6118 1000 E-mail: phonepeipo@morganstanley.com Website: www.morganstanley.com/india Investor Grievance E-mail: investors_india@morganstanley.com Contact Person: Shantanu Tilak SEBI Registration No: INM000011203	 Axis Capital Limited 1st Floor, Axis House P.B. Marg Worli Mumbai 400 025 Maharashtra, India Tel: +91 22 4325 2183 E-mail: phonepe.ipo@axiscap.in Website: www.axiscapital.co.in Investor Grievance E-mail: complaints@axiscap.in Contact Person: Sagar Jatakiya / Krish Jain SEBI Registration No: INM000012029
 Goldman Sachs (India) Securities Private Limited 9th and 10th Floor, Ascent-Worli Sudam Kalu Ahire Marg Worli, Mumbai 400 025 Maharashtra, India Tel: +91 22 6616 9000 E-mail: phonepeipo@gs.com Website: www.goldmansachs.com Investor Grievance E-mail: india-client-support@gs.com Contact Person: Saurav S SEBI Registration No: INM000011054	 Jefferies India Private Limited Level 16, Express Towers Nariman Point Mumbai 400 021 Maharashtra, India Tel: + 91 22 4356 6000 E-mail: phonepe.ipo@jefferies.com Website: www.jeffries.com Investor Grievance E-mail: jipl.grievance@jefferies.com Contact Person: Akshat Shah / Sahil Aggarwal SEBI Registration No: INM000011443	 JM Financial Limited 7th Floor, Energy Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025 Maharashtra, India Telephone: + 91 22 6630 3030 E-mail: PhonePe.ipo@jmf.com Website: www.jmf.com Investor Grievance E-mail: grievance.ibd@jmf.com Contact Person: Prachee Dhuri SEBI Registration No: INM000010361	REGISTRAR TO THE OFFER  KFin Technologies Limited Selenium Tower B, Plot No.31-32 Gachibowli, Financial District Nanakramguda, Serilingampally Hyderabad 500 032 Telangana, India Tel: +91 40 6716 2222/180 0309 4001 E-mail: phonepe.ipo@kfintech.com Website: www.kfintech.com Investor Grievance E-mail: einward.ris@kfintech.com Contact Person: M. Murali Krishna SEBI Registration No: INR000000221	
BID/ OFFER PERIOD				
BID/ OFFER OPENS ON [●] ⁽¹⁾ BID/ OFFER CLOSES ON [●] ⁽²⁾⁽³⁾				

⁽¹⁾ Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date.

⁽²⁾ Our Company, in consultation with the BRLMs, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.

⁽³⁾ The UPI mandate end time and date shall be at 5.00 p.m. on the Bid/ Offer Closing Date.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Updated Draft Red Herring Prospectus - I uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meanings as provided below. References to any legislation, act, regulation, rules, guidelines, circulars, notifications, directions, clarifications or policies or articles of association or memorandum of association shall be to such legislation, act, regulation, rules, guidelines, circulars, notifications, directions, clarifications or policies or articles of association or memorandum of association as amended, updated, supplemented, re-enacted or modified from time to time, and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under that provision. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document, the definitions given below shall prevail.

The words and expressions used in this Updated Draft Red Herring Prospectus - I but not defined herein shall have, to the extent applicable, the same meanings ascribed to such terms under the SEBI ICDR Regulations, the SEBI Listing Regulations, the SEBI Act, the Companies Act, the SCRA, the Depositories Act and the rules and regulations notified thereunder.

Notwithstanding the foregoing, the terms used in “Objects of the Offer”, “Basis for Offer Price”, “Statement of Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies”, “History and Certain Corporate Matters”, “Restated Consolidated Financial Information”, “Financial Indebtedness”, “Outstanding Litigation and Material Developments”, “Other Regulatory and Statutory Disclosures” and “Description of Equity Shares and Terms of Articles of Association” on pages 138, 140, 151, 156, 235, 252, 305, 384, 435, 454 and 515, respectively, shall have the meanings ascribed to them in the relevant section.

General terms

Term	Description
“our Company” or “the Company”	PhonePe Limited, a public limited company, incorporated under the Companies Act, 1956, having its Registered and Corporate Office at Office-2, Floor 5, Wing A, Block A, Salarpuria Softzone, Bellandur Village, Varthur Hobli, Outer Ring Road, Bangalore South, Bangalore 560 103, Karnataka, India
“we”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company, together with our Subsidiaries and Associate as at and during relevant fiscal year, on a consolidated basis

Company related terms

Term	Description
“Articles of Association” or “AoA” or “Articles”	Articles of association of our Company, as amended from time to time
“Associate” or “C. E. Info”	The associate of our Company, namely C. E. Info Systems Limited. For further details, please see “History and Certain Corporate Matters – Our Subsidiaries, Associates and joint ventures” on page 260
Audit Committee	The audit committee of our Board, as described in “Our Management – Committees of our Board – Audit Committee” on page 282
“Auditors” or “Statutory Auditors”	S.R. Batliboi & Associates LLP, Chartered Accountants, current statutory independent auditors of our Company
“Board” or “Board of Directors”	Board of directors of our Company
Chairperson	The chairperson of the Board of our Company, namely, Rohit Bhagat. For details, see “Our Management – Our Board” on page 271
“Chief Financial Officer” or “CFO”	Chief financial officer of our Company, namely Adarsh Nahata. For details, see “Our Management – Key Managerial Personnel” on page 290
Committee(s)	Duly constituted committee(s) of our Board
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, namely, Ankit Gunvantrai Popat. For details, see “Our Management – Key Managerial Personnel” on page 290
Director(s)	The directors on our Board, as appointed from time to time. For details, see “Our Management” on page 271
Equity Shares	Equity shares of our Company having face value of ₹1 each
Founder(s)	Sameer Nigam and Rahul Chari
Group Companies	Group companies of our Company in accordance with Regulation 2(1)(t) of the SEBI ICDR Regulations, as disclosed in “Our Group Companies” on page 480
IAPL	Indus Appstore (Singapore) Pte. Ltd.
“Independent Director(s)” or “Non-Executive Independent Director(s)”	Independent directors on our Board, as disclosed in “Our Management – Our Board” on page 271
Indus	Indus Appstore Private Limited

Term	Description
“Key Managerial Personnel” or “KMP”	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act and as disclosed in “ <i>Our Management – Key Managerial Personnel</i> ” on page 290
“Memorandum of Association” or “MoA”	Memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in “ <i>Our Management – Committees of our Board – Nomination and Remuneration Committee</i> ” on page 284
Non-Executive Nominee Director(s)	Non-executive directors (other than the Independent Directors) on our Board, as disclosed in “ <i>Our Management – Our Board</i> ” on page 271
PFPL	PhonePe Finance Private Limited
PFSOP 2025	PhonePe Founder Stock Option Plan 2025
PhonePe Award Schemes	Collectively, PhonePe Founder Award Stock Option Scheme A - 2022 and PhonePe Founder Award Stock Option Scheme B - 2022
PIBSPL	PhonePe Insurance Broking Services Private Limited
PIHL UAE	PhonePe International Holdings Limited
PLSPL	PhonePe Lending Services Private Limited (<i>formerly known as PhonePe Credit Services Private Limited</i>)
PME FZ-LLC UAE	PhonePe Middle East FZ-LLC
Promoters	WM Digital Commerce Holdings Pte. Ltd. and Wal-Mart International Holdings, Inc.
Promoter Group	The entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in “ <i>Our Promoters and Promoter Group – Promoter Group</i> ” on page 300
PSOP	PhonePe Stock Option Plan, as amended
PSPL	PhonePe Singapore Pte. Ltd.
PSSPL	Pincode Shopping Solutions Private Limited
PTSPL	PhonePe Technology Services Private Limited
PWBPL	PhonePe Wealth Broking Private Limited
Registered and Corporate Office	Office-2, Floor 5, Wing A, Block A, Salarpuria Softzone, Bellandur Village, Varthur Hobli, Outer Ring Road, Bangalore South, Bangalore 560 103, Karnataka, India
“Registrar of Companies” or “RoC”	Registrar of Companies, Karnataka at Bengaluru
Restated Consolidated Financial Information	The restated consolidated summary statements of our Company together with our subsidiaries and the associate, comprise of restated consolidated summary statement of assets and liabilities as at September 30, 2025 and September 30, 2024 and as at March 31, 2025, March 31, 2024 and March 31, 2023, the restated consolidated summary statement of profit and loss (including other comprehensive income/ (loss)), restated consolidated summary statement of cash flows and restated consolidated summary statement of changes in equity as at and for the six months period ended September 30, 2025 and September 30, 2024 and for each of the years ended March 31, 2025, March 31, 2024 and March 31, 2023 and the summary statement of material accounting policies and other explanatory notes, derived from the audited interim financial statements as at and for the six months period ended September 30, 2025 and September 30, 2024 prepared in accordance with Ind AS 34 and the audited consolidated financial statements as at and for the years ended March 31, 2025, March 31, 2024 and March 31, 2023, prepared in accordance with Ind AS and as restated as per the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations, as amended and the Guidance Note on ‘Reports in Company Prospectuses (Revised 2019)’ issued by the Institute of Chartered Accountants of India, as amended from time to time
Risk Management Committee	The risk management committee of our Board, as described in “ <i>Our Management – Committees of our Board – Risk Management Committee</i> ” on page 285
Senior Management	Senior management of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, as disclosed in “ <i>Our Management – Senior Management</i> ” on page 290
“SHA” or “Shareholders’ Agreement”	Shareholders’ agreement dated September 19, 2025 entered into by and among our Company, WM Digital Commerce Holdings Pte. Ltd., Sameer Nigam, Rahul Chari, Headstand Pte. Ltd. (<i>formerly known as PhonePe Private Limited (Singapore)</i>), 3State Ventures Pte. Ltd., INQ Holdings LLC., Jadoff SPV 5, LLC, Microsoft Global Finance Unlimited Company, WCH Q3 2020 1, LLC, General Atlantic Singapore PPIL Pte. Ltd., Tiger Global PIP 9-1 Ltd., Ribbit Bullfrog II Cayman IN Holdings Ltd. and TVS Shriram Growth Fund 3
Shareholder(s)	Equity shareholder(s) of our Company from time to time
Stakeholders Relationship Committee	The stakeholders’ relationship committee of our Board, as described in “ <i>Our Management – Committees of our Board – Stakeholders Relationship Committee</i> ” on page 285
“Subsidiary” or “our Subsidiary” or “Subsidiaries”	The subsidiaries of our Company namely, PTSPL, PIBSPL, PWBPL, PSSPL, PFPL, PLSPL, IAPL, Indus, PIHL UAE, PME FZ-LLC UAE and PSPL, as disclosed in “ <i>History and Certain Corporate Matters – Our Subsidiaries, Associate and joint ventures</i> ” on page 260. For the purpose of financial information, the term ‘Subsidiary’ shall mean our subsidiaries as at and during the relevant Fiscal/ period
Whole-time Director(s)	The whole-time directors of our Company, namely Rahul Chari and Sameer Nigam. For details, see “ <i>Our Management – Our Board</i> ” on page 271

Offer related terms

Term	Description
Abridged Prospectus	The memorandum containing such salient features of a prospectus as may be specified by SEBI in this regard
Acknowledgement Slip	The slip or document to be issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
“Allot” or “Allotment” or “Allotted”	Unless the context otherwise requires, allotment of the Equity Shares offered pursuant to the transfer of Offered Shares pursuant to the Offer for Sale, in each case to successful Bidders
Allotment Advice	The note or advice or intimation of Allotment sent to each of the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee(s)	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors during the Anchor Investor Bid/ Offer Period in terms of the Red Herring Prospectus and the Prospectus, which will be determined by our Company, in consultation with the BRLMs on the Anchor Investor Bidding Date
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion in accordance with the requirements specified under the SEBI ICDR Regulations and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
“Anchor Investor Bidding Date” or “Anchor Investor Bid/ Offer Period”	The day, being one Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Managers will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be determined by our Company, in consultation with the BRLMs
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bid/ Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, not later than two Working Days after the Bid/ Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations out of which 40% of the Anchor Investor Portion shall be available for allocation as follows, (i) 33.33% shall be available for allocation to domestic Mutual Funds, and (ii) 6.67% for Life Insurance Companies and Pension Funds, subject to valid Bids being received from domestic Mutual Funds, Life Insurance Companies and Pension Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in (ii) above, the allocation may be made to domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
“Application Supported by Blocked Amount” or “ASBA”	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained with a SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder in which the Bid Amount is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidders using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Axis	Axis Capital Limited
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), the Public Offer Account Bank(s), the Sponsor Bank(s) and the Refund Bank(s), as the case may be
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in “Offer Procedure” on page 493
Bid(s)	An indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to the Equity Shares at a price within the Price Band, including all revisions and modifications thereto, as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid.

Term	Description
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares of face value of ₹1 each and in multiples of [●] Equity Shares of face value of ₹1 each thereafter
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be published in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Bengaluru edition of Kannada Prabha, a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation. Our Company, may, in consultation with the BRLMs consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the revised Bid/ Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank(s), and shall also be notified in an advertisement in the same newspapers in which the Bid/ Offer Opening Date was published, as required under the SEBI ICDR Regulations
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be published in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Bengaluru edition of Kannada Prabha, a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation In case of any revision, the extended Bid/ Offer Opening Date will also be widely disseminated by notification the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s)
Bid/ Offer Period	Except in relation to Bids received from the Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations
“Bidder(s)” or “Applicant(s)”	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	The book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
“Book Running Lead Managers” or “BRLMs”	The book running lead managers to the Offer, namely, Kotak Mahindra Capital Company Limited, J.P. Morgan India Private Limited, Citigroup Global Markets India Private Limited, Morgan Stanley India Company Private Limited, Axis Capital Limited, Goldman Sachs (India) Securities Private Limited, Jefferies India Private Limited, and JM Financial Limited
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price and shall not be more than 120% of the Floor Price
Cash Escrow and Sponsor Bank(s) Agreement	The cash escrow and sponsor bank(s) agreement to be entered amongst our Company, the Selling Shareholders, the BRLMs, Syndicate Members, the Banker(s) to the Offer and Registrar to the Offer for, <i>inter alia</i> , collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, remitting refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof in accordance with the UPI circulars
Citi	Citigroup Global Markets India Private Limited
Client ID	Client identification number maintained with one of the Depositories in relation to dematerialised account

Term	Description
“Collecting Depository Participant” or “CDP”	A depository participant as defined under the Depositories Act and registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the SEBI ICDR Master Circular, as per the list available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time and the UPI Circulars
“Confirmation of Allocation Note” or “CAN”	The notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bid/ Offer Period
Cut-off Price	The Offer Price, finalised by our Company, in consultation with the BRLMs, which shall be any price within the Price Band. Only RIBs Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and NIBs are not entitled to Bid at the Cut-off Price
Demographic Details	The details of the Bidders including the Bidder’s address, name of the Bidder’s father/husband, investor status, occupation, bank account details, PAN and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with the names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders using the UPI Mechanism, instruction issued through the Sponsor Bank(s)) for the transfer of the relevant amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account and/ or are unblocked, as the case may be, in terms of the Red Herring Prospectus and the Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares will be Allotted to successful Bidders in the Offer
Designated Intermediary(ies)	Collectively, the members of the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to RIBs using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the relevant Bidders, in relation to the Offer. In relation to ASBA Forms submitted by RIBs Bidding in the Retail Portion by authorising an SCSB to block the Bid Amount in the ASBA Account and HNIs bidding with an application size of up to ₹0.50 million (not using the UPI Mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs (excluding Anchor Investors) and NIBs (not using UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders (except Anchor Investors) can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with the names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Stock Exchange	[●]
Eligible FPI(s)	FPI(s) that are eligible to participate in the Offer in terms of applicable law and from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares
Eligible NRI(s)	NRI(s) eligible to invest under Schedule 3 and Schedule 4 of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares
Escrow Account(s)	The ‘no-lien’ and ‘non-interest bearing’ account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding ASBA Bidders) will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	The bank(s) which are clearing members and registered with SEBI as banker to an issue under the SEBI BTI Regulations, as amended and with whom the Escrow Account(s) will be opened, in this case being [●]

Term	Description
“First Bidder” or “Sole Bidder”	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
“General Information Document” or “GID”	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 suitably modified and updated pursuant to, among others, the SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
GS	Goldman Sachs (India) Securities Private Limited
“Industry Report” or “Redseer Report”	Industry report titled ‘ <i>Democratising Access to Digital Economy</i> ’ dated January 13, 2026 prepared and issued by Redseer Strategy Consultants Private Limited. The Redseer Report has been exclusively commissioned and paid for by our Company in connection with the Offer
Investor Selling Shareholders	Tiger Global PIP 9-1 Ltd. and Microsoft Global Finance Unlimited Company
Jefferies	Jefferies India Private Limited
JMFL	JM Financial Limited
JPM	J.P. Morgan India Private Limited
Kotak	Kotak Mahindra Capital Company Limited
Life Insurance Companies	Entities registered with the Insurance Regulatory and Development Authority of India under the provisions of the Insurance Act, 1938
Materiality Policy	The policy adopted by our Board in its meeting dated September 23, 2025 for determining identification of group companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
MS	Morgan Stanley India Company Private Limited
Mutual Fund Portion	Up to 5% of the Net QIB Portion, or [●] Equity Shares of face value of ₹1 each which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net QIB Portion	The QIB Portion less the number of Equity Shares allocated to the Anchor Investors
“Non-Institutional Bidders” or “NIBs”	All Bidders that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹0.20 million (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not more than 15% of the Offer comprising [●] Equity Shares of face value of ₹1 each which shall be available for allocation to NIBs, subject to valid Bids being received at or above the Offer Price, in the following manner: (a) one-third of the portion available to NIBs shall be reserved for Bidders with application size of more than ₹0.20 million and up to ₹1.00 million; and (b) two third of the portion available to NIBs shall be reserved for Bidders with application size of more than ₹1.00 million. Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to Bidders in the other sub-category of NIBs, in accordance with the SEBI ICDR Regulations
“Non-Resident Indians” or “NRI(s)”	Person resident outside India, as defined under FEMA, and includes a non-resident Indian, FVCIs and FPIs
Offer	The initial public offer of up to 50,660,446 Equity Shares of face value of ₹1 each for cash consideration at a price of ₹[●] each, aggregating up to ₹[●] million, comprising the Offer for Sale.
Offer Agreement	The offer agreement dated September 23, 2025 entered into amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements have been agreed to in relation to the Offer, read with first amendment agreement dated January 14, 2026
Offer for Sale	The offer for sale of up to 50,660,446 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million being offered for sale by the Selling Shareholders consisting up to 45,942,496 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million by the Promoter Selling Shareholder, up to 1,039,160 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million by Tiger Global PIP 9-1 Ltd, and up to 3,678,790 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million by Microsoft Global Finance Unlimited Company
Offer Price	The final price at which Equity Shares will be Allotted to successful ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company, in consultation with the BRLMs in terms of the Red Herring Prospectus and the Prospectus. The Offer Price will be decided by our Company, in consultation with the BRLMs on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus

Term	Description
Offered Shares	An aggregate of up to 50,660,446 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million being offered for sale by the Selling Shareholders in the Offer for Sale. For further information, see “The Offer” on page 101
Pension Fund	A fund registered with the Pension Fund Regulatory and Development Authority under the provisions of the Pension Fund Regulatory and Development Authority Act, 2013
“Pre-filed Draft Red Herring Prospectus” or “Pre-filed DRHP” or “PDRHP”	The pre-filed draft red herring prospectus dated September 23, 2025 filed with SEBI and issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer
Price Band	Price band ranging from a minimum price of ₹[●] per Equity Share (i.e., the Floor Price) and the maximum price of ₹[●] per Equity Share (i.e., the Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot will be decided by our Company, in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Bengaluru edition of Kannada Prabha, a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company, in consultation with the BRLMs will finalise the Offer Price
Promoter Selling Shareholder	WM Digital Commerce Holdings Pte. Ltd.
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account(s)	The ‘no-lien’ and ‘non-interest bearing’ account(s) to be opened with the Public Offer Account Bank, under Section 40(3) of the Companies Act to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Offer Account Bank(s)	The bank(s) which are a clearing member and registered with SEBI under the SEBI BTI Regulations, as a banker to an issue and with which the Public Offer Account will be opened for collection of Bid Amounts from the Escrow Account and ASBA Accounts on the Designated Date, in this case being [●]
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not less than 75% of the Offer consisting of [●] Equity Shares of face value of ₹1 each which shall be available for allocation on a proportionate basis to QIBs (including Anchor Investors in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors)
“Qualified Institutional Buyers” or “QIBs” or “QIB Bidders”	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations
“Red Herring Prospectus” or “RHP”	The red herring prospectus to be issued by our Company in accordance with Section 32 of the Companies Act and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Redseer	Redseer Strategy Consultants Private Limited
Refund Account(s)	Account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount shall be made to Anchor Investors
Refund Bank(s)	The bank(s) which are clearing members registered with SEBI under the SEBI BTI Regulations, with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	The stock brokers registered under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992, as amended with SEBI and the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of the SEBI ICDR Master Circular
Registrar Agreement	The registrar agreement dated September 23, 2025 entered into, amongst our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
“Registrar and Share Transfer Agents” or “RTAs”	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of the SEBI RTA Master Circular, as per the list available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), and the UPI Circulars
“Registrar to the Offer” or “Registrar”	KFin Technologies Limited
Resident Indian	A person resident in India, as defined under FEMA
“Retail Individual Bidder(s)” or “RIB(s)”	Individual Bidders, whose Bid Amount for the Equity Shares is not more than ₹0.20 million in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRIs), and does not include NRIs other than Eligible NRIs

Term	Description
Retail Portion	The portion of the Offer being not more than 10% of the Offer consisting of up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹[●] million, which shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, which shall not be less than the minimum Bid Lot (subject to availability in the Retail Portion), subject to valid Bids being received at or above the Offer Price
Revision Form	The forms used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and NIBs are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. RIBs can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date
SCORES	Securities and Exchange Board of India Complaints Redress System, a centralized web-based complaints redressal system launched by SEBI
“Self-Certified Syndicate Bank(s)” or “SCSB(s)”	The banks registered with SEBI, which offer the facility of ASBA services: (i) in relation to ASBA (other than through UPI Mechanism), where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable and updated from time to time and at such other websites as may be prescribed by SEBI from time to time; and (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI Mechanism as provided as ‘Annexure A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Selling Shareholders	Collectively, the Promoter Selling Shareholder and the Investor Selling Shareholders
Share Escrow Agent	Share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	The share escrow agreement to be entered into amongst our Company, the Selling Shareholders, and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Sponsor Banks	[●] and [●], being Bankers to the Offer, appointed by our Company to act as conduits between the Stock Exchanges and NPCI in order to push the mandate collect requests and/ or payment instructions of the UPI Bidders using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars
Stock Exchanges	Together, BSE and NSE
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the Book Running Lead Managers and the Syndicate Members, to collect ASBA Forms and Revision Forms.
“Syndicate” or “Members of the Syndicate”	Together, the BRLMs and the Syndicate Members
Syndicate Agreement	The syndicate agreement to be entered into amongst our Company, the Selling Shareholders, the BRLMs, the Registrar to the Offer and the Syndicate Members, in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Member(s)	Merchant bankers or stockbrokers (other than the BRLMs) registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Underwriters	[●]

Term	Description
Underwriting Agreement	The underwriting agreement to be entered into amongst our Company, the Selling Shareholders and the Underwriters on or after the Pricing Date but prior to filing of the Prospectus with the RoC, as applicable
“Updated Draft Red Herring Prospectus-I” or “UDRHP-I”	This updated draft red herring prospectus-I dated January 21, 2026 filed with SEBI and the Stock Exchanges, after complying with the observations issued by SEBI and Stock Exchanges on the Pre-filed Draft Red Herring Prospectus and after incorporation of other updates, in accordance with the Chapter IIA of the SEBI ICDR Regulations and in compliance with the other applicable provisions of the SEBI ICDR Regulations, which will not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
“Updated Draft Red Herring Prospectus-II” or “UDRHP-II”	The updated draft red herring prospectus-II to be filed with SEBI, if required, after incorporation of changes pursuant to comments from public, if any, on the UDRHP-I, in compliance with the SEBI ICDR Regulations, which will not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
UPI	Unified payments interface, which is an instant payment mechanism, developed by NPCI
UPI Bidder(s)	Collectively, individual Bidders applying as (i) RIBs in the Retail Portion; and (ii) NIBs with an application size of up to ₹0.50 million in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and RTAs. Pursuant to the SEBI ICDR Master Circular, all individual Bidders applying in public issues where the application amount is up to ₹0.50 million shall use the UPI Mechanism and shall provide their UPI ID in the Bid cum Application Form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, (to the extent that these circulars are not rescinded by the SEBI ICDR Master Circular and SEBI RTA Master Circular), SEBI RTA Master Circular (to the extent that it pertains to the UPI Mechanism), SEBI ICDR Master Circular and the circulars issued by the Stock Exchanges in this regard, including the circular issued by the NSE having reference no. 25/2022 dated August 3, 2022, and the circular issued by BSE having reference no. 20220803-40 dated August 3, 2022, SEBI circular number SEBI/HO/DEPA-II/DEPA-II SRG/P/CIR/2025/86 dated June 11, 2025 and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidders by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidders initiated by the Sponsor Bank(s) to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by an UPI Bidders in accordance with the UPI Circulars to make an ASBA Bid in the Offer
UPI PIN	Password to authenticate UPI transaction
“Wilful Defaulter” or “Fraudulent Borrower”	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
Working Day	All days on which commercial banks in Mumbai, Maharashtra, India are open for business. In respect of the announcement of Price Band and Bid/ Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in India, as per circulars issued by SEBI, including the UPI Circulars

Key performance indicators (“KPIs”) under the section titled “Basis for Offer Price” on page 140

Term	Description
Life-till-date Registered User Base	Total unique users who have signed up with PhonePe Group by accepting the PhonePe terms & conditions, as at the end of the first half of the fiscal year/reporting period

Term	Description
Yearly Active Users or “YAU”	Count of unique Registered Users, who have either opened the PhonePe app or initiated a transaction, in the last 12 months from the last month of the first half of the fiscal year/ reporting period
Monthly Active Users or “MAU”	Count of unique Registered Users, who have either opened the PhonePe app or initiated a transaction, in the last month of the first half of the fiscal year/reporting period
Daily Active Users or “DAU”	Daily average count of unique Registered Users who have either opened the PhonePe app or initiated a transaction, averaged for the days of the last month of the first half of the fiscal year/ reporting period
Yearly Active Customers or “YAC”	Count of unique Registered Users who have done at least one successful payment transaction, in the last 12 months counted from the last month of the first half of the fiscal year/ reporting period
Monthly Active Customers or “MAC”	Count of unique Registered Users who have done at least one successful payment transaction, in the last month of the first half of the fiscal year/ reporting period
Daily Active Customers or “DAC”	Daily average count of unique Registered Users who have done at least one successful payment transaction, averaged for the days of the last month of the first half of the fiscal year /reporting period
Customer Transactions	Total successful payment transactions by PhonePe Customers in the first half of the fiscal year /reporting period
Customer TPV	Total payment value of the Customer Transactions in the first half of the fiscal year/ reporting period
Monthly Active Merchants or “MAM”	Count of unique Registered Merchants to whom at least one successful payment transaction was made in the last month of the first half of the fiscal year/ reporting period
Daily Active Merchants or “DAM”	Daily average count of unique Registered Merchants to whom at least one successful payment transaction was made averaged for the days of the last month of the first half of the fiscal year/ reporting period
Merchant Transactions	Total successful payment transactions made to Registered Merchants in the first half of the fiscal year/ reporting period
Merchant TPV	Total payment value of the merchant payment transactions made to Registered Merchants in the first half of the fiscal year/ reporting period
Revenue from Operations	Revenue from operations means revenue generated from sale of services and other operating revenue
Growth in Revenue from Operations	Growth in revenue from operations percentage is calculated as revenue from operations of the relevant period/ year minus revenue from operations of the preceding period/ year, divided by revenue from operations of the preceding period/ year
Adjusted EBITDA	Adjusted EBITDA is calculated as profit/ (loss), before other income, finance costs, depreciation and amortisation expense, share of profit of associate, net of taxes, exceptional item, total tax expense/(credit) and share based payments
Adjusted EBITDA Margin	Adjusted EBITDA margin percentage is derived by dividing adjusted EBITDA by revenue from operations
Adjusted EBIT	Adjusted EBIT is calculated as profit/ (loss), before other income, finance costs, share of profit of associate, net of taxes, exceptional item, total tax expense/ (credit) and share based payments
Adjusted EBIT Margin	Adjusted EBIT margin percentage is derived by dividing adjusted EBIT by revenue from operations
Profit/ (loss)	Profit/ (loss) means (loss) for the relevant period/ year
Profit/ (loss) Margin	Profit/ (loss) margin percentage is derived by dividing profit/ (loss) by total income
Adjusted profit/ (loss)	Adjusted profit/ (loss) is calculated as profit/ (loss), before exceptional item and share based payments
Adjusted profit/ (loss) Margin	Adjusted profit/ (loss) margin percentage derived by dividing adjusted profit/ (loss) by total income
Free cash generated/(used)	Free cash generated/ (used) refers to the aggregate of net cash flows generated from/ (used in) operating activities, purchase of property, plant and equipment, including capital advances, capital work in progress and other intangible asset, proceeds from sale of property, plant and equipment, payment of principal portion of lease liabilities and interest on lease liabilities

Technical, industry and business-related terms or abbreviations

Term	Definition
Acquirer Bank	A bank that processes card payments on behalf of a merchant and settles funds to the merchant’s account
Active Merchant Base	The number of merchants who have conducted at least one successful payment transaction in a given period
Bank Balances and Investments	The aggregate of current investments, cash and cash equivalents, bank balances other than cash and cash equivalents, and non-current bank deposits
Bharat Connect (formerly Bharat Bill Payment System (BBPS))	An integrated bill payment system in India offering interoperable and accessible bill payment services to customers through a network of agents and online channels
Cashbacks	Incentives provided to users in the form of money returned after making a purchase or transaction
Central Leadership Team	The group of senior executives responsible for the overall management and strategic direction of the company
Change in Revenue from Operations	The percentage increase or decrease in revenue from operations compared to the previous period
Consumer Payments	Payments made by individual consumers for goods and services, typically using digital platforms
Customer Acquisition Cost	The cost associated with acquiring a new customer, including marketing and sales expenses

Term	Definition
Customer Transactions Per Customer (TPC)	The average number of transactions per customer in a given period
Data Mesh Architecture	A decentralized approach to data architecture and organizational design, enabling domain teams to own and manage their data as a product
Digital Distribution Services	Services that enable the distribution of financial products (such as insurance, loans, mutual funds) through digital channels
Digital Gold and Digital Silver	A product that allows customers to buy, sell, and hold gold in digital form, typically backed by physical gold and silver
Digital Public Infrastructure	Foundational digital systems and platforms (such as UPI, Aadhaar, BBPS) that enable large-scale digital services and transactions in a country
Employee Benefits Expense Without ESOPs	Employee benefits expense excluding the cost of employee stock option plans (ESOPs)
ETFs (Exchange Traded Funds)	Investment funds traded on stock exchanges, holding assets such as stocks, commodities, or bonds
FASTag	An electronic toll collection system in India, using RFID technology for automatic deduction of toll charges
Feet-on-street	A sales strategy involving a large, distributed team of salespeople physically present in the market to acquire and service customers or merchants
Financial Services Distribution	The collective term for Lending Distribution and Insurance Distribution services
FVTPL	Fair value through profit or loss
Insurance Distribution	The process of offering and selling insurance products to customers, often through the digital platform
Joint Commission International (JCI)	An organization that accredits and certifies healthcare organizations and programs worldwide (Included for completeness, as it appears in the context of insurance/healthcare products.)
Lending Distribution	The process of distributing secured and unsecured loans to customers, often through the digital platform
Life-till-date (LTD) Registered Merchant Base	Life till date total unique onboarded merchants, as at the end of the first half of the fiscal year/ reporting period
Merchant Payments	Payments made by customers to merchants for goods and services, processed through the platform
Mutual Funds Distribution	The process of offering and selling mutual fund investment products to customers, often through digital platforms
NCMC (National Common Mobility Card)	A contactless payment card for public transport, toll, parking, retail shopping, and cash withdrawal in India
NBFC	Non-banking financing company
New Platforms	Refers to PhonePe's new business initiatives, including Share.Market and Indus Appstore
NPCI (National Payments Corporation of India)	The umbrella organization for operating retail payments and settlement systems in India, including UPI and BBPS
Payment Devices	Hardware devices (such as QR code stands, Smartspeakers, EDC machines) provided to merchants to enable digital payment acceptance
Payment Gateway	A technology platform that enables merchants to accept online payments from customers via various payment methods
Payment Processing Charges	Fees paid to banks and other partners for facilitating customer and merchant transactions on the platform
Payment System Provider (PSP) Bank	A bank authorized to provide payment services and infrastructure for digital transactions, such as UPI
Pincode	Former mobile application and part of New Platforms. This was an omni-channel hyperlocal commerce platform connecting consumers with their local offline stores for their daily needs across categories, with the convenience of online ordering and delivery
Platform Fee	A fee charged to users or merchants for using the platform's services, either as a fixed amount or a percentage of the transaction value
PSP Bank	See Payment System Provider Bank
Real money gaming or RMG	Online money games, which were banned in India on August 22, 2025 when the Parliament enacted the Promotion and Regulation of Online Gaming Act, 2025 (the "RMG ban")
Registered Merchant	A unique merchant who has been onboarded on the PhonePe app as a merchant
Registered User	A unique user who has signed up with PhonePe Group by accepting the PhonePe Terms & Conditions
RuPay Credit Card	A credit card issued on the RuPay network, India's domestic card payment network
SaaS (Software as a Service)	A software distribution model in which applications are hosted by a service provider and made available to customers over the internet
SIP (Systematic Investment Plan)	An investment strategy allowing investors to invest a fixed amount regularly in mutual funds
Smartspeaker	A device provided to merchants that gives instant audio confirmation of payments received, often supporting multiple languages
TPAP	Third-party application providers
TPC (Transactions Per Customer)	The average number of transactions made per customer in a given period
TPV (Total Payment Value)	The total value of all successful payment transactions processed on the platform during a given period
Transactions Per Monthly Active Merchant (TPAM)	The average number of transactions processed per monthly active merchant in a given period

Term	Definition
UPI (Unified Payments Interface)	An instant real-time payment system developed by NPCI that enables inter-bank transactions via mobile devices
UPI AutoPay	A feature that allows customers to set up recurring payments using UPI for subscriptions, bills, and other services
UPI Circle	A feature allowing a primary user to authorize a secondary user to make transactions from the primary user's bank account with set limits
UPI Lite	A UPI feature designed for low-value transactions, enabling faster and pin-less payments, even in offline mode
Wallet	A digital prepaid payment instrument that allows users to store money electronically and make payments
Wallet on UPI	The integration of digital wallets with UPI, allowing users to pay using wallet balances at any UPI QR or transfer money to any UPI handle
WealthBaskets	Pre-built collections of stocks and ETFs curated by research analysts, offered as investment products on Share.Market

Conventional and general terms or abbreviations

Term	Description
“₹” or “Rs.” Or “Rupees” or “INR”	Indian rupees
AIFs	Alternative investments funds, as defined in, and registered under the SEBI AIF Regulations
AGM	Annual general meeting
BNSS	The Bharatiya Nagarik Suraksha Sanhita, 2023, as amended
BSE	BSE Limited
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
“Companies Act” or “Companies Act, 2013”	Companies Act, 2013, as applicable, along with the relevant rules, regulations, clarifications and modifications made thereunder
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT under DPIIT File Number 5(2)/2020-FDI Policy dated October 15, 2020, effective from October 15, 2020 issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
RoC, CPC	Registrar of Companies, Central Processing Centre
RoC, CRC	Registrar of Companies, Central Registration Centre
CSR	Corporate social responsibility
Copyright Act	Copyright Act, 1957, as amended
CrPC	Code of Criminal Procedure, 1973, as amended
Depositories	Together, NSDL and CDSL
Depositories Act	Depositories Act, 1996, as amended
DIN	Director identification number
DP ID	Depository participant's identification
“DP” or “Depository Participant”	A depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
EGM	Extraordinary general meeting
EPS	Earnings per equity share
FCNR	Foreign currency non-resident
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended
“Financial Year” or “Fiscal” or “Fiscal Year” or “FY”	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIR	First information report
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
“GoI” or “Government” or “Central Government”	Government of India
GST	Goods and services tax
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India

Term	Description
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards, as issued by the International Accounting Standards Board
Income Tax Act	The Income-tax Act, 1961
“Ind AS” or “Indian Accounting Standards”	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, and other relevant provisions of the Companies Act, 2013
Ind AS 19	Indian Accounting Standard 19 - Employee benefits
Ind AS 24	Indian Accounting Standard 24 - Related Party Disclosures
Ind AS 33	Indian Accounting Standard 33 - Earnings per share
Ind AS 34	Indian Accounting Standard 34 - Interim Financial reporting
Ind AS 37	Indian Accounting Standard 37 - Provisions, Contingent Liabilities and Contingent Assets
India	Republic of India
“Indian GAAP” or “IGAAP”	Accounting Standards notified under Section 133 of the Companies Act and referred to in the Companies (Accounting Standards) Rules, 2014, as amended and Companies (Accounting Standards) Amendment Rules, 2016, as amended
IPC	The Indian Penal Code, 1860, as amended
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information technology
IT Act	The Information Technology Act, 2000, as amended
KUA	e-KYC user agency
KYC	Know your customer
LLP	Limited liability partnership
MCA	Ministry of Corporate Affairs, Government of India
MSMEs	Micro, small and medium enterprises
Mutual Fund(s)	Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996, as amended
N/A	Not applicable
NACH	National automated clearing house
“NAV” or “Net Asset Value”	Net asset value
NBFC	Non-banking financial companies
NEFT	National electronic fund transfer
NI Act	Negotiable Instruments Act, 1881, as amended
NRE	Non-resident external
NRI	A non-resident Indian as defined under the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended
NRO	Non-resident ordinary
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
“OCB” or “Overseas Corporate Body”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
Online Gaming Act	Promotion and Regulation of Online Gaming Act, 2025
PA Master Directions	Master Directions on Regulation of Payment Aggregators, 2025
PA PG Guidelines	Guidelines on Regulation of Payment Aggregator and Payment Gateways, 2020
P/E Ratio	Price to earnings ratio
PAN	Permanent account number
Patents Act	The Patents Act, 1970, as amended
PMLA	The Prevention of Money-Laundering Act, 2002, as amended
PSS Act	The Payment and Settlement Systems Act, 2007, as amended
QR Code	Quick response code
RAASB	Research Analyst Administration and Supervisory Body
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real time gross settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended

Term	Description
SEBI AV Circular	SEBI circular bearing number SEBI/HO/CFD/CFD-TPD-1/P/CIR/2024/55 dated May 24, 2024 on audiovisual (AV) presentation of disclosures made in public issue offer documents
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FUTP Regulations	Securities and Exchange Board of India (Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI ICDR Master Circular	SEBI master circular bearing number SEBI/HO/CFD/PoD-1/P/CIR/2024/00154 dated November 11, 2024
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI PIT Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI RTA Master Circular	SEBI Master Circular for Registrars to an Issue and Share Transfer Agents (bearing reference no. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/91, dated June 23, 2025 (including to the extent it pertains to the UPI Mechanism)
SEBI SBEB & SE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
SIDBI	Small Industries Development Bank of India
SME	Small and medium enterprises
Stamp Act	The Indian Stamp Act, 1899, as amended
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
“Systemically Important NBFC” or “NBFC-SI”	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Sq. ft.	Square feet
TAN	Tax deduction and collection account number
Trademarks Act	Trademarks Act, 1999, as amended
UIDAI	The Unique Identification Authority of India
“U.K.” or “UK”	United Kingdom
“U.S.” or “USA” or “United States”	United States of America including its territories and possessions, any State of the United States, and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United States
U.S. SEC	Securities and Exchange Commission of the United States of America
U.S. QIBs	“Qualified institutional buyers”, as defined in Rule 144A. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Updated Draft Red Herring Prospectus - I as “QIBs”
U.S. Securities Act	U.S. Securities Act of 1933, as amended
“USD” or “US\$”	United States Dollars
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations
“Year” or “calendar year”	Unless the context otherwise requires, shall mean the 12 months period ending December 31

OFFER DOCUMENT SUMMARY

The following is a general summary of certain disclosures and the terms of the Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Updated Draft Red Herring Prospectus - I or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Updated Draft Red Herring Prospectus - I, including “Risk Factors”, “The Offer”, “Capital Structure”, “Objects of the Offer”, “Industry Overview”, “Our Business”, “Our Promoters and Promoter Group”, “Restated Consolidated Financial Information”, “Outstanding Litigation and Material Developments”, “Offer Procedure” and “Description of Equity Shares and Terms of the Articles of Association” on pages 39, 101, 116, 138, 156, 194, 293, 305, 435, 493, and 515, respectively.

Summary of the primary business of our Company

We are a technology company that builds digital platforms for Payments services, Digital Distribution Services and Financial Services. Through the PhonePe Platform, we offer Consumer Payments, Merchant Payments and Lending Distribution and Insurance Distribution services. We have also built and are rapidly scaling two New Platforms: (i) ShareMarket, our stock broking and mutual funds distribution platform and (ii) Indus AppStore, a mobile app marketplace. Our platforms are built on our award-winning scalable technology stack that provides reliability, scalability, security and cost efficiency across our platforms and new use cases.

Summary of the industry in which our Company operates

India’s digital payments industry is experiencing rapid growth, driven by smartphone adoption, affordable data, and government initiatives such as Digital Public Infrastructure, according to the Redseer Report. UPI transactions accounted for 87% of consumer payment value in Fiscal Year 2025, and total consumer payments reached ₹301 trillion (US\$3.5 trillion). Merchant payments are also expanding, supported by innovations such as QR codes and payment devices, according to the Redseer Report. Increasing financial inclusion is a key growth driver, with total digital consumer payments projected to grow at a 15-18% CAGR through Fiscal Year 2030. Product innovations and increasing digital penetration specially in Tier-2+ cities are fuelling further expansion in payments industry, according to the Redseer Report.

Our Promoters

Our Promoters are WM Digital Commerce Holdings Pte. Ltd. and Wal-Mart International Holdings, Inc. For further details, see “Our Promoters and Promoter Group” on page 293.

Offer Size

The details of the Offer are set out below:

Offer for Sale⁽¹⁾⁽²⁾⁽³⁾	Up to 50,660,446 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million by the Selling Shareholders

⁽¹⁾ The Offer has been authorised by our Board pursuant to the resolution passed at its meeting dated September 23, 2025.

⁽²⁾ Our Board has taken on record the consent by each of the Selling Shareholders to, severally and not jointly, participate in the Offer for Sale, pursuant to its resolution dated September 23, 2025. Each of the Selling Shareholders has, severally and not jointly, approved its respective participation in the Offer for Sale pursuant to its respective consent letter. For details on the authorisation and consent of each of the Selling Shareholders in relation to their respective Offered Shares, see “The Offer” and “Other Regulatory and Statutory Disclosures” on pages 101 and 454, respectively.

⁽³⁾ Each of the Selling Shareholders, severally and not jointly, confirmed that its respective portion of the Offered Shares is eligible for being offered for sale, in accordance with Regulation 8 and 8A of the SEBI ICDR Regulations respectively.

The Offer shall constitute [●]% of the post Offer paid up Equity Share capital of our Company. For further details, see “The Offer” and “Offer Structure” on pages 101 and 490, respectively.

Objects of the Offer

The Selling Shareholders will be entitled to the entire proceeds of the Offer after deducting their portion of the Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer. The objects of the Offer are to (i) achieve the benefits of listing the Equity Shares on the Stock Exchanges; and (ii) carry out the Offer for Sale of up to 50,660,446 Equity Shares of face value of ₹1 each aggregating to ₹[●] million by the Selling Shareholders. Further, our Company expects that the proposed listing of its Equity Shares will enhance our visibility and brand image as well as provide a public market for the Equity Shares in India.

For further details, see “Objects of the Offer” on page 138.

Aggregate pre-Offer shareholding of our Promoters, Selling Shareholders, members of the Promoter Group as a percentage of our paid-up Equity Share capital

The aggregate pre-Offer shareholding as at the date of Updated Draft Red Herring Prospectus - I of our Promoters and Selling Shareholders is set out below:

Sr. No.	Names of Shareholders	Pre-Offer shareholding		Post-Offer shareholding ⁽²⁾	
		Number of Equity Shares of face value of ₹1 each ⁽¹⁾	Percentage of pre-Offer paid-up Equity Share capital on a fully diluted basis (in %) ⁽¹⁾	Number of Equity Shares of face value of ₹1 each ⁽¹⁾	Percentage of post-Offer paid-up Equity Share capital on a fully diluted basis (in %) ⁽¹⁾
Promoter					
1.	WM Digital Commerce Holdings Pte. Ltd.^	371,517,890	71.77	[●]	[●]
Selling Shareholders (other than Promoter Selling Shareholder)					
1.	Tiger Global PIP 9–1 Ltd.	1,039,160	0.20	[●]	[●]
2.	Microsoft Global Finance Unlimited Company	3,678,790	0.71	[●]	[●]
Total		376,235,840	72.68	[●]	[●]

[^]Also the Promoter Selling Shareholder.

Notes:

⁽¹⁾ Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon exercise of vested options under the PSOP.

⁽²⁾ Subject to completion of the Offer and finalization of the Allotment.

Further, as on the date of this Updated Draft Red Herring Prospectus - I, except as disclosed above, none of our Promoters or members of the Promoter Group hold any Equity Shares in our Company.

For further details of the Offer, see “Capital Structure” on page 116.

Pre-Offer shareholding as on the date of Price Band advertisement and post-Offer shareholding as at Allotment of our Promoters, members of the Promoter Group and additional top 10 Shareholders

The pre-Offer shareholding of our Promoters, members of Promoter Group and additional top 10 Shareholders as on the date of the Price Band advertisement and as at the date of Allotment is as set out below:

Sr. No.	Pre-Offer shareholding as at the date of Price Band advertisement			Post-Offer shareholding as at Allotment ^{*(2)}			
	Name of the Shareholder	Number of Equity Shares of face value of ₹1 each	Shareholding (in %)	At the lower end of the Price Band (in ₹ ●)		At the upper end of the Price Band (in ₹ ●)	
				Number of Equity Shares of face value of ₹1 each*	Shareholding (in %)*	Number of Equity Shares of face value of ₹1 each*	Shareholding (in %)*
Promoters							
1.	WM Digital Commerce Holdings Pte. Ltd.^	●	●	●	●	●	●
Additional top 10 Shareholders							
1.	●	●	●	●	●	●	●
2.	●	●	●	●	●	●	●
3.	●	●	●	●	●	●	●
4.	●	●	●	●	●	●	●
5.	●	●	●	●	●	●	●
6.	●	●	●	●	●	●	●
7.	●	●	●	●	●	●	●
8.	●	●	●	●	●	●	●
9.	●	●	●	●	●	●	●
10.	●	●	●	●	●	●	●

[^]Also the Promoter Selling Shareholder.

^{*}To be filled in the Prospectus at the Allotment stage.

Notes:

⁽¹⁾ Includes all options that have been exercised until date of prospectus and any transfers of equity shares by existing Shareholders after the date of the pre-Offer and Price Band advertisement until date of Prospectus.

⁽²⁾ Based on the Offer price of ₹[●] and subject to finalization of the Basis of Allotment.

For further details of the Offer, see “Capital Structure” on page 116.

Summary of Restated Consolidated Financial Information

The following details are derived from the Restated Consolidated Financial Information as at and for the six months period ended September 30, 2025 and September 30, 2024, and as at and for the Fiscal Years ended March 31, 2025, March 31, 2024 and March 31, 2023:

(in ₹ million, unless otherwise stated)

Particulars	As at and for the six months period ended September 30, 2025	As at and for the six months period ended September 30, 2024	As at and for the Fiscal Year ended March 31, 2025	As at and for the Fiscal Year ended March 31, 2024	As at and for the Fiscal Year ended March 31, 2023
Equity share capital	506.60	442.74	442.74	442.74	434.53
Total income	41,745.07	34,597.08	76,313.82	57,222.00	30,834.34
Restated profit/ (loss)	(14,444.22)	(12,032.05)	(17,274.10)	(19,961.71)	(27,960.69)
Restated Basic (loss) per equity share of ₹1 each ^{(1)(6)*}	(30.61)	(26.41)	(37.46)	(45.17)	(68.40)
Restated Diluted (loss) per equity share of ₹1 each ^{(2)(6)*}	(30.61)	(26.41)	(37.46)	(45.17)	(68.40)
Total borrowings	-	-	-	-	-
Net worth ⁽³⁾	95,390.18	90,546.35	93,743.37	93,241.22	73,872.44
Return on Net worth (%) ^{(4)*}	(15.14)%	(13.29)%	(18.43)%	(21.41)%	(37.85)%
Net Asset Value per equity share (in ₹) ⁽⁵⁾⁽⁶⁾	185.08	177.07	182.79	199.35	170.00

*Not annualised for the six months period ended September 30, 2025 and September 30, 2024.

Notes:

- ⁽¹⁾ Restated Basic (loss) per equity share of ₹1 each is calculated by dividing the Restated profit/ (loss) by the weighted average number of equity shares computed in accordance with Ind AS 33 Earnings per share.
- ⁽²⁾ Restated Diluted (loss) per equity share of ₹1 each is calculated by dividing the Restated profit/ (loss) by the weighted average number of equity shares adjusted for effect of dilution computed in accordance with Ind AS 33 Earnings per share.
- ⁽³⁾ Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations. We have calculated net worth as aggregate value of equity share capital, securities premium, share based payment reserve, other reserves, retained earnings, remeasurement of the defined benefit plan and equity instruments through other comprehensive income.
- ⁽⁴⁾ Return on net worth (%) is calculated as Restated profit/ (loss) divided by net worth at the end of the period/ year.
- ⁽⁵⁾ Net asset value per equity share (in ₹) is defined as net worth divided by outstanding number of equity shares and such number of equity shares which will result upon exercise of vested options under various employee stock option plans.
- ⁽⁶⁾ Pursuant to resolutions passed by the Board of Directors and the Shareholders in their respective meetings held on March 11, 2025 and March 31, 2025, the face value of the equity shares of the Company was sub-divided from ₹ 10 each to ₹ 1 each, the disclosure of basic and diluted earnings per share, net asset value per equity share for all the period/ years presented has been arrived at after giving effect to the sub-division in accordance with the principles of Ind AS 33 Earnings per share.

For further details, see “Other Financial Information” on page 379.

Qualifications of the Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Information

There are no qualifications of Statutory Auditor which have not been given effect to in the Restated Consolidated Financial Information.

Summary table of outstanding litigation

A summary of outstanding litigation proceedings as on the date of this Updated Draft Red Herring Prospectus - I as disclosed in the section titled “Outstanding Litigation and Other Material Developments” on page 435, in terms of the SEBI ICDR Regulations and the Materiality Policy as on the date of this Updated Draft Red Herring Prospectus - I is provided below:

Category of individuals / entities	Criminal proceedings	Tax proceedings ⁽²⁾	Statutory or regulatory proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action	Material civil litigations	Aggregate amount involved (in ₹ million) ⁽¹⁾
Company						
By our Company	135	N.A.	N.A.	N.A.	6	240.81
Against our Company	3	16	Nil ⁽³⁾	Nil	1	49.96
Directors						
By our Directors	1	N.A.	N.A.	N.A.	Nil	0.07
Against our Directors	Nil	3	Nil	Nil	Nil	515.07 ⁽⁴⁾

Category of individuals / entities	Criminal proceedings	Tax proceedings ⁽²⁾	Statutory or regulatory proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action	Material civil litigations	Aggregate amount involved (in ₹ million) ⁽¹⁾
Promoters						
By our Promoters	Nil	N.A.	N.A.	N.A.	Nil	-
Against our Promoters	Nil	Nil	Nil	Nil	Nil	-
Subsidiaries						
By Subsidiaries	1	N.A.	N.A.	N.A.	Nil	-
Against Subsidiaries	2	3	3	Nil	Nil	6.31

⁽¹⁾ To the extent ascertainable and quantifiable.

⁽²⁾ The above table does not include 15 refund proceedings and three rectification proceedings filed by our Company and certain Subsidiaries. There is no tax demand liability against our Company and Subsidiaries in these proceeding but only a refund that needs to be paid by the tax authorities to our Company and Subsidiaries.

⁽³⁾ Our Company has filed an adjudication application dated July 14, 2025 before the Registrar of Companies, Karnataka on July 16, 2025, for adjudication of penalties under Section 450 of the Companies Act, 2013 in relation to non-conformance with the provisions of Section 62(1)(c) of the Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014, as amended, on allotments of equity shares at a price lower than the price determined in the valuation reports. For further details, see “Risk Factors – Certain of our corporate filings with the RoC have discrepancies and instances of non-conformance with the Companies Act, 2013 relating to share allotments. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future, and we will not be subject to any penalty imposed by the competent regulatory authority in this regard” on page 66.

⁽⁴⁾ The amount pertains to a tax refund in the case of one of our Directors, where an appeal is pending before the Commissioner of Income-tax (Appeals).

Category of individuals	Criminal proceedings	Statutory or regulatory proceedings	Aggregate amount involved (in ₹ million) ⁽¹⁾
Key Managerial Personnel			
By our Key Managerial Personnel	1	Nil	0.07
Against our Key Managerial Personnel	Nil	Nil	Nil
Senior Management			
By our Senior Management	Nil	N.A.	Nil
Against our Senior Management	Nil	Nil	Nil

⁽¹⁾ To the extent ascertainable and quantifiable.

As on date of this Updated Draft Red Herring Prospectus - I, there are no outstanding litigations involving our Group Companies which may have a material impact on our Company.

For further details, see “Outstanding Litigation and Material Developments” on page 435.

Risk factors

For details of the risks applicable to us, see “Risk Factors” on page 39. Bidders are advised to read the risk factors carefully before making an investment decision in the Offer.

The following is a summary of the top ten risk factors in relation to our Company:

- We have a history of net losses and negative cash flows from operating activities. We had restated profit/ (loss) of ₹(14,444.22) million, ₹(12,032.05) million, ₹(17,274.10) million, ₹(19,961.71) million and ₹(27,960.69) million for the six months period ended September 30, 2025 and 2024, and Fiscal Years 2025, 2024 and 2023, respectively. We had negative net cash flows used in operating activities of ₹(1,172.71) million, ₹(6,291.52) million and ₹(7,682.50) million for the six months period ended September 30, 2025 and in Fiscal Years 2024 and 2023, respectively. We have also experienced negative cash flows used in investing activities and financing activities in the past. We may continue to incur losses and negative cash flows in the future, which may have an adverse effect on our operations and growth plans.
- Our Consumer Payments offering accounted for 56.14%, 68.84%, 63.34%, 71.56% and 82.91% of our revenue from operations for the six months period ended September 30, 2025 and 2024, and Fiscal Years 2025, 2024 and 2023, respectively. Any disruption in our Consumer Payments offering could adversely affect our business, financial condition, results of operations and cash flows.
- In the event that our payment processing charges payable to financial institutions increase significantly, and we are not able to pass on these higher processing charges to our merchants or consumers, our margins and profitability may decrease significantly.
- In line with the extant UPI guidelines, we participate in the UPI payment system through Payment System Provider (“PSP”) banks. Consequently, we are dependent on the three sponsor PSP banks, namely Yes Bank Limited, Axis Bank Limited, and ICICI Bank Limited. Any change in commercial terms, disruption, failure, or operational

breakdown within one or more of these payment networks, banks (including PSP banks), especially if occurring simultaneously, could have an adverse effect on our business.

5. NPCI has issued a Volume Cap Circular (as defined below), proposing a cap of 30% on the total volume of UPI transactions which has been deferred until December 31, 2026 (calculated as the overall volume of transactions processed in UPI during the preceding three months on a rolling basis) that may be processed by any single TPAP. If further guidelines are promulgated by NPCI to implement and enforce the Volume Cap Circular, it may impact our ability to onboard new UPI users, and thereby our business operations, financial performance, cash flows and overall growth trajectory may be adversely affected.
6. Our total revenue from payment services was ₹34,058.60 million, ₹29,613.21 million, ₹64,979.39 million, ₹48,583.38 million and ₹28,459.65 million for the six months period ended September 30, 2025 and 2024, and Fiscal Years 2025, 2024 and 2023, respectively, representing 86.92%, 92.32%, 91.33%, 95.94% and 97.66% of our revenue from operations for such periods/ fiscal years, respectively. Any downturn in customers' willingness to use our payments services could have a material adverse impact on our business, financial condition, results of operations and cash flows.
7. If we are unable to retain or expand our network of users, merchants, lending partners, insurers, or other business partners, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected.
8. Our operations are subject to various legal and regulatory requirements, including oversight and inspection by most of the major Indian financial regulators, including the Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI"), and Insurance Regulatory & Development Authority of India ("IRDAI"), as well as other authorities of the Government of India ("GoI") such as the Unique Identification Authority of India ("UIDAI") and the Department of Telecommunications ("DoT"). Any changes in, or non-compliance with, applicable legal or regulatory requirements may adversely affect our operations.
9. We are subject to cybersecurity risks that could lead to disruptions of our operations and additional costs that adversely affect our reputation, brand, business, financial condition, results of operations and cash flows.
10. Our success depends on the continuing efforts of our employees including Key Managerial Personnel and Senior Management, and our ability to recruit and retain talent. If we fail to hire, retain or motivate our employees, maintain our company culture and our values as we grow, our business may suffer.

Summary of contingent liabilities

Our Company has no contingent liabilities as on September 30, 2025, as per Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Summary of related party transactions

A summary of related party transactions (post inter-company eliminations) as per Ind AS 24 Related Party Transactions, read with the SEBI ICDR Regulations, entered into by our Company with the related parties during the six months period ended September 30, 2025, September 30, 2024 and the fiscal year ended March 31, 2025, March 31, 2024, and March 31, 2023, are as follows:

(₹ in million)						
Particulars	Relationship	For the six months period ended		For the Fiscal Year ended		
		September 30, 2025	September 30, 2024	March 31, 2025	March 31, 2024	March 31, 2023
Revenue from operations						
Flipkart Internet Private Limited	Fellow subsidiary	11.68	65.77	139.00	86.50	268.51
Flipkart Health Limited	Fellow subsidiary	-	0.18	0.23	0.80	8.77
Instakart Services Private Limited	Fellow subsidiary	170.27	103.64	243.49	249.31	322.52
Myntra Designs Private Limited	Fellow subsidiary	39.35	37.37	81.91	75.48	57.83
Cleartrip Private Limited	Fellow subsidiary	0.82	7.40	29.11	45.70	6.08
Comercio Digital Wal-Mart, S. de R.L. de C.V.	Fellow subsidiary	-	6.44	15.39	1.04	-
Jeeves Consumer Services Private Limited	Fellow subsidiary	-	0.01	0.01	0.06	0.09

(₹ in million)

(₹ in million)

Particulars	Relationship	For the six months period ended		For the Fiscal Year ended		
		September 30, 2025	September 30, 2024	March 31, 2025	March 31, 2024	March 31, 2023
Wal-Mart India Private Limited	Fellow subsidiary	0.02	1.25	3.23	12.12	0.23
Yuvdhi Apparels Private Limited	Associate of fellow subsidiary	-	0.01	0.01	0.01	-
Wildcraft India Limited	Associate of fellow subsidiary	0.38	0.33	0.71	0.86	0.84
F1 Info Solutions & Services Private Limited	Fellow subsidiary	0.35	-	-	-	-
Flipkart Advanz Private Limited	Fellow subsidiary	-	-	-	9.48	-
Flipkart India Private Limited	Fellow subsidiary	-	-	-	0.56	-
Dividend income						
C.E. Info Systems Limited (formerly known as 'C.E. Info Systems Private Limited')	Associate	26.17	35.69	35.69	30.59	-
Other Income						
Headstand Pte. Ltd. (formerly known as 'PhonePe Private Limited (Singapore)')	Immediate holding company upto December 23, 2022 and Fellow subsidiary from December 23, 2022 upto June 08, 2023	-	-	-	-	209.80
Expenses incurred on behalf of related parties						
Walmart Inc.	Ultimate holding company	18.85	13.81	34.61	30.92	28.54
Flipkart Internet Private Limited	Fellow subsidiary	10.00	10.00	20.00	20.00	20.00
Headstand Pte. Ltd. (formerly known as 'PhonePe Private Limited (Singapore)')	Immediate holding company upto December 23, 2022 and Fellow subsidiary from December 23, 2022 upto June 08, 2023	-	-	-	-	9.06
Share based payments						
Headstand Pte. Ltd. (formerly known as 'PhonePe Private Limited (Singapore)')	Immediate holding company upto December 23, 2022 and Fellow subsidiary from December 23, 2022 upto June 08, 2023	-	-	-	443.91	9,215.33
Flipkart Private Limited	Intermediate holding company upto December 23, 2022 and Fellow subsidiary from December 23, 2022	-	-	-	-	2,622.41
Reversal of ESOP liability on account of migration						
Headstand Pte. Ltd. (formerly known as 'PhonePe Private Limited (Singapore)')	Immediate holding company upto December 23, 2022 and Fellow subsidiary from December 23, 2022 upto June 08, 2023	-	-	-	21,070.00	12,766.81
License and service expense						
Flipkart Internet Private Limited	Fellow subsidiary	3.54	9.92	8.49	21.02	-
C.E. Info Systems Limited (formerly known as 'C.E. Info Systems Private Limited')	Associate	18.98	42.42	61.96	68.04	51.49
Travelling and conveyance expense						
Cleartrip Packages and Tours Private Limited	Fellow subsidiary	-	-	-	5.10	-
Cleartrip Private Limited	Fellow subsidiary	-	-	-	-	0.83
Flipkart Internet Private Limited	Fellow subsidiary	-	-	-	-	7.71
Repairs and Maintenance expense						

(₹ in million)

Particulars	Relationship	For the six months period ended		For the Fiscal Year ended		
		September 30, 2025	September 30, 2024	March 31, 2025	March 31, 2024	March 31, 2023
F1 Info Solutions & Services Private Limited	Fellow subsidiary	6.99	25.86	66.89	14.35	-
Staff welfare expense						
Wildcraft India Limited	Associate of fellow subsidiary	-	-	-	1.25	1.76
Flipkart Internet Private Limited	Fellow subsidiary	-	-	-	-	4.03
Flipkart India Private Limited	Fellow subsidiary	-	-	-	-	0.36
Logistics expense						
Shadowfax Technologies Limited (formerly known as 'Shadowfax Technologies Private Limited')	Associate of fellow subsidiary	4.16	64.17	80.42	-	-
Rent expense						
C.E. Info Systems Limited (formerly known as 'C.E. Info Systems Private Limited')	Associate	-	-	-	-	3.54
Information technology infrastructure expense						
Flipkart Internet Private Limited	Fellow subsidiary	-	-	-	-	17.99
Myntra Designs Private Limited	Fellow subsidiary	-	-	-	-	8.06
Expenses reimbursed to related party						
Headstand Pte. Ltd. (formerly known as 'PhonePe Private Limited (Singapore)')	Immediate holding company upto December 23, 2022 and Fellow subsidiary from December 23, 2022 upto June 08, 2023	-	-	-	-	222.61
Flipkart Internet Private Limited	Fellow subsidiary	-	-	-	-	43.04
Flipkart Private Limited	Intermediate holding company upto December 23, 2022 and Fellow subsidiary from December 23, 2022	-	-	-	-	75.53
Issue/ allotment of shares						
WM Digital Commerce Holdings Pte. Ltd. (formerly known as 'FIT Parent Pte. Ltd.' and 'FIT Holdings S.A.R.L.')	Immediate holding company from December 23, 2022	-	-	-	-	16,600.00
Headstand Pte. Ltd. (formerly known as 'PhonePe Private Limited (Singapore)')	Immediate holding company upto December 23, 2022 and Fellow subsidiary from December 23, 2022 upto June 08, 2023	-	-	-	-	7,423.16
Purchase of shares in Indus Appstore (Singapore) Pte. Ltd. (formerly known as 'Oslabs Pte. Ltd.')						
Headstand Pte. Ltd. (formerly known as 'PhonePe Private Limited (Singapore)')	Immediate holding company upto December 23, 2022 and Fellow subsidiary from December 23, 2022 upto June 08, 2023	-	-	-	-	5,763.75
Compensation to key management personnel						
Remuneration - salary and other benefits*	Directors and executive officers	48.07	26.99	73.14	50.01	68.14
Remuneration - share based payments (including SARs)		12,038.73	4,834.33	9,192.55	2,264.91	9,172.99
Salary advance given		2.00	-	-	-	-
Salary advance recovered		(0.34)	-	-	-	-
Legal and professional		65.59	15.36	35.76	17.54	-

(₹ in million)

Particulars	Relationship	For the six months period ended		For the Fiscal Year ended		
		September 30, 2025	September 30, 2024	March 31, 2025	March 31, 2024	March 31, 2023
Reimbursements		-	0.13	0.13	-	-
Issue/ allotment of shares**		44.44	-	-	-	-

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

** Our Company has received ₹40,500.29 million to settle the tax obligation arising on options exercised by the key managerial personnel during the six months ended September 30, 2025.

Terms and conditions of transactions with related parties

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

(2) All the outstanding balances (payables or receivables) with related parties are unsecured.

(3) A trademark license agreement was entered between the Company and Meteor Sports LLP ("MSL"), a body corporate whose partners/ designated partners include certain Key managerial personnel of the Company on February 1, 2023 for a limited period of up to 3 months, for the purpose of displaying /including the Company's logo/trademark on MSL team's jersey design/merchandise/player's sport accessories and any other related advertisement/display properties during the Prime Volleyball League 2023 in India which ended on March 05, 2023. The provision of license for a limited period has been considered sufficient consideration for the purpose of the agreement. The necessary disclosures have been made and requisite approvals for this transaction have been obtained, in compliance with the applicable provisions of the Companies Act, 2013.

The following are details of the related party transactions eliminated on consolidation during the six months period ended September 30, 2025 and September 30, 2024 and Fiscal Year ended March 31, 2025, March 31, 2024, March 31, 2023 as per Ind AS 24 Related Party Disclosures read with the SEBI ICDR Regulations:

₹ in millions)

Sr. No.	List of eliminated transactions (with or between subsidiaries)	Relationship	For the six months period ended		For the Fiscal Year ended		
			September 30, 2025	September 30, 2024	March 31, 2025	March 31, 2024	March 31, 2023
1	PhonePe Limited (formerly known as ‘PhonePe Private Limited’)						
	Revenue from operations						
	PhonePe Wealth Broking Private Limited	Subsidiary	30.09	191.39	268.94	224.88	79.75
	PhonePe Lending Services Private Limited	Subsidiary	181.28	42.46	113.19	140.19	-
	PhonePe Insurance Broking Services Private Limited	Subsidiary	41.27	21.77	53.52	68.79	44.12
	Pincode Shopping Solutions Private Limited	Subsidiary	0.80	6.24	7.41	1.69	-
	Indus Appstore Private Limited	Subsidiary w.e.f October 6, 2022	2.91	2.92	4.75	-	-
	PhonePe Technology Services Private Limited	Subsidiary	-	6.25	-	10.42	-
	Sublease Income						
	PhonePe Technology Services Private Limited	Subsidiary	0.34	0.30	0.70	2.51	0.52
	PhonePe Insurance Broking Services Private Limited	Subsidiary	6.23	9.23	18.63	26.70	2.29
	PhonePe Wealth Broking Private Limited	Subsidiary	47.68	32.58	67.83	41.41	17.60
	Pincode Shopping Solutions Private Limited	Subsidiary	49.01	28.20	65.27	11.84	0.46
	PhonePe Finance Private Limited	Subsidiary	0.18	0.21	0.50	1.80	0.30
	PhonePe Lending Services Private Limited	Subsidiary	47.79	24.85	61.31	26.92	9.95
	Indus Appstore Private Limited	Subsidiary w.e.f October 6, 2022	21.21	16.35	35.35	51.58	15.26
	Manpower and Technology services income						
	PhonePe Lending Services Private Limited	Subsidiary	1,895.63	380.39	1,032.46	278.57	-
	Pincode Shopping Solutions Private Limited	Subsidiary	67.83	51.75	104.72	-	-
	PhonePe Insurance Broking Services Private Limited	Subsidiary	290.76	34.27	72.99	-	-

(₹ in millions)

Sr. No.	List of eliminated transactions (with or between subsidiaries)	Relationship	For the six months period ended		For the Fiscal Year ended		
			September 30, 2025	September 30, 2024	March 31, 2025	March 31, 2024	March 31, 2023
	PhonePe Wealth Broking Private Limited	Subsidiary	184.96	10.19	20.36	-	-
	PhonePe Technology Services Private Limited	Subsidiary	9.37	3.00	17.80	5.00	-
	Indus Appstore Private Limited	Subsidiary w.e.f October 6, 2022	1.67	0.69	2.05	-	-
Interest income on loans							
	PhonePe Lending Services Private Limited	Subsidiary	120.52	128.69	257.65	90.50	-
	Indus Appstore Private Limited	Subsidiary w.e.f October 6, 2022	215.05	122.73	255.40	89.01	21.25
	Pincode Shopping Solutions Private Limited	Subsidiary	0.50	-	-	-	-
	PhonePe Wealth Broking Private Limited	Subsidiary	-	-	-	-	0.11
Expenses incurred by related parties on Company's behalf							
	PhonePe Insurance Broking Services Private Limited	Subsidiary	0.29	-	-	1.74	1.25
	PhonePe Wealth Broking Private Limited	Subsidiary	-	-	-	-	3.01
	PhonePe Lending Services Private Limited	Subsidiary	0.13	-	-	-	3.48
	Pincode Shopping Solutions Private Limited	Subsidiary	-	-	0.88	-	-
	PhonePe Finance Private Limited	Subsidiary	-	-	5.36	-	0.10
	Indus Appstore Private Limited	Subsidiary w.e.f October 6, 2022	-	-	-	0.02	-
Expenses incurred on behalf of related parties							
	PhonePe Insurance Broking Services Private Limited	Subsidiary	21.00	14.33	29.18	85.15	-
	Indus Appstore Private Limited	Subsidiary w.e.f October 6, 2022	2.50	4.15	16.85	16.20	0.87
	PhonePe Lending Services Private Limited	Subsidiary	62.01	38.59	54.98	0.39	5.78
	PhonePe Finance Private Limited	Subsidiary	-	2.92	-	5.39	5.21
	PhonePe Wealth Broking Private Limited	Subsidiary	21.53	36.91	68.73	13.41	0.10
	Pincode Shopping Solutions Private Limited	Subsidiary	9.41	153.19	187.44	152.96	-
	PhonePe Technology Services Private Limited	Subsidiary	0.20	1.76	4.23	-	-
Advertisement and sales promotions expense							
	Indus Appstore Private Limited	Subsidiary w.e.f October 6, 2022	-	-	-	-	3.34
License fee							
	PhonePe Insurance Broking Services Private Limited	Subsidiary	8.25	-	-	-	-
	PhonePe Wealth Broking Private Limited	Subsidiary	2.75	-	-	-	-
	Pincode Shopping Solutions Private Limited	Subsidiary	0.10	-	-	-	-
	PhonePe Lending Services Private Limited	Subsidiary	36.26	-	-	-	-
Equity Investment							
	PhonePe Wealth Broking Private Limited	Subsidiary	400.00	1,900.00	3,650.00	2,070.00	4,632.50
	Pincode Shopping Solutions Private Limited	Subsidiary	1,750.00	900.00	2,900.00	900.00	-
	PhonePe Insurance Broking Services Private Limited	Subsidiary	-	450.00	450.00	2,260.00	5,620.00

(₹ in millions)

Sr. No.	List of eliminated transactions (with or between subsidiaries)	Relationship	For the six months period ended		For the Fiscal Year ended		
			September 30, 2025	September 30, 2024	March 31, 2025	March 31, 2024	March 31, 2023
	PhonePe Technology Services Private Limited	Subsidiary	-	30.00	100.00	250.00	-
	Indus Appstore (Singapore) Pte Ltd	Subsidiary w.e.f. October 6, 2022	2,350.00	-	-	-	490.57
	PhonePe Finance Private Limited	Subsidiary	-	-	-	-	50.00
	PhonePe Lending Services Private Limited	Subsidiary	-	-	-	-	164.50
	Share based payments						
	Indus Appstore Private Limited	Subsidiary w.e.f. October 6, 2022	35.77	182.61	320.12	464.33	290.49
	PhonePe Insurance Broking Services Private Limited	Subsidiary	283.86	354.04	669.52	614.73	351.90
	PhonePe Lending Services Private Limited	Subsidiary	483.13	507.59	990.95	590.53	33.48
	PhonePe Technology Services Private Limited	Subsidiary	4.34	17.76	36.56	138.13	7.39
	PhonePe Wealth Broking Private Limited	Subsidiary	326.45	336.81	639.54	921.12	453.71
	Pincode Shopping Solutions Private Limited	Subsidiary	399.89	380.98	749.91	438.36	-
	Employee Transfers asset						
	Indus Appstore Private Limited	Subsidiary w.e.f. October 6, 2022	2.16	5.83	-	3.66	-
	PhonePe Wealth Broking Private Limited	Subsidiary	1.08	2.37	5.27	3.37	-
	PhonePe Insurance Broking Services Private Limited	Subsidiary	8.93	8.13	0.61	-	-
	Pincode Shopping Solutions Private Limited	Subsidiary	8.32	8.99	2.49	-	-
	PhonePe Lending Services Private Limited	Subsidiary	5.11	5.10	-	-	-
	PhonePe Technology Services Private Limited	Subsidiary	3.62	2.43	-	-	-
	Employee Transfers liability						
	Pincode Shopping Solutions Private Limited	Subsidiary	1.57	2.29	-	66.54	5.57
	PhonePe Insurance Broking Services Private Limited	Subsidiary	4.13	1.54	-	2.12	-
	PhonePe Lending Services Private Limited	Subsidiary	15.97	2.16	5.83	40.36	-
	PhonePe Technology Services Private Limited	Subsidiary	0.44	1.24	1.12	4.14	-
	Indus Appstore Private Limited	Subsidiary w.e.f. October 6, 2022	3.17	-	5.73	-	-
	PhonePe Wealth Broking Private Limited	Subsidiary	1.19	0.39	-	-	-
	Transfer of other liability						
	PhonePe Insurance Broking Services Private Limited	Subsidiary	-	-	0.06	2.88	-
	Sale of intangibles						
	PhonePe Lending Services Private Limited	Subsidiary	-	-	-	2,136.00	-
	Purchase of intangibles						
	PhonePe Lending Services Private Limited	Subsidiary	-	-	-	14.30	-
2	PhonePe Insurance Broking Services Private Limited						
	Advertisement and sales promotions expense						
	PhonePe Limited	Holding Company	8.25	-	-	-	-
	Rent expense						
	PhonePe Limited	Holding Company	6.23	9.23	18.63	26.70	2.29

(₹ in millions)

Sr. No.	List of eliminated transactions (with or between subsidiaries)	Relationship	For the six months period ended		For the Fiscal Year ended		
			September 30, 2025	September 30, 2024	March 31, 2025	March 31, 2024	March 31, 2023
	Information technology infrastructure and service expense						
	PhonePe Limited	Holding Company	64.22	47.80	107.79	68.79	44.12
	Legal and professional expense						
	PhonePe Limited	Holding Company	267.81	8.24	18.72	-	-
	Share based payments						
	PhonePe Limited	Holding Company	283.86	354.04	669.52	614.73	351.90
	Equity Investment						
	PhonePe Limited	Holding Company	-	450.00	450.00	2,260.00	5,620.00
	Expenses incurred on behalf of related parties						
	PhonePe Limited	Holding Company	0.29	-	-	1.74	1.25
	Expenses incurred by related parties on Company's behalf						
	PhonePe Limited	Holding Company	21.00	14.33	29.18	85.15	-
	Employee Transfers asset						
	PhonePe Limited	Holding Company	4.13	1.54	-	2.12	-
	PhonePe Wealth Broking Private Limited	Fellow subsidiary	0.04	2.17	-	0.48	-
	PhonePe Lending Services Private Limited	Fellow subsidiary	0.26	2.37	-	-	-
	Indus Appstore Private Limited	Fellow subsidiary	-	0.18	-	-	-
	Pincode Shopping Solutions Private Limited	Fellow subsidiary	-	0.40	-	-	-
	PhonePe Technology Services Private Limited	Fellow subsidiary	-	-	0.60	-	-
	Employee Transfers liability						
	PhonePe Technology Services Private Limited	Fellow subsidiary	-	0.82	-	0.33	0.19
	PhonePe Lending Services Private Limited	Fellow subsidiary	0.03	-	4.21	3.92	-
	PhonePe Limited	Holding Company	8.93	8.13	0.61	-	-
	Indus Appstore Private Limited	Fellow subsidiary	-	-	0.09	-	-
	PhonePe Wealth Broking Private Limited	Fellow subsidiary	-	-	2.86	-	-
	Pincode Shopping Solutions Private Limited	Fellow subsidiary	-	-	0.65	-	-
	Transfer of other asset						
	PhonePe Wealth Broking Private Limited	Fellow subsidiary	-	-	12.89	-	-
	PhonePe Lending Services Private Limited	Fellow subsidiary	-	-	3.68	-	-
	PhonePe Limited	Holding Company	-	-	0.06	2.88	-
3	Pincode Shopping Solutions Private Limited						
	Interest on borrowings						
	PhonePe Limited	Holding Company	0.50	-	-	-	-
	Payment processing charges						
	PhonePe Limited	Holding Company	0.47	3.11	3.70	1.69	-
	Rent expense						
	PhonePe Limited	Holding Company	49.01	28.20	65.27	11.84	0.46
	Advertisement and sales promotions expense						
	PhonePe Limited	Holding Company	0.43	3.12	3.71	-	-
	Information technology infrastructure and service expense						
	PhonePe Limited	Holding Company	54.66	50.87	103.64	-	-
	Legal and professional expense						
	PhonePe Limited	Holding Company	13.16	0.88	1.08	-	-
	Share based payments						
	PhonePe Limited	Holding Company	399.89	380.98	749.91	438.36	-
	Equity Investment						
	PhonePe Limited	Holding Company	1,750.00	900.00	2,900.00	900.00	-
	Expenses incurred by related parties on Company's behalf						
	PhonePe Limited	Holding Company	9.41	153.19	187.44	152.96	

(₹ in millions)

Sr. No.	List of eliminated transactions (with or between subsidiaries)	Relationship	For the six months period ended		For the Fiscal Year ended		
			September 30, 2025	September 30, 2024	March 31, 2025	March 31, 2024	March 31, 2023
	Expenses incurred on behalf of related parties						
	PhonePe Limited	Holding Company	-	-	0.88	-	-
	Employee Transfers asset						
	PhonePe Limited	Holding Company	1.57	2.29	-	66.54	5.57
	PhonePe Insurance Broking Services Private Limited	Fellow subsidiary	-	-	0.65	-	-
	Employee Transfers liability						
	PhonePe Limited	Holding Company	8.32	8.99	2.49	-	-
	PhonePe Wealth Broking Private Limited	Fellow subsidiary	-	1.56	1.65	0.93	-
	PhonePe Insurance Broking Services Private Limited	Fellow subsidiary	-	0.40	-	-	-
4	PhonePe Lending Services Private Limited						
	Advertisement and sales promotions expense						
	PhonePe Limited	Holding Company	36.26	-	-	-	-
	Rent expense						
	PhonePe Limited	Holding Company	47.79	24.85	61.31	26.92	9.95
	Legal and professional expense						
	PhonePe Limited	Holding Company	1,226.52	16.10	39.38	-	-
	Information technology infrastructure and service expense						
	PhonePe Limited	Holding Company	283.64	113.90	267.45	140.19	-
	Subcontract and customer support expense						
	PhonePe Limited	Holding Company	566.75	292.85	838.82	278.57	-
	Share based payments						
	PhonePe Limited	Holding Company	483.13	507.59	990.95	590.53	33.48
	Interest on borrowings						
	PhonePe Limited	Holding Company	120.52	128.69	257.65	90.50	-
	Equity Investment						
	PhonePe Limited	Holding Company	-	-	-	-	164.50
	Expenses incurred by related parties on Company's behalf						
	PhonePe Limited	Holding Company	62.01	38.59	54.98	0.39	5.78
	PhonePe Wealth Broking Private Limited	Fellow subsidiary	-	7.75	9.69	-	-
	Expenses incurred on behalf of related parties						
	PhonePe Limited	Holding Company	0.13	-	-	-	3.48
	Employee Transfers asset						
	PhonePe Limited	Holding Company	15.97	2.16	5.83	40.36	-
	PhonePe Insurance Broking Services Private Limited	Fellow subsidiary	0.03	-	4.21	3.92	-
	PhonePe Wealth Broking Private Limited	Fellow subsidiary	-	-	-	0.98	-
	Indus Appstore Private Limited	Fellow subsidiary	0.50	-	-	0.15	-
	PhonePe Technology Services Private Limited	Fellow subsidiary	4.15	-	0.53	-	-
	Employee transfers liability						
	PhonePe Limited	Holding Company	5.11	5.10	-	-	-
	PhonePe Insurance Broking Services Private Limited	Fellow subsidiary	0.26	2.37	-	-	-
	PhonePe Wealth Broking Private Limited	Fellow subsidiary	-	0.04	-	-	-
	Indus Appstore Private Limited	Fellow subsidiary	0.65	-	-	-	-
	PhonePe Technology Services Private Limited	Fellow subsidiary	0.64	-	-	-	-
	Transfer of other liability						
	PhonePe Insurance Broking Services Private Limited	Fellow subsidiary	-	-	3.68	-	-
	Purchase of intangibles						
	PhonePe Limited	Holding Company	-	-	-	2,136.00	-
	Sale of intangibles						

(₹ in millions)

Sr. No.	List of eliminated transactions (with or between subsidiaries)	Relationship	For the six months period ended		For the Fiscal Year ended		
			September 30, 2025	September 30, 2024	March 31, 2025	March 31, 2024	March 31, 2023
	PhonePe Limited	Holding Company	-	-	-	14.30	-
5	PhonePe Wealth Broking Private Limited						
	Share based payments						
	PhonePe Limited	Holding Company	326.45	336.81	639.54	921.12	453.71
	Advertisement and sales promotions expense						
	PhonePe Limited	Holding Company	23.03	187.31	259.88	-	-
	Information technology infrastructure and service expense						
	PhonePe Limited	Holding Company	25.26	12.42	25.63	224.88	79.75
	Legal and professional expense						
	PhonePe Limited	Holding Company	169.50	1.84	3.79	-	-
	Rent expense						
	PhonePe Limited	Holding Company	47.68	32.58	67.83	41.41	17.60
	Interest on borrowings						
	PhonePe Limited	Holding Company	-	-	-	-	0.11
	Equity Investment						
	PhonePe Limited	Holding Company	400.00	1,900.00	3,650.00	2,070.00	4,632.50
	Expenses incurred by related parties on Company's behalf						
	PhonePe Limited	Holding Company	21.53	36.91	68.73	13.41	0.10
	Expenses incurred on behalf of related parties						
	PhonePe Limited	Holding Company	-	-	-	-	3.01
	PhonePe Lending Services Private Limited	Fellow subsidiary	-	7.75	9.69	-	-
	Employee Transfers asset						
	PhonePe Limited	Holding Company	1.19	0.39	-	-	-
	Pincode Shopping Solutions Private Limited	Fellow subsidiary	-	1.56	1.65	0.93	-
	PhonePe Insurance Broking Services Private Limited	Fellow subsidiary	-	-	2.86	-	-
	PhonePe Lending Services Private Limited	Fellow subsidiary	-	0.04	-	-	-
	Employee Transfers liability						
	PhonePe Limited	Holding Company	1.08	2.37	5.27	3.37	-
	PhonePe Lending Services Private Limited	Fellow subsidiary	-	-	-	0.98	-
	PhonePe Insurance Broking Services Private Limited	Fellow subsidiary	0.04	2.17	-	0.48	-
	Indus Appstore Private Limited	Fellow subsidiary	-	-	0.99	-	-
	Transfer of other liability						
	PhonePe Insurance Broking Services Private Limited	Fellow subsidiary	-	-	12.89	-	-
6	PhonePe Technology Services Private Limited						
	Share based payments						
	PhonePe Limited	Holding Company	4.34	17.76	36.56	138.13	7.39
	Legal and professional expense						
	PhonePe Limited	Holding Company	-	3.00	-	-	-
	Subcontract and customer support expense						
	PhonePe Limited	Holding Company	-	-	-	5.00	-
	Rent expense						
	PhonePe Limited	Holding Company	0.34	0.30	0.70	2.51	0.52
	Information technology infrastructure and service expense						
	PhonePe Limited	Holding Company	9.37	6.25	17.80	10.42	-
	Expenses incurred by related parties on Company's behalf						
	PhonePe Limited	Holding Company	0.20	1.76	4.23	-	-
	Equity Investment						
	PhonePe Limited	Holding Company	-	30.00	100.00	250.00	-
	Employee Transfers asset						
	PhonePe Insurance Broking Services Private Limited	Fellow subsidiary	-	0.82	-	0.33	0.19
	PhonePe Limited	Holding Company	0.44	1.24	1.12	4.14	-

(₹ in millions)

Sr. No.	List of eliminated transactions (with or between subsidiaries)	Relationship	For the six months period ended		For the Fiscal Year ended		
			September 30, 2025	September 30, 2024	March 31, 2025	March 31, 2024	March 31, 2023
	PhonePe Lending Services Private Limited	Fellow subsidiary	0.64	-	-	-	-
	Indus Appstore Private Limited	Fellow subsidiary	-	-	-	0.26	-
	Employee Transfers liability						
	PhonePe Lending Services Private Limited	Fellow subsidiary	4.15	-	0.53	-	-
	PhonePe Limited	Holding Company	3.62	2.43	-	-	-
	PhonePe Insurance Broking Services Private Limited	Fellow subsidiary	-	-	0.60	-	-
7	PhonePe Finance Private Limited						
	Rent expense						
	PhonePe Limited	Holding Company	0.18	0.21	0.50	1.80	0.30
	Equity Investment						
	PhonePe Limited	Holding Company	-	-	-	-	50.00
	Expenses incurred by related parties on Company's behalf						
	PhonePe Limited	Holding Company	-	2.92	-	5.39	5.21
	Expenses incurred on behalf of related parties						
	PhonePe Limited	Holding Company	-	-	5.36	-	0.10
8	Indus Appstore Private Limited						
	Revenue from operations						
	PhonePe Limited	Holding Company	-	-	-	-	3.34
	Revenue share - platform providers expense						
	Indus Appstore (Singapore) Pte Ltd	Holding Company	-	-	-	2.33	5.07
	Share based payments						
	PhonePe Limited	Holding Company	35.77	182.61	320.12	464.33	290.49
	Rent expense						
	PhonePe Limited	Holding Company	21.21	16.35	35.35	51.58	15.26
	Advertisement and sales promotions expense						
	PhonePe Limited	Holding Company	2.91	2.92	4.75	-	-
	Equity Investment						
	Indus Appstore (Singapore) Pte Ltd	Holding Company	2,419.86	-	828.00	-	5.12
	Information technology infrastructure and service expense						
	PhonePe Limited	Holding Company	1.67	0.69	2.05	-	-
	Expenses incurred by related parties on Company's behalf						
	PhonePe Limited	Holding Company	2.50	4.15	16.85	16.20	0.87
	Expenses incurred on behalf of related parties						
	PhonePe Limited	Holding Company	-	-	-	0.02	-
	Interest on borrowings						
	PhonePe Limited	Holding Company	215.05	122.73	255.40	89.01	21.25
	Interest on Compulsory convertible debentures						
	Indus Appstore (Singapore) Pte Ltd	Holding Company	-	-	-	-	19.94
	Employee Transfers asset						
	PhonePe Limited	Holding Company	3.17	-	5.73	-	-
	PhonePe Lending Services Private Limited	Fellow subsidiary	0.65	-	-	-	-
	PhonePe Wealth Broking Private Limited	Fellow subsidiary	-	-	0.99	-	-
	PhonePe Insurance Broking Services Private Limited	Fellow subsidiary	-	-	0.09	-	-
	Employee Transfers liability						
	PhonePe Limited	Holding Company	2.16	5.83	-	3.66	-
	PhonePe Lending Services Private Limited	Fellow subsidiary	0.50	-	-	0.15	-
	PhonePe Insurance Broking Services Private Limited	Fellow subsidiary	-	0.18	-	-	-

(₹ in millions)

Sr. No.	List of eliminated transactions (with or between subsidiaries)	Relationship	For the six months period ended		For the Fiscal Year ended		
			September 30, 2025	September 30, 2024	March 31, 2025	March 31, 2024	March 31, 2023
	PhonePe Technology Services Private Limited	Fellow subsidiary	-	-	-	0.26	-
	Purchase of Intellectual property rights						
	Indus Appstore (Singapore) Pte Ltd	Holding Company	-	-	-	793.00	-
9	Indus Appstore (Singapore) Pte Ltd						
	Revenue from operations						
	Indus Appstore Private Limited	Subsidiary	-	-	-	2.33	5.07
	Equity Investment						
	PhonePe Limited	Holding Company	2,350.00	-	-	-	490.57
	Indus Appstore Private Limited	Subsidiary	2,419.86	-	828.00	-	5.12
	Interest income on Loans						
	Indus Appstore Private Limited	Subsidiary	-	-	-	-	19.94
	Proceeds from sale of intellectual property rights						
	Indus Appstore Private Limited	Subsidiary	-	-	-	793.00	-

Financing arrangements

Our Promoters, members of the Promoter Group, our Directors and their relatives have not financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Updated Draft Red Herring Prospectus - I.

Weighted average price at which the specified securities were acquired by our Promoters and the Selling Shareholders in the one year preceding the date of this Updated Draft Red Herring Prospectus - I

The weighted average price at which the specified securities were acquired by one of our Promoters and the Selling Shareholders, in the last one year preceding the date of this Updated Draft Red Herring Prospectus - I is as follows:

Name	Number of Equity Shares of face value of ₹1 each as on date of this Updated Draft Red Herring Prospectus - I	Number of Equity Shares of face value of ₹1 each acquired in the last one year	Weighted average price of acquisition per Equity Share acquired in the last one year* (in ₹)
Promoters			
WM Digital Commerce Holdings Pte. Ltd. [^]	371,517,890	NA [#]	NA [#]
Investor Selling Shareholders			
Tiger Global PIP 9-1 Ltd.	1,039,160	NA [#]	NA [#]
Microsoft Global Finance Unlimited Company	3,678,790	NA [#]	NA [#]

* As certified by Manian & Rao, Chartered Accountants (FRN No. 001983S), by way of their certificate dated January 21, 2026.

[^] Also the Promoter Selling Shareholder.

[#] No Equity Shares were acquired in the last one year.

Further, as on the date of this Updated Draft Red Herring Prospectus - I, one of our Promoters, Wal-Mart International Holdings, Inc. does not hold nor has acquired any Equity Shares in our Company.

For further details, see “Capital Structure – Notes to the Capital Structure – Equity share capital history of our Company” on page 117.

Average cost of acquisition of Equity Shares of our Promoters and the Selling Shareholders

The average cost of acquisition per Equity Share held by one of our Promoters and the Selling Shareholders as on the date of this Updated Draft Red Herring Prospectus - I is as follows:

Category of Shareholder	Number of Equity Shares of face value of ₹1 each acquired as on the date of this Updated Draft Red Herring Prospectus - I	Average cost of acquisition per Equity Share* (in ₹)
Promoters		
WM Digital Commerce Holdings Pte. Ltd. ^	371,517,890	1,996.80
Investor Selling Shareholders		
Tiger Global PIP 9-1 Ltd.	1,039,160	1,996.80
Microsoft Global Finance Unlimited Company	3,678,790	1,996.80

* As certified by Manian & Rao, Chartered Accountants (FRN No. 001983S), by way of their certificate dated January 21, 2026.

^ Also the Promoter Selling Shareholder.

Further, as on the date of this Updated Draft Red Herring Prospectus - I, one of our Promoters, Wal-Mart International Holdings, Inc. does not hold nor has acquired any Equity Shares in our Company.

For further details, see “Capital Structure – Notes to the Capital Structure – Equity share capital history of our Company” on page 117.

Details of price at which specified securities were acquired in the last three years preceding the date of this Updated Draft Red Herring Prospectus - I by our Promoters, members of the Promoter Group, the Selling Shareholders and the Shareholders with right to nominate Directors or other special rights

Except as stated below, there have been no specified securities that were acquired in the last three years preceding the date of this Updated Draft Red Herring Prospectus - I, by our Promoters, the Selling Shareholders and Shareholders with the right to nominate Directors or other special rights in our Company:

Name of the acquirer/shareholder	Nature of transaction	Date of acquisition of Equity Shares	Number of Equity Shares of face value of ₹1 each acquired	Face value per Equity Share (in ₹)	Acquisition price per Equity Share (in ₹)#
Promoters					
WM Digital Commerce Holdings Pte. Ltd.^	Preferential allotment	March 17, 2023	8,313,300*	1*	1,996.80*
Investor Selling Shareholders					
Tiger Global PIP 9-1 Ltd.	Preferential allotment	February 23, 2023	1,039,160*	1*	1,996.80*
Shareholders with right to nominate directors or other special rights					
WM Digital Commerce Holdings Pte. Ltd.^	Preferential allotment	March 17, 2023	8,313,300*	1*	1,996.80*
Sameer Nigam	Allotment of Equity Shares pursuant to exercise of stock options under the PhonePe Founder Award Schemes	September 12, 2025	21,603,410	1	1.00
Rahul Chari	Allotment of Equity Shares pursuant to exercise of stock options under the PhonePe Founder Award Schemes	September 12, 2025	21,603,410	1	1.00

As certified by Manian & Rao, Chartered Accountants (FRN No. 001983S), by way of their certificate dated January 21, 2026.

^ Also Promoter Selling Shareholder.

* Includes the impact of sub-division of equity share of ₹10 each into 10 Equity Shares of ₹1 each.

Further, as on the date of this Updated Draft Red Herring Prospectus - I, one of our Promoters, Wal-Mart International Holdings, Inc. and members of the Promoter Group neither hold nor have acquired any Equity Shares in our Company.

Weighted average cost of acquisition of specified securities transacted by Promoters, members of the Promoter Group, Selling Shareholders and the shareholders with right to nominate directors or other special rights in three years, eighteen months and one year immediately preceding this Updated Draft Red Herring Prospectus - I

Period	Number of Equity Shares transacted of face value ₹ 1 each*	Weighted average cost of acquisition per Equity Share (in ₹)*	Cap Price is 'x' times the weighted average cost of acquisition@	Range of acquisition price per Equity Share: lowest price – highest price (in ₹)*
Last one year preceding the date of this Updated Draft Red Herring Prospectus - I	60,050,270	656.39	[●]	₹ 1.00 to ₹ 2,337.60
Last 18 months preceding the date of this Updated Draft Red Herring Prospectus - I	60,050,270	656.39	[●]	₹ 1.00 to ₹ 2,337.60
Last three years preceding the date of this Updated Draft Red Herring Prospectus - I	69,402,730	837.02	[●]	₹ 1.00 to ₹ 2,337.60

@To be updated at the prospectus stage.

*Includes the impact of sub-division of equity shares ₹10 each into 10 Equity Shares of ₹1 each.

#As certified by Manian & Rao, Chartered Accountants (FRN No. 001983S), by way of their certificate dated January 21, 2026.

Details of pre-IPO placement

As the Offer is an offer for sale of Equity Shares by the Selling Shareholders, our Company does not contemplate a pre-IPO placement as on the date of this Updated Draft Red Herring Prospectus - I till the listing of the Equity Shares.

Issue of Equity Shares made in the last one year for consideration other than cash

Our Company has not issued any Equity Shares for consideration other than cash in the last one year preceding the date of this Updated Draft Red Herring Prospectus - I.

Any split or consolidation of Equity Shares in the last one year

Except as disclosed below, our Company has not undertaken sub-division or consolidation of its Equity Shares in the one year preceding the date of this Updated Draft Red Herring Prospectus - I.

Pursuant to the Board and Shareholder's resolution dated March 11, 2025 and March 31, 2025, respectively, the face value of the equity shares was sub-divided from ₹10 per equity share to ₹1 per Equity Share. Accordingly, the issued, subscribed and paid-up equity share capital of our Company was sub-divided from 44,274,361 equity shares of face value of ₹10 each to 442,743,610 Equity Shares of face value of ₹1 each.

For details see "Capital Structure – Notes to Capital Structure – Equity Share capital of our Company" on page 117.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company had filed an exemption application dated September 23, 2025 and an updated exemption application dated October 30, 2025 (collectively, the "Exemption Application"), (i) requesting approval to include disclosures (as required for group companies under the SEBI ICDR Regulations) and to provide the required confirmations applicable to group companies under the SEBI ICDR Regulations in relation to Yuvdhi Apparels Private Limited ("Yuvdhi"), on the basis of information available with our Company and within the public domain; and (ii) accordingly seeking exemption under Regulation 300(1)(c) of the SEBI ICDR Regulations from the strict enforcement of the disclosure requirements (to the extent that such information is not available in the public domain) applicable to group companies in relation to Yuvdhi. Subsequently, by way of a letter dated November 27, 2025, our Company withdrew the Exemption Application. Accordingly, as on date of this Updated Draft Red Herring Prospectus – I, our Company has not applied for any exemption from the SEBI under Regulation 300 (2) of the SEBI ICDR Regulations from compliance with any provisions of securities laws including the SEBI ICDR Regulations.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain conventions

All references in this Updated Draft Red Herring Prospectus - I to “India” are to the Republic of India and its territories and possessions and all references to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable. All references to the “US”, “U.S.”, “USA” or “United States” are to the United States of America and its territories and possessions, to “Singapore” are to the Republic of Singapore and its territories and possessions and to “UAE”, “Emirates” or “United Arab Emirates” are to the United Arab of Emirates and its territories and possessions.

Unless stated otherwise, all references to page numbers in this Updated Draft Red Herring Prospectus - I are to the corresponding page numbers of this Updated Draft Red Herring Prospectus - I. However, all references to page numbers of the Redseer Report in this Updated Draft Red Herring Prospectus - I are to the corresponding page numbers of the “*Industry Overview*” section of this Updated Draft Red Herring Prospectus - I. Unless otherwise specified, any time mentioned in this Updated Draft Red Herring Prospectus - I is in IST. Unless indicated otherwise, all references to a year in this Updated Draft Red Herring Prospectus - I are to a calendar year.

Financial data

Our Company’s Fiscal Year commences on April 1 and ends on March 31 of the next year. Unless stated otherwise, all references in this Updated Draft Red Herring Prospectus - I to the terms Fiscal or Fiscal Year or Financial Year, are to the 12 months period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Financial information for the six months period ended September 30, 2025 and September 30, 2024 is not indicative of the financial results for the full year and is not comparable with financial information for the Fiscal Years 2025, 2024 and 2023. Further, financial information for the six months period ended September 30, 2025 and September 30, 2024 has not been annualised.

Unless stated otherwise or where the context otherwise requires, the financial information and financial ratios in this Updated Draft Red Herring Prospectus - I are derived from the Restated Consolidated Financial Information.

The restated consolidated summary statements of our Company together with our subsidiaries and the associate, comprise of restated consolidated summary statement of assets and liabilities as at September 30, 2025 and September 30, 2024 and as at March 31, 2025, March 31, 2024 and March 31, 2023, the restated consolidated summary statement of profit and loss (including other comprehensive income/ (loss)), restated consolidated summary statement of cash flows and restated consolidated summary statement of changes in equity as at and for the six months period ended September 30, 2025 and September 30, 2024 and for each of the years ended March 31, 2025, March 31, 2024 and March 31, 2023 and the summary statement of material accounting policies and other explanatory notes, derived from the audited interim financial statements as at and for the six months period ended September 30, 2025 and September 30, 2024 prepared in accordance with Ind AS 34 and the audited consolidated financial statements as at and for the years ended March 31, 2025, March 31, 2024 and March 31, 2023, prepared in accordance with Ind AS and as restated as per the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations, as amended and the Guidance Note on ‘Reports in Company Prospectuses (Revised 2019)’ issued by the Institute of Chartered Accountants of India, as amended from time to time.

For further information, see “*Restated Consolidated Financial Information*” on page 305.

There are certain differences between Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Updated Draft Red Herring Prospectus - I and it is urged that you consult your own advisors regarding such differences and their impact on our Company’s financial data. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS see “*Risk Factors – Certain differences exist between Ind AS and other accounting principles, particularly U.S. GAAP, which may be material to investors’ assessments of our financial condition, results of operations, and cash flows. While Ind AS is largely based on International Financial Reporting Standards, certain carve-outs specific to the Indian economic environment may lead to differences.*” on page 95. Accordingly, the degree to which the financial information included in this Updated Draft Red Herring Prospectus - I will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, 2013, Ind AS and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Updated Draft Red Herring Prospectus - I should accordingly be limited.

In this Updated Draft Red Herring Prospectus - I, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal place and all percentage figures have been rounded off to two decimal places. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Updated Draft Red Herring Prospectus - I as rounded-off to such number of decimal points as provided in such respective sources.

Unless the context otherwise indicates, any percentage amounts, or ratios (excluding certain operational metrics), relation to the financial information of our Company as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 39, 194 and 387, respectively, and elsewhere in this Updated Draft Red Herring Prospectus - I have been calculated on the basis of amounts derived from our Restated Consolidated Financial Information.

Non-GAAP financial measures

Certain non-GAAP financial measures relating to our financial performance, namely EBITDA, EBIT, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBIT, Adjusted EBIT Margin, Profit/ (loss) Margin, Adjusted profit/ (loss), Adjusted profit/ (loss) Margin, Free cash generated/ (used), Bank balances and Investments, Net-worth, Return on Net worth, Net Asset Value per equity share, Total revenue from payment services and Adjusted employee benefits expense (together, “**Non-GAAP Measures**” and each a “**Non-GAAP Measure**”), and other industry metrics relating to our operations and financial performance presented in this Updated Draft Red Herring Prospectus - I, are supplemental measures of our business, performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS or U.S. GAAP. Further, these Non-GAAP Measures and other industry metrics are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures and other industry metrics are not standardised terms, hence a direct comparison of similarly titled Non-GAAP Measures and other industry metrics between companies may not be possible. Other companies may calculate the Non-GAAP Measures and other industry metrics differently from us, limiting its utility as a comparative measure. These non-GAAP financial measures relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across industry. Therefore, such Non-GAAP Measures may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other entities in India or elsewhere. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, we compute and disclose them as our Company’s management believes that they are useful information in relation to our business and financial performance. For further details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Other Financial Information*” and “*Risk Factors – We track certain metrics and non-GAAP measures with internal systems and tools. Certain of these metrics are subject to inherent challenges in measurement and any real or perceived inaccuracies in such metrics may adversely affect our business and reputation.*” on pages 387, 379 and 86, respectively.

Currency and units of presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupees, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America;
- “SGD” are to the Singapore Dollar, the official currency of the Republic of Singapore; and
- “Emirati Dirham” or “AED” or “Dh” are to United Arab Emirates dirham, the official currency of United Arab Emirates.

Our Company has presented certain numerical information in this Updated Draft Red Herring Prospectus - I in “million” units or in whole numbers when amounts are too small to be meaningfully presented in millions. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Updated Draft Red Herring Prospectus - I in such denominations as provided in the respective sources.

Exchange rates

This Updated Draft Red Herring Prospectus - I contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and other foreign currencies:

Currency	Exchange rate as on ⁽¹⁾⁽²⁾				
	September 30, 2025	September 30, 2024	March 31, 2025	March 31, 2024	March 31, 2023
1 USD	88.71	83.71	85.58	83.37	82.22
1 SGD	68.76	65.33	63.69	61.67	61.83
1 AED	24.15	22.79	23.28	22.69	22.36

Source: www.rbi.org.in and www.fbil.org.in.

Notes:

(1) Exchange rate is rounded off to two decimal points.

(2) If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.

Industry and market data

Unless stated otherwise, information pertaining to the industry in which our Company operates in, contained in this Updated Draft Red Herring Prospectus - I has been obtained or derived from the Redseer Report which has been exclusively commissioned and paid for by our Company, pursuant to an engagement letter dated March 31, 2025 for the purpose of understanding the industry in connection with this Offer, since no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's services, that may be similar to the Redseer Report. This Updated Draft Red Herring Prospectus - I contains certain data and statistics from the Redseer Report, has been uploaded on the website of our Company at www.phonepe.com/apollo/investor-relations/pdf/industry-report.pdf, and will be made available until the Bid/Offer Closing Date. Redseer is an independent agency which has no relationship with our Company, our Promoters, any of our Directors, Key Managerial Personnel, Senior Management, Selling Shareholders, or the Book Running Lead Managers.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but accuracy, completeness and underlying assumptions of such third-party sources are not guaranteed. Although the industry and market data used in this Updated Draft Red Herring Prospectus - I is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation however, no material data in connection with the Offer has been omitted. Data from these sources may also not be comparable.

Industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Updated Draft Red Herring Prospectus - I is meaningful, depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "Risk Factors – Certain sections of this Updated Draft Red Herring Prospectus – I contain information from the Redseer Report which has been exclusively commissioned and paid for by us in relation to the Offer and any reliance on such information for making an investment decision in this Offer is subject to inherent risks." on page 82.

In accordance with the SEBI ICDR Regulations, "Basis for Offer Price" on page 140 includes information relating to our peer group companies. Such information has been derived from publicly available sources specified herein. Accordingly, no investment decision should be made solely on the basis of such information.

Notice to prospective investors

Notice to prospective investors in the United States

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Updated Draft Red Herring Prospectus - I or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

Accordingly, the Equity Shares are being offered and sold (a) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in and in reliance on Rule 144A under the U.S. Securities Act and referred to in this Updated Draft Red Herring Prospectus - I as “**U.S. QIBs**”); for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Updated Draft Red Herring Prospectus - I as “**QIBs**”) in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act, and (b) outside of the United States in “offshore transactions” as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. See “*Other Regulatory and Statutory Disclosures – Eligibility and Transfer Restrictions*” on page 458.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made, by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction. Prospective purchasers are hereby notified that the sellers of the Offered Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act.

Notice to prospective investors in the European Economic Area

In relation to each Member State of the European Economic Area (each a “**Relevant State**”), no Equity Shares have been offered or will be offered pursuant to the Offer to the public in that Relevant State, except that the Shares may be offered to the public in that Relevant State at any time:

- a. to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
- b. to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of Book Running Lead Managers for any such offer; or
- c. in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Equity Shares shall require the Company or any Book Running Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation or publish an Annex IX document pursuant to Article 1(4) of the Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to the Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the Offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

Information to EEA Distributors (As Defined Below)

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, “distributors” (for the purposes of the MiFID II Product Governance Requirements) (“**EEA Distributors**”) should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Book Running Lead Managers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Equity Shares. Each EEA Distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

Notice to prospective investors in the United Kingdom

This Updated Draft Red Herring Prospectus - I has been prepared on the basis that all offers to the public of Equity Shares will be made pursuant to an exemption under the Public Offers and Admissions to Trading Regulations 2024 (the “**POATR**”) from the prohibition on offers to the public of Equity Shares within the United Kingdom. Accordingly, any person making or intending to make an offer to the public within the United Kingdom of Equity Shares which are the subject of the placement contemplated in this Updated Draft Red Herring Prospectus - I should not do so unless: (a) the offer is of a kind specified in Part 1 of Schedule 1 of the POATR, or (b) the offer is of a kind that consists entirely of a combination of two or more of the kinds of offer specified in that Part of that Schedule. None of our Company, the Selling Shareholders or the Book Running Lead Managers have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the members of the Syndicate which constitute the final placement of Equity Shares contemplated in this Updated Draft Red Herring Prospectus - I.

For the purposes of this provision, the expression an “offer to the public” in relation to the Equity Shares in the United Kingdom means the communication to any person which presents sufficient information on: (a) the Equity Shares to be offered; and (b) the terms on which they are to be offered, to enable an investor to decide to buy or subscribe for the Equity Shares.

This Updated Draft Red Herring Prospectus - I does not constitute an offer of Equity Shares to the public in the United Kingdom. No prospectus has been or will be approved in the United Kingdom in respect of the Equity Shares. Consequently this Updated Draft Red Herring Prospectus - I is being distributed only to, and is directed only at (a) persons who are outside the United Kingdom, (b) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”), (c) high net worth entities falling within article 49(2)(a) to (d) of the Order, and (d) other persons to whom it may be lawfully communicated (all such persons together being referred to as “**relevant persons**”). Any person who is not a relevant person should not act or rely on this Updated Draft Red Herring Prospectus - I or any of its contents. Persons into whose possession this Updated Draft Red Herring Prospectus - I may come are required by the Company and the Book Running Lead Managers to inform themselves about and to observe such restrictions. Further information with regard to restrictions on offers, sales and deliveries of the Equity Shares and the distribution of this Updated Draft Red Herring Prospectus - I and other offering material relating to the Equity Shares is set out under “*Other Regulatory and Statutory Disclosures – Eligibility and Transfer Restrictions*” on page 458 of this Updated Draft Red Herring Prospectus - I.

Information to UK Distributors

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (“**PROD**”) (the “**UK MiFIR Product Governance Rules**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK MiFIR Product Governance Rules) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of: (a) investors who meet the criteria of professional clients as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; (b) eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”); and (c) retail clients who do not meet the definition of professional client under (a) or eligible counterparty per (b); and (ii) eligible for distribution through all permitted distribution channels (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, distributors (for the purposes of the UK MiFIR Product Governance Rules) (“**UK Distributors**”) should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer.

Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Book Running Lead Managers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A and 10A, respectively, of the COBS; or (b) a recommendation to any investor or group of investors to invest in, or purchase or take any other action whatsoever with respect to the Equity Shares. Each UK Distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

Available information

Our Company is not currently required to file periodic reports under Section 13 or 15 of the Securities Exchange Act of 1934,

as amended (the “**U.S. Exchange Act**”). In order to permit compliance with Rule 144A under the U.S. Securities Act in connection with the resales of the Equity Shares, we agree to furnish upon the request of a shareholder or a prospective purchaser the information required to be delivered under Rule 144A(d)(4) of the U.S. Securities Act if at the time of such request we are not a reporting company under Section 13 or Section 15(d) of the U.S. Exchange Act, or are not exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

The information on and any information about the Company available on any websites of SEBI, the Selling Shareholders, the Stock Exchanges, the Company or the members of the Book Running Lead Managers or any affiliates of the aforementioned persons shall not constitute a part of this Updated Draft Red Herring Prospectus - I.

FORWARD-LOOKING STATEMENTS

This Updated Draft Red Herring Prospectus - I contains certain “forward-looking statements”. All statements contained in this Updated Draft Red Herring Prospectus - I that are not statements of historical fact constitute “forward-looking statements”. All statements regarding our expected financial condition and results of operations, business, plans and prospects are “forward-looking statements”.

These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “are likely”, “believe”, “can”, “continue”, “expect”, “estimate”, “intend”, “likely to”, “may”, “seek to”, “shall”, “objective”, “plan”, “project”, “propose”, “will”, “will achieve”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements whether made by us or any third parties in this Updated Draft Red Herring Prospectus - I are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including but not limited to, regulatory changes pertaining to the industry in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and international laws, regulations and taxes and changes in competition in our industry.

Certain information in “*Industry Overview*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 156, 194 and 387, respectively, of this Updated Draft Red Herring Prospectus - I have been obtained from the Redseer Report. The Redseer Report has been uploaded on the website of our Company at www.phonepe.com/apollo/investor-relations/pdf/industry-report.pdf and will be made available until the Bid/Offer Closing Date.

For discussion of factors that could cause the actual results to differ from the expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 39, 194 and 387, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Forward-looking statements reflect current views of our Company as on the date of this Updated Draft Red Herring Prospectus - I and are not a guarantee of future performance. There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

These statements are based on our management’s belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Promoters, our Directors, Key Managerial Personnel, Senior Management, the Selling Shareholders, the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the requirements of the SEBI ICDR Regulations, our Company shall ensure that Bidders in India are informed of material developments, in relation to statements and undertakings confirmed and undertaken by our Company, from the date thereof until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer. In accordance with the requirements of the SEBI ICDR Regulations, each of the Selling Shareholders, severally and not jointly, shall ensure (through our Company and BRLMs) that the investors are informed of material developments to the extent of statements specifically confirmed by each Selling Shareholder in relation to itself as a selling shareholder and its respective portion of the Offered Shares in the Red Herring Prospectus, from the date thereof until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer. Only statements which are expressly and specifically confirmed by the Selling Shareholders in relation to itself as a selling shareholder and its respective portion of Offered Shares in this Updated Draft Red Herring Prospectus - I shall be deemed to be statements confirmed by such Selling Shareholders.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Updated Draft Red Herring Prospectus – I, including the risks and uncertainties described below before making an investment in our Equity Shares.

We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industry in which we currently operate or propose to operate. Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. In order to obtain a more detailed understanding of our Company and our business, prospective investors should read this section in conjunction with “Our Business”, “Industry Overview”, “Key Regulations and Policies in India” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 194, 156, 235 and 387, respectively, as well as other financial information included elsewhere in this Updated Draft Red Herring Prospectus – I. In making an investment decision, you must rely on your own examination of us and the terms of the Offer, including the merits and risks involved, and you should consult your tax, financial and legal advisors about the particular consequences of investing in the Offer. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.

This Updated Draft Red Herring Prospectus – I also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the considerations described below. For details, see “Forward-Looking Statements” on page 38.

Unless otherwise stated, the financial information in this section has been derived from the Restated Consolidated Financial Information. Our financial year ends on March 31 of each year. Accordingly, references to “Fiscal Year 2025”, “Fiscal Year 2024” and “Fiscal Year 2023”, are to the 12-month period ended March 31 of the relevant year, and references to the six months period ended September 30, 2025 and 2024 refer to the period between April 1, 2025 and September 30, 2025, and April 1, 2024 to September 30, 2024, respectively. Financial information for the six months period ended September 30, 2025 and September 30, 2024 is not indicative of the financial results for the full year and is not comparable with financial information for the Fiscal Years 2025, 2024 and 2023.

Unless otherwise indicated, industry and market data used in this section have been derived from the report titled “Democratising Access to Digital Economy” dated January 13, 2026 (the “Redseer Report”) prepared and issued by Redseer Strategy Consultants Private Limited (“Redseer”), which has been exclusively commissioned by and paid for by us in relation to the Offer for the purposes of confirming our understanding of the industry in which we operate. The data included herein (with relevant chapter and page references to “Industry Overview”) includes excerpts from the Redseer Report and may have been re-ordered by us for the purposes of presentation. For further details and risks in relation to the Redseer Report, see “– Certain sections of this Updated Draft Red Herring Prospectus – I contain information from the Redseer Report which has been exclusively commissioned and paid for by us in relation to the Offer and any reliance on such information for making an investment decision in this Offer is subject to inherent risks” on page 82.

Internal Risks

- 1. We have a history of net losses and negative cash flows from operating activities. We had restated profit/ (loss) of ₹(14,444.22) million, ₹(12,032.05) million, ₹(17,274.10) million, ₹(19,961.71) million and ₹(27,960.69) million for the six months period ended September 30, 2025 and 2024 , and Fiscal Years 2025, 2024 and 2023, respectively. We had negative net cash flows used in operating activities of ₹(1,172.71) million, ₹(6,291.52) million and ₹(7,682.50) million for the six months period ended September 30, 2025 and in Fiscal Years 2024 and 2023, respectively. We have also experienced negative cash flows used in investing activities and financing activities in the past. We may continue to incur losses and negative cash flows in the future, which may have an adverse effect on our operations and growth plans.***

We have incurred losses in each fiscal year since the launch of the PhonePe Platform in 2016 and may continue to do so in the future. The table below sets forth details of restated profit/ (loss) and as a percentage of revenue from operations for the periods/fiscal years indicated:

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Restated profit/ (loss) (A)	(14,444.22)	(12,032.05)	(17,274.10)	(19,961.71)	(27,960.69)
Revenue from operations (B)	39,184.69	32,075.16	71,148.58	50,641.33	29,142.87
Restated profit/ (loss) as a percentage of revenue from operations (A/B*100) (%)	(36.86)%	(37.51)%	(24.28)%	(39.42)%	(95.94)%

Our restated (loss) for the six months period ended September 30, 2025 and 2024, and Fiscal Years 2025, 2024 and 2023 were attributable to our total expenses exceeding our revenue from operations. These expenses consist primarily of employee benefits expense, payment processing charges, advertisement and sales promotions, information technology infrastructure and depreciation and amortisation. These expenditures and investments have been directed towards building and scaling our platform, strengthening our ecosystem, and establishing a foundation for sustainable growth through investments made in India to develop a secure, reliable and scalable payments infrastructure that supports population-scale digital transactions and serves a broad base of consumers and merchants across the country. These have included (i) marketing initiatives to acquire and retain customers and drive adoption of digital payments, (ii) on-ground sales efforts to expand our pan-India merchant acceptance network, (iii) technology infrastructure, including servers and data centres, to support compute operations, transaction processing and localised data storage, and (iv) employee benefit expenses for our talent pool, which is essential for innovation and growth, including investments in attracting, retaining and developing top talent across technology, product, corporate and business functions. In addition to these investments, we incur payment processing charges, which constitute a significant portion of our operating expenses and are paid to banks, payment gateways and other partners for facilitating customer and merchant transactions on the PhonePe Platform. These factors have contributed to the net losses recorded in prior fiscal periods and years. For more information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Six months period ended September 30, 2025 Compared to Six months period ended September 30, 2024”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Fiscal Year 2025 Compared to Fiscal Year 2024” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Fiscal Year 2024 Compared to Fiscal Year 2023” beginning on pages 407, 409 and 411 of this Updated Draft Red Herring Prospectus – I, respectively.

In addition, we have experienced negative cash flows from operating activities, investing activities and financing activities in the recent past. The table below sets forth certain details of our cash flows for the periods/fiscal years indicated:

(All amounts in ₹ million)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Net cash flows generated from/ (used in) operating activities (A)	(1,172.71)	10,126.52	12,019.84	(6,291.52)	(7,682.50)
Net cash flows (used in) investing activities (B)	(48,055.72)	(16,030.17)	(13,120.99)	(6,977.74)	(48,155.65)
Net cash flows generated from/ (used in) financing activities (C)	54,538.66	(716.11)	(1,562.86)	15,138.33	59,913.98
Net increase/ (decrease) in Cash and cash equivalents (A)+(B)+(C)	5,310.23	(6,619.76)	(2,664.01)	1,869.07	4,075.83

Our negative cash flows used in operating activities for the six months period ended September 30, 2025 were attributable to the negative changes in working capital, including decreases in other financial liabilities of ₹(8,069.18) million, cash-settled share based payment liabilities of ₹(1,279.50) million, and trade payables of ₹(783.27) million and other liabilities of ₹(587.41) million, and an increase in trade receivables of ₹(493.45) million, partially offset by decreases in other financial assets of ₹4,602.42 million and other assets of ₹1,878.06 million, together with an increase in provisions of ₹305.68 million. Such changes in working capital offset our operating profit before working capital changes of ₹3,516.86 million.

Our negative cash flows used in operating activities in Fiscal Year 2024 were attributable to negative changes in working capital, which include a decrease in cash-settled share based payment liabilities of ₹(9,937.26) million, an increase in trade receivables of ₹(3,715.70) million, an increase in other financial assets of ₹(2,194.91) million, and an increase in other assets of ₹(885.23) million, partially offset by an increase in trade payables of ₹2,973.18 million and an increase in other liabilities of ₹846.64 million. Such changes in working capital offset our operating profit before working capital changes of ₹6,648.28 million.

Our negative cash flows used in operating activities in Fiscal Year 2023 were attributable to operating loss before working capital changes of ₹(8,679.96) million, which was partially offset by changes in working capital, which include an increase in other financial liabilities of ₹6,838.65 million, a decrease in trade receivables of ₹916.97 million and an increase in provisions of ₹306.26 million, partially offset by an increase in other financial assets of ₹(1,725.52) million, a decrease in cash-settled share based payment liabilities of ₹(2,622.41) million, an increase in other assets of ₹(2,177.25) million and a decrease in trade payables of ₹(349.15) million.

We experienced negative cash flows from investing activities for the six months period ended September 30, 2025 and 2024, and Fiscal Year 2025, 2024 and 2023 primarily due to (i) our investments in purchase of property, plant and equipment, including capital advances, capital work in progress and other intangible assets amounting to ₹(3,048.15) million, ₹(6,916.00) million, ₹(8,563.98) million, ₹(13,327.66) million and ₹(13,932.45) million in each of the six months period ended September 30, 2025 and 2024, and Fiscal Years 2025, 2024 and 2023, respectively, primarily due to investments in servers and payment devices (Smartspeakers and EDC Machines). Investment in servers support compute operations, transaction processing, and localised data storage through self-managed, on-premises data centres. Smartspeakers, QR-based UPI payment devices, provide real-time audio confirmations of payments to merchants and store staff. EDC machines enable merchants to accept digital payments through UPI, Credit and Debit Cards, PhonePe Wallet, and RuPay Credit Cards on UPI. In addition, our negative cash flows from investing activities was due to acquisition of entity under common control for ₹(5,740.56) million, and acquisition of subsidiaries (net of cash acquired) for ₹(3,304.04) million, in Fiscal Year 2023 and investments made in short term instruments from surplus cash received from operations and proceeds received from issue of equity share capital in Fiscal Year 2024 and 2023. For more information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows*” beginning on page 413 of this Updated Draft Red Herring Prospectus – I.

We experienced negative cash flows used in financing activities for the six months period ended September 30, 2024 and Fiscal Year 2025 primarily due to (i) payments of lease obligations in each period, comprising the payment of principal portion of lease liabilities and interest on lease liabilities, which in Fiscal Year 2025 amounted to ₹(1,183.18) million and ₹(379.68) million, respectively, and for the six months period ended September 30, 2024 amounted to ₹(560.18) million and ₹(155.93) million, respectively, and (ii) the absence of significant offsetting financing inflows in Fiscal Year 2025, resulting in net cash flows used in financing activities of ₹(1,562.86) million in Fiscal Year 2025 and ₹(716.11) million for the six months period ended September 30, 2024. For more information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows*” beginning on page 413 of this Updated Draft Red Herring Prospectus – I. We may not achieve profitability in the future and may continue to incur losses going forward. We need to generate and sustain increased revenue and/or manage our expenses in future periods to achieve profitability. We expect our operating expenses to increase as we expand our operations and our capabilities, continue to develop and enhance our platforms and brand, hire additional personnel and broaden our marketing efforts and promotional activities, which may be more costly than we expect and not result in increased revenue, or may result in an increase in net losses. Changes in the relative contributions of our various platforms, products and services to our overall revenue may adversely affect our total revenue, margins and ability to achieve or maintain profitability. Any failure to increase our revenue sufficiently to keep pace with our initiatives, investments, and other expenses could prevent us from achieving, maintaining or increasing profitability or positive cash flows on a consistent basis in future periods. If we fail to achieve and/or maintain profitability or we continue to incur significant losses going forward, it could adversely affect our ability to, among others, fund our operations, pay debts (if any) in a timely manner or finance proposed business expansions or investments, and our business, financial condition, results of operations, cash flows and prospects could be adversely affected. Failure to become profitable could materially and adversely affect the value of your investment in our Company. For more details, please see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, on page 387 of this Updated Draft Red Herring Prospectus – I.

Further, while we achieved positive cash flows from operating activities for the six months period ended September 30, 2024 and Fiscal Year 2025, we may have negative cash flows from operations in the future as we continue expanding our operations. Since 2020, we have entered financial distribution services within the PhonePe Platform including Lending and Insurance Distribution services, as well as the New Platforms (Share.Market and Indus Appstore) between 2023 and 2024 and intend to grow these businesses. Expanding into these new areas may require substantial capital and cash. Additionally, a sudden surge in transactions could exhaust our working capital limits. If we are not able to generate sufficient cash flows from operations, we may be required to deploy our cash on hand or seek debt or equity financing to ensure that we have sufficient working capital to run our day-to-day operations. Negative cash flows over extended periods, or significant negative cash flows in the short term, could adversely impact our ability to operate our business and implement our growth plans.

2. ***Our Consumer Payments offering accounted for 56.14%, 68.84%, 63.34%, 71.56% and 82.91% of our revenue from operations for the six months period ended September 30, 2025 and 2024, and Fiscal Years 2025, 2024 and***

2023, respectively. Any disruption in our Consumer Payments offering could adversely affect our business, financial condition, results of operations and cash flows.

Our platform enables consumers to make a range of digital payments, including person-to-person money transfers, mobile recharges, bill for meeting daily needs conveniently while reducing their reliance on the use of cash. Our Consumer Payments offering includes person-to-person money transfers, mobile recharges, bill payments (including electricity, direct-to-home (DTH), gas, water, FASTag, loan repayments, insurance premium payments and donations, among a total of 33 bill payment categories), QR scan-and-pay, online payments on various apps and websites, digital gold and digital silver transactions and travel (bus, train, flights and hotel) ticketing and transit (cabs and metros) bookings, and others, including wallet top ups, vouchers, gift cards, and advertisements. Revenue from these use cases and categories together constitute our Consumer Payments revenue, representing income generated from consumer-facing payment, transaction, and ancillary services facilitated through the PhonePe Platform.

The following table sets out the revenue contributions from Consumer Payments in the periods / fiscal years indicated:

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Consumer Payments revenue (A)	21,997.75	22,079.68	45,069.03	36,240.43	24,163.52
Total revenue from operations (B)	39,184.69	32,075.16	71,148.58	50,641.33	29,142.87
Consumer Payments revenue as a percentage of total revenue from operations (C=A/B)	56.14%	68.84%	63.34%	71.56%	82.91%

Due to the concentration of a significant portion of our business in Consumer Payments, the occurrence of risks or developments affecting consumer payments could have a significant effect on our business, financial condition, results of operations, cash flows and prospects. For example, in September 2025, prompted by regulatory direction under RBI's Guidelines on Regulation of Payment Aggregator and Payment Gateways, 2020 in the form of a letter from RBI, our Company discontinued its Payment Services in rent and related categories. This action will adversely affect our revenues and profit/ (loss) from these categories. Consequently, we expect the concentration of revenue from Consumer Payments, as a percentage of our total revenue from operations, to decline further in subsequent financial periods. For details on the revenue contribution from these categories, please refer to “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” on page 387.

We earn revenue in Consumer Payments primarily through transaction processing fees and consumer platform fees. For person-to-person money transfers, we earn a transaction processing fee from our partner banks. For mobile recharges, bill payments, digital gold and digital silver transactions, travel ticketing, transit bookings, QR scan-and-pay, and online payments on various apps and websites, we earn transaction processing fees from partners such as telecom companies, Bharat Connect (formerly Bharat Bill Payment System (“BBPS”)), and online travel agencies. These fees may be structured as a percentage of the transaction value or as a fixed fee per transaction, depending on the nature of the partner and the offering. For person-to-merchant (P2M) UPI payments below ₹2,000 made to small merchants on PhonePe—including payments for recharges, bills, digital gold and digital silver transactions, travel, transit, QR scan-and-pay, and online purchases—we receive a share of the digital incentive paid to the Payer Payment Service Provider (“PSP”) bank and Payer App for processing such transactions. This incentive, computed as a percentage of the total payment value (“TPV”), varies by payment type, partner, and transaction value. Additionally, consumers are charged a platform or convenience fee for select services, which may be a fixed amount per transaction or a percentage of the payment value. A decline in revenue from any of these sources, including a change in the amount or method for calculating the incentive fees earned from third-parties, could adversely affect our business, financial condition and results of operations.

For further details on how we earn revenue from these services, see “*Management's Discussion and Analysis of Financial Condition and Results of Operations – Our Business Model – PhonePe Platform Revenue*” beginning on page 388 of this Updated Draft Red Herring Prospectus – I.

In addition, if our operating costs increase in respect of our Consumer Payments offering, including any increases in payment processing charges that we pay to financial institutions, and we are not able to pass those costs on to partner institutions through higher transaction processing fees, our margins and profitability may be adversely affected. For more details, see “ – *In the event that our payment processing charges payable to financial institutions increase*

significantly, and we are not able to pass on these higher processing charges to our merchants or consumers, our margins and profitability may decrease significantly” on page 43.

A customer’s payment activity and engagement with the PhonePe Platform may decrease for a variety of reasons, including the customer’s level of satisfaction with our services and product offerings, the effectiveness of our support services, the quality of competing services or products, or reductions in consumers’ spending levels. Further, the complexity and costs associated with switching to a competing platform or service may not be significant enough to prevent a customer from switching payment service providers, especially for consumers who already commonly engage more than one payment service provider at a time. As such, no assurance can be provided that consumers will continue to be drawn to, use and engage with our PhonePe Platform at the same rate as they have in the past. Any failure to maintain our volume of consumer transactions on the PhonePe Platform, acquire new consumers or manage operating costs could affect the performance of our Consumer Payments business, which could consequently adversely affect our business, financial condition, results of operations and prospects.

3. ***In the event that our payment processing charges payable to financial institutions increase significantly, and we are not able to pass on these higher processing charges to our merchants or consumers, our margins and profitability may decrease significantly.***

We are required to pay payment processing charges to financial institutions (such as PSPs), payment gateways and other institutions for processing or facilitating transactions on our platforms. Payment processing charges are paid to partner banks, payment gateways and other institutions for facilitating transactions that originate on our platform. These charges are set by financial institutions (such as PSPs) and vary based on (i) the type of merchant, (ii) instrument of payment, (iii) the network through which the transaction is routed, and (iv) the payment use case. From time to time, financial institutions have increased and may in the future increase charges levied for processing transactions on our platforms. These charges vary for each payment instrument, and we may not be able to pass on these costs to our merchants or users. Accordingly, any increase or decrease in payment processing charges could make our pricing less competitive, lead us to change our pricing model to absorb the additional costs, or adversely affect our margins and prevent us from reaching profitability. The table below sets forth details regarding our payment processing charges and as a percentage of total expenses for the periods/fiscal years indicated:

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Payment processing charges (A)	10,900.01	7,885.44	16,881.78	11,664.38	6,669.66
Total expenses (B)	60,692.68	46,800.27	93,940.97	77,542.91	59,062.34
Payment processing charges as a percentage of total expenses (A/B*100)(%)	17.96%	16.85%	17.97%	15.04%	11.29%

We are also required to pay interchange fees and network fees to the payment networks (via the processing banks), as well as fees to our acquiring processors. From time to time, payment networks have increased, and may increase in the future, the interchange fees and network fees that they charge for each transaction processed using their networks. Interchange fees or network fees are also subject to change from time to time due to government regulation. While our business has not been adversely affected by the changes to payment processing charges in the six months period ended September 30, 2025 and 2024, and Fiscal Years 2025, 2024 and 2023, any increase or decrease in the fees we pay to our partners in the future could adversely affect our margins, make our pricing look less competitive or lead us to change our pricing model.

4. ***In line with the extant UPI guidelines, we participate in the UPI payment system through Payment System Provider (“PSP”) banks. Consequently, we are dependent on the three sponsor PSP banks, namely Yes Bank Limited, Axis Bank Limited, and ICICI Bank Limited. Any change in commercial terms, disruption, failure, or operational breakdown within one or more of these payment networks, banks (including PSP banks), especially if occurring simultaneously, could have an adverse effect on our business.***

Our business operations are dependent on certain sponsor PSP banks, namely Yes Bank Limited, Axis Bank Limited, and ICICI Bank Limited, as they play a crucial role in facilitating our transaction processing capabilities. Any change in our commercial terms with the banks, or technical issues like disruption, failure, or operational breakdown within these PSP banks could have an adverse effect on our business. If more than one of these PSP banks experiences disruption simultaneously, the compounded impact could impair our ability to process transactions and maintain service continuity.

The contracts entered into by our Company as a TPAP with PSP banks contain clauses which imposes certain obligations on us. For instance, these contracts allow either party to terminate the contract without assigning any cause, by providing a prior notice ranging between 90 to 180 days. Further, certain of these contracts hold our Company liable for all direct losses, damages, or expenses arising from our Company's negligence, fraud, wilful default, breaches, or actions of its agents or employees, including any harm to customers with no liability being borne by the respective PSP bank and require our Company to provide uncapped indemnity to the PSP banks for breaches of applicable law by the Company, data breaches, user support deficiencies, and third-party claims (including those by NPCI) by external parties. There can be no guarantee that these agreements are not terminated by the PSP banks in the future, with or without cause or that our Company is held responsible to bear the liability for breaches, deficiencies or third-party claims and indemnify the PSP banks for the same. We have also received an intimation from NPCI in November 2024 highlighting instances of failures on device binding controls on our UPI application for Android OS. For details of the quantum of chargeback processed by our Company, pursuant to these incidents reported by the NPCI in terms of our tripartite agreements with NPCI and the PSP banks, please refer to “ – *Our obligation to adhere to the terms and conditions of financial institutions, payment gateways and other institutions that we depend on could introduce additional costs or operational challenges to our business.*” on page 74. Further, any termination by or liability from the banks could have a material adverse effect on our business, prospects, results of operations and cash flows.

Further, the PSP banks are regulated and are governed by the rules, laws, regulations, statutes and guidelines issued by such regulatory and statutory authorities. The reliance on these specific PSP banks means that any financial instability, regulatory challenges, or operational inefficiencies they face, or any disruption in our relationships with these PSP banks, could directly impact our transaction processing capabilities. For instance, in March 2020, the RBI, under section 45 of the Banking Regulation Act, 1949 imposed a moratorium on Yes Bank Limited, leading to a temporary freeze on withdrawals and operations. This resulted in a temporary stoppage of our Company's UPI services that affected our users. Subsequently, our Company migrated our accounts to another scheduled commercial bank and restored full UPI functionality to our users within approximately 36 hours of the imposition of the moratorium. If a similar incident happens in the future, we could experience disruptions, delays or failures in transaction processing, which could adversely affect user satisfaction and our business, financial condition, results of operations, cash flows and prospects.

PSP banks and payment networks may fail or refuse to process transactions adequately, may breach their agreements with us, or may refuse to renew these agreements on commercially reasonable terms. They might also take actions that degrade the functionality of our products and services, impose additional costs or requirements on us, or give preferential treatment to competitive services, including their own services. Although we have not faced any such material instances in the six months period ended September 30, 2025 and 2024, and Fiscal Years 2025, 2024 and 2023, if we are unsuccessful in maintaining mutually beneficial relationships with these payment networks, banks and acquiring processors, our business may be adversely affected. Further, some clauses in the agreements entered into by us with these PSP banks may expose us to risks incidental to data sharing and subcontracting, among others.

Moreover, changes in the strategic direction or business priorities of these banks could result in reduced support for our transaction processing needs or increased costs for their services. If these banks decide to alter their terms of service, impose additional requirements, or prioritise their own competitive services, it could hinder our ability to maintain seamless transaction processing and could necessitate costly adjustments to our operations, which could adversely affect our business.

5. ***NPCI has issued a Volume Cap Circular (as defined below), proposing a cap of 30% on the total volume of UPI transactions which has been deferred until December 31, 2026 (calculated as the overall volume of transactions processed in UPI during the preceding three months on a rolling basis) that may be processed by any single TPAP. If further guidelines are promulgated by NPCI to implement and enforce the Volume Cap Circular, it may impact our ability to onboard new UPI users, and thereby our business operations, financial performance, cash flows and overall growth trajectory may be adversely affected.***

Our Company, in our capacity as a TPAP, is governed by the procedural guidelines and circulars issued by the NPCI from time to time, as discussed in the “*Key Regulations and Policies*” section on page 435, as well as the agreements entered into between our Company and NPCI. On November 5, 2020, the NPCI through its ‘*Guidelines on Volume Cap for Third Party App Providers in UPI*’ (the “**Volume Cap Circular**”) proposed a cap of 30% on the total volume of UPI transactions (calculated as the overall volume of transactions processed in UPI during the preceding three months on a rolling basis) that may be processed by any single TPAP (“**Volume Cap**”). The Volume Cap is aimed at mitigating concentration risk and ensuring a balanced UPI ecosystem. As of September 30, 2025, our UPI Volume market share was 46.85%, as per NPCI data, according to the Redseer Report. While existing TPAPs exceeding the Volume Cap were originally required to comply with the Volume Cap Circular within a period of two years from

January 1, 2021, which is, by December 31, 2022, the timeline has since been extended multiple times and is currently deferred until December 31, 2026 for such TPAPs. Further, on March 25, 2021, NPCI also issued a 'Standard Operating Procedure – Market Share Cap for TPAPs' for the implementation of the Volume Cap ("SOP"). This SOP inter alia, clarifies that the enforcement of the Volume Cap Circular may only impact the Company's onboarding of new users, while ensuring that existing users remain unaffected (to the extent feasible). While the applicability of the Volume Cap has been deferred until December 31, 2026, there is no assurance that further extensions will be granted or that the terms of enforcement will not change. In the event that the implementation of the Volume Cap is not extended further and we are required to comply, we may have to moderate onboarding new UPI customers. While we are committed to complying with applicable NPCI guidelines and continue to engage constructively with NPCI, NPCI has not levied any penalties on us since the introduction of the circular in November 2020. Any enforcement of the Volume Cap Circular would likely have an adverse effect on our efforts to acquire new TPAP customers and may have a material impact on our business operations, financial performance, cash flows and overall growth trajectory.

6. *Our total revenue from payment services was ₹34,058.60 million, ₹29,613.21 million, ₹64,979.39 million, ₹48,583.38 million and ₹28,459.65 million for the six months period ended September 30, 2025 and 2024, and Fiscal Years 2025, 2024 and 2023, respectively, representing 86.92%, 92.32%, 91.33%, 95.94% and 97.66% of our revenue from operations for such periods/ fiscal years, respectively. Any downturn in customers' willingness to use our payments services could have a material adverse impact on our business, financial condition, results of operations and cash flows.*

We derive a significant portion of our revenue from payments services through the PhonePe Platform. The table below sets forth our revenue streams and our total revenue from payment services and as a percentage of revenue from operations for the periods/fiscal years indicated:

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the six months period ended September 30,				For the fiscal year ended March 31,					
	2025		2024		2025		2024		2023	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
Revenue from PhonePe Platform (i)	38,584.86	98.47%	31,781.04	99.08%	70,555.86	99.17%	50,393.99	99.52%	28,740.19	98.62%
A. Consumer Payments (A1)+(A2)	21,997.75	56.14%	22,079.68	68.84%	45,069.03	63.34%	36,240.43	71.56%	24,163.52	82.91%
B. Merchant Payments (B1)+(B2)	12,060.85	30.78%	7,533.54	23.48%	19,910.36	27.99%	12,342.95	24.38%	4,296.13	14.75%
C. Lending and Insurance Distribution services (C1)	4,526.26	11.55%	2,167.82	6.76%	5,576.47	7.84%	1,810.61	3.58%	280.54	0.96%
Revenue from New Platforms (ii)	599.83	1.53%	294.12	0.92%	592.72	0.83%	247.34	0.48%	402.68	1.38%
D. Other services (D1)+(D2)	599.83	1.53%	294.12	0.92%	592.72	0.83%	247.34	0.48%	402.68	1.38%
Revenue from operations (iii)=(i)+(ii)	39,184.69	100.00%	32,075.16	100.00%	71,148.58	100.00%	50,641.33	100.00%	29,142.87	100.00%
Total revenue from payment services (iv)=(A1)+(A2)+(B1)+(B2)	34,058.60	86.92%	29,613.21	92.32%	64,979.39	91.33%	48,583.38	95.94%	28,459.65	97.66%

Consumer Payments revenue includes revenue earned in the form of transaction processing fees on person-to-person money transfers, mobile recharges, bill payments, digital gold and digital silver transactions, travel ticketing, transit booking, QR scan-and-pay, and online payments on various apps and websites from partners such as banks, telecom companies, Bharat Connect (formerly BBPS), and online travel agencies, among others. Consumers are also levied a platform fee and a transaction processing fee (in the form of a convenience fee) for availing certain services. Similarly, Merchant Payments revenue includes revenue earned in the form of transaction processing fees from both offline and online merchants, primarily levied as a percentage of TPV on merchant payments processed. The percentage varies based on the type of payment instrument used (e.g., RuPay Credit Card on UPI, PhonePe Wallet, or Credit Card) and the category of the merchant. We also earn subscription fees from offline merchants for Payment Devices such as SmartSpeakers and EDC machines. Additionally, we receive government grants from the Reserve Bank of India (RBI) under the Payment Infrastructure Development Fund (PIDF). Additionally, for both consumer and merchant

transactions, we earn digital incentives from the Government on person-to-merchant (P2M) UPI payments below ₹2,000 in value, undertaken on the PhonePe Platform. For more information on our platforms use cases and revenue streams, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – PhonePe Platform Revenue*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – New Platforms Revenue*” beginning on pages 388 and 391 of this Updated Draft Red Herring Prospectus – I, respectively.

The following table represents the reconciliation of the revenue streams including revenue from payment services which comprises Consumer Payments, Merchant Payments and Incentives for Payment Services for the periods/ fiscal years indicated:

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Revenue from sale of services (i)	37,443.45	31,773.25	69,146.08	49,918.71	27,749.42
Payment Services	32,317.36	29,322.57	62,997.11	47,885.09	27,071.15
Consumer Payments	21,931.37	22,079.68	45,069.03	36,240.43	24,163.52
Merchant Payments	10,385.99	7,242.89	17,928.08	11,644.66	2,907.63
Lending and Insurance Distribution services	4,526.26	2,167.82	5,576.47	1,810.61	280.54
Other services ⁽¹⁾	599.83	282.86	572.50	223.01	397.73
Other operating revenue (ii)	1,741.24	301.92	2,002.50	722.62	1,393.45
Incentives on payment services	1,674.86	290.65	1,982.28	698.29	1,388.50
Others	66.38	11.27	20.22	24.33	4.95
Consumer payments	66.38	-	-	-	-
Others	-	11.27	20.22	24.33	4.95
Total revenue from operations (iii)=(i)+(ii)	39,184.69	32,075.16	71,148.58	50,641.33	29,142.87

Note:

⁽¹⁾ Other services includes revenue from stock broking, mutual fund distribution and marketplace platform.

⁽²⁾ Others include amounts received against the incentive scheme issued by the Open Network for Digital Commerce on qualifying expenditure incurred towards promoting the buyer side digital orders.

Any factor that affects consumers’ or merchants’ willingness to use our payment services could have an adverse impact on our results of operations, cash flows and business. We face competition in the digital payments industry, which includes payment apps that provide B2C offerings such as Consumer UPI Payments and Wallet Payments, among others, and payment companies that provide B2B offerings such as Offline Merchant Acquisitions, Online Payment Aggregator, among others, according to the Redseer Report (*chapter 7, page 187*). Further, if we are unable to timely identify or effectively respond to evolving consumer and merchant preferences, offer competitive products and services, our business, financial condition, results of operations, cash flows and prospects may be adversely impacted. For further details, see “- *The success and growth of our business depend upon our ability to innovate and develop new products and services. Our failure to accurately predict the demand or growth of our new products and services also could have a material and adverse effect on our business, financial condition, results of operations, cash flows and prospects.*” on page 61.

- If we are unable to retain or expand our network of users, merchants, lending partners, insurers, or other business partners, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected.***

Our ability to maintain and grow our revenues, number of Customer Transactions, Merchant Transactions, Customer TPV and Merchant TPV depends on whether we are able to maintain and increase the number of users, merchants, lending partners, insurers and other business partners on our platforms. This in turn can contribute to increasing the

number and value of transactions processed on our platforms and increasing our revenue. However, there can be no assurance that after we onboard new users to our platform, our Customer and Merchant Transactions and Customer and Merchant TPV increase proportionately or quickly, as our new customers may be slow to increase their usage of our platforms or may use our platforms less frequently. For details on our retention and cohorts' analysis, see *"Our Business – Our Business Offerings – (i) The PhonePe Platform"* on page 200.

The table below sets forth certain details regarding the users and merchants on our platforms as of the dates indicated:

(All amounts in million)

	As of September 30,		As of March 31,		
	2025	2024	2025	2024	2023
Life-till-date ("LTD") Registered User Base	657.56	578.59	618.40	534.97	455.41
Monthly Active Customers ("MAC")	237.75	212.85	230.08	197.43	160.73
LTD Registered Merchant Base	47.19	42.25	44.87	39.48	34.94
Monthly Active Merchants ("MAM")	11.11	11.27	11.31	11.45	11.43

Note: See "Our Business - Select Consolidated PhonePe Group Operating Metrics" on page 212 for definitions.

Our ecosystem connects users, merchants, lending partners, insurers and other business partners in the financial ecosystem, which generates benefits for all parties. If we are not able to continue to facilitate and grow these benefits, we may not be able to maintain the attractiveness of our platforms, which in turn may impede our ability to maintain and grow our revenues. The attractiveness of our platforms to consumers depends upon, among other things, the number and variety of merchants and the mix of products, including Consumer Payments, Merchant Payments, Lending and Insurance Distribution services and other products available through our platforms, our brand and reputation, user experience and satisfaction, reliability, performance and functionality of our platforms, customer service, consumer trust and perception of our solutions, our ability to innovate technologically, and the services and products that our competitors offer. For example, we hold funds on behalf of our users in escrow accounts between transaction execution and settlement. If we are unable, or are perceived as unable, to effectively manage these funds due to factors such as disruptions to the settlement system, our service quality and reputation could be adversely affected. In addition, the composition of consumer segments can influence transaction frequency, average ticket size and monetisation potential, among others, and any changes in user mix could adversely affect our business growth. The attractiveness of our platforms to merchants depends upon, among other things, the number of users on our PhonePe Platform, our brand and reputation, their costs of using our platforms, the accuracy, effectiveness and reliability of our platforms. It is also important that we have a diversified mix of business partners in order to continue to provide products and services that are attractive amid evolving consumer spending behaviour, economic conditions and other factors. The attractiveness of our platforms to our business partners, including lending partners and insurers, depends upon, among other things, our costs and value proposition, the size and quality of our user base, and our brand and reputation. We may also experience attrition of our business relationships due to various factors related to our business partners, some of which are outside our control, including business closures, bankruptcy, financial distress, and transfers of accounts to our competitors. While we have not experienced any material failure to retain or expand our network of users, merchants, lending partners, insurers or other business partners in the six months period ended September 30, 2025 and 2024, and Fiscal Years 2025, 2024 and 2023, any failure to do so in the future could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

8. ***Our operations are subject to various legal and regulatory requirements, including oversight and inspection by most of the major Indian financial regulators, including the Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI"), and Insurance Regulatory & Development Authority of India ("IRDAI"), as well as other authorities of the Government of India ("GoI") such as the Unique Identification Authority of India ("UIDAI") and the Department of Telecommunications ("DoT"). Any changes in, or non-compliance with, applicable legal or regulatory requirements may adversely affect our operations.***

In the past, certain inspections have been carried out by some of the statutory and regulatory authorities, including RBI, CDSL, and NSE, pursuant to which they have made certain observations in their respective inspection reports, which include, inter alia, the following observations and the actions and corrective measures taken by the Company and one of our Subsidiaries, PWBPL:

Observation	Actions and corrective measures taken by our Company/Subsidiary
Our Company	
RBI	
RBI observations received pursuant to inspection carried out in December 2022, for the period from March 1, 2022 to December 23, 2022	

Observation	Actions and corrective measures taken by our Company/Subsidiary
Our Company had (i) opened multiple prepaid payment instruments (“PPIs”) associated with the same officially valid document (“OVD”) and (ii) had not put in place necessary mechanisms to prevent multiple issuances, resulting in a breach of the monthly loading limit of ₹10,000 for small PPIs, in violation of the para 9.1(ii)(d) of the PPI-MD.	We created a deduplication system such that when a new user uses an OVD number already present in our systems, the user will be required to use another OVD number before registration is successful. We have also incorporated uniqueness checks at the mobile number level to ensure that the amount loaded by each mobile number did not exceed ₹10,000 per month.
Our Company had received various customer complaints in the Fiscal Year in relation to its Bharat Bill Payment Operating Unit (“BBPOU”) operations, many of which were not updated to the CANVAS portal.	We created a standard operating procedure and internal processes for escalation of such grievances to the CANVAS portal, as required. We addressed the discrepancy highlighted by RBI, including by strengthening our processes.
The RBI had assessed that the Company had exceeded the fetch/payment ratio of 5:1 for Bharat Connect (formerly BBPS) in the month of November 2022.	We presented the email confirmation from NPCI’s Bharat Connect team confirming that we have not exceeded the 5:1 ratio for the month of November 2022.
RBI observations received pursuant to inspection carried out in November 2023, for the period from October 1, 2022 to September 30, 2023.	
The RBI has found certain discrepancies in our KYC compliance and inconsistencies in customer data management – i.e. inter alia: a) Although the policy stated that periodic updates should be undertaken to profile customers and merchants, the period at which KYC updates were undertaken for each risk category was not provided by us. b) In violation of paragraph 18 (b) (iii) of MD-KYC, in the sample check done of V-CIP procedures, the agents conducting the same for our Company did not deviate from the order of questions asked, as required.	In pursuance of compliance with KYC requirements, we inter alia, (a) updated the timelines for the periodic update of customer KYC based on the risk profile of the customer, and (b) ensured that questions asked by agents during the V-CIP procedure shall be varied in order.
Our Company was unable to demonstrate compliance with escrow core portion limits.	We were able to subsequently submit statements for our escrow accounts demonstrating that prescribed RBI limits were adhered to.
There were certain missing clauses in some of our outsourcing agreements as per the Framework for Outsourcing of Payment and Settlement-related Activities by Payment System Operators dated August 3, 2021, issued by RBI (the “Outsourcing Framework”).	We shared addendums with relevant vendors/service providers which incorporated the missing clauses required under the Outsourcing Framework.
There was an absence of clauses in the escrow bank agreement related to pre-determined frequencies for payments towards service charges, commission and forfeited amount, however, the forfeited amount was transferred from escrow to the current account.	We signed addendums with the relevant escrow bank which incorporated the missing clause.
Vendor master tracker not maintained by the Company in form required by RBI under the Outsourcing Framework	We updated the vendor master tracked with the recommended changes
RBI observations received pursuant to inspection report received from the RBI on June 6, 2025, pursuant to inspection carried out in February 2025, for the period from October 1, 2023 to December 31, 2024.	
Certain deficiencies in our escrow account maintenance such as the balance falling below the sum of the outstanding PPIs and amounts due to merchants were observed by the RBI	We implemented a standard operating procedure with measures to monitor PPI escrow transactions
Certain discrepancies in our KYC process, customer data management, and risk-based transaction monitoring were observed by the RBI.	We addressed the discrepancy highlighted by RBI , including by updating relevant documentation and processes
The RBI found that there were instances of discrepancy in our reporting and complaints resolution after 30 days of their initiation.	We have strengthened our governance on this aspect by way of, inter alia, introducing nudges to customers and internal escalation processes to expedite customer responses
Note: Some of the risk items identified as part of the observations were resolved by the Company by way of RBI’s acceptance of our submissions, while our other submissions are under review for acceptance and awaiting closure from the RBI; as on the date of this Updated Draft Red Herring Prospectus-I.	
Note: We have also received a direction from the RBI in September 2024 for our PPI and BBPOU business, requiring us to adhere to the timelines for the submission of self-assessment template (“SAT”), where the RBI had observed a delay in submitting the SAT for PPI and BBPOU for the Fiscal Year 2023-24. The Company has submitted SAT for PPI and BBPOU for the period Fiscal Year 2025 within the timelines on April 30, 2025 and April 29, 2025, respectively.	
PWBPL	
NSE observations received by way of letter of observations dated January 27, 2025, pursuant to inspection conducted between October 1, 2023 and September 30, 2024.	

Observation	Actions and corrective measures taken by our Company/Subsidiary
PWBPL's data leakage prevention ("DLP") solution was not sufficiently configured. A test email with personal identifiable information was successfully sent to an external domain thus compromising the control of data leakage prevention. PWBPL was required to deploy detection and alerting tools.	PWBPL has submitted that it uses third-party software for DLP, which is configured in detective mode for business needs like sharing files with vendors, auditors, and clients. It works in preventive mode as well for other cases. The attempt to test the DLP efficiency during the inspection was logged and marked as a false positive, as per the standard operating procedure.
SIEM tool logs were not parsed (turn raw log files into readable logs) correctly, making them unreadable and hindering monitoring. PWBPL must detect incidents, anomalies, and attacks through appropriate monitoring tools/processes.	PWBPL has submitted that its infrastructure is on third-party cloud, producing dynamic logs with numerous fields, including the fields that are not relevant from a security analysis standpoint. While not parsed by QRadar, the logs are in JavaScript Object Notation ("JSON") format and are analysable. The team reviews these logs irrespective of parsing.
Online KYC processes was not compliant with SEBI circular dated April 24, 2020, as the CM segment was mandatory without opt-out.	PWBPL has submitted a review request on August 1, 2025, to the NSE regarding the observation on online KYC processes not being compliant with SEBI circular dated April 24, 2020 noting that this requirement is not mandatory under NSE Circular No. 60042, which allows members the benefit of having the CM segment enabled by default. Circulars 44237 and 51278 refer to online KYC, not trading preferences.
DLP and Antivirus user accounts were not disabled after 30 days of inactivity.	PWBPL submitted that the company has disabled all dormant accounts and revoked access for admins who had not logged in the last 30 days. Further, the company also revised the frequency of user access review from quarterly to monthly basis to ensure proactive removal of such dormant accounts.
Risk disclosure with respect to trading by individual traders in Equity Futures & Options Segment" was not displayed on the website.	PWBPL, in compliance with the circular INSP/57111, had displayed risk disclosures during onboarding for the equity futures & options segment. While the circular does not mandate the exact page on which the risk disclosures must be displayed, the company had shown the risk disclosures to the client during the onboarding flow and before the KYC flow ends. Further, PWBPL relocated the disclosure to the F&O segment selection for better clarity and accessibility of information to the clients.
Cyber security and cyber resilience policy not approved by the PWBPL's board of directors.	PWBPL submitted that the company had already shared the board resolution approving the cyber security and cyber resilience policy and supporting documents with NSE on December 2, 2024.
CDSL observations received by way of its inspection report dated June 12, 2024, pursuant to inspection conducted between May 27, 2024 to May 31, 2024	
(i) lack of BSDA option during online account opening; (ii) absence of explicit consent for standing instructions; (iii) inaccurate geo-location data due to ISP capture; (iv) no provision for multiple nominees; (v) inability to select specific securities/quantities in e-DIS mandates; (vi) non-compliance with OTP confirmation for account closures involving security transfers, and (vii) Concurrent audit report has not been provided during the time of Inspection.	PWBPL submitted that the company uses the third-party database, updated bi-weekly, for IP resolution, claiming 99.8% accuracy at the country level. Sample logs demonstrating restrictions on accounts opened from outside India were shared. Further, in relation to the specific geolocation discrepancies, the captured IP address reflects the nearest public IP to the client's location based on an algorithm of the third-party database. PWBPL submitted that it has provided the option to clients to modify its selection of, or opt out of the nominee system at the time of account joining, and will provide the facility to add up to three nominees. PWBPL has also made necessary changes in the e-DIS mandate system to select specific securities/ quantities, as well as changes to standing instructions at the time of account opening. PWBPL further provided supporting documents to demonstrate its compliance with OTP confirmation requirements. PWBPL has further shared the required concurrent audit report with CDSL as part of inspection requirements. PWBPL has also provided a final reply letter to CDSL

Further, our Company received a letter from RBI dated September 10, 2025 under the Guidelines on Regulation of Payment Aggregator and Payment Gateways, 2020 ("PA PG Guidelines") in relation to the facilitation of credit card transactions for rent payments to beneficiaries who have not been onboarded as merchants. In response, we discontinued the payment services for rent and related categories. Our results of operations from October 2025 onwards will exclude any further impact from Rent & related categories, as these categories were discontinued in September 2025. Details of our revenue from Rent & related categories for the six months period ended September 30, 2025 and 2024, and fiscal years 2025, 2024 and 2023 set out below represent revenue recorded in those respective periods:

(All amounts in ₹ million unless otherwise indicated)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Rent & related categories Revenue	5,185.24	6,682.62	12,622.70	11,449.21	6,215.97
Rent & related categories Revenue as % of Revenue of PhonePe Platform	13.44%	21.03%	17.89%	22.72%	21.63%
Rent & related categories Gross Margin	1,355.95	2,630.84	4,788.97	3,984.61	1,881.35
Rent & related categories GM as % of GM of PhonePe Platform	4.90%	11.01%	8.92%	10.29%	8.52%

Further, RBI recently conducted (on December 1, 2025) its annual audit of our Company in relation to our licences for PPI and Bharat Connect (formerly BBPOU) businesses, as well as the first audit of our PA business. The inspection report is yet to be issued by the RBI.

Our Subsidiary, PLSPL, operates as a Lending Service Provider (“LSP”) and is required to comply with regulatory requirements that are contractually passed down to it from its lending partners i.e., banks and non-banking financial companies. The RBI, via a notification dated November 28, 2025, withdrew the erstwhile Reserve Bank of India (Digital Lending) Directions, 2025 (“**Digital Lending Directions**”) and incorporated its provisions into the various directions issued by the RBI, being the Reserve Bank of India (Commercial Banks – Credit Facilities) Directions, 2025 and the Reserve Bank of India (Non-Banking Financial Companies– Credit Facilities) Directions, 2025 (collectively, “**DL Directions**”), applicable to various classes of RBI regulated entities including commercial banks and non-banking financial companies. This change is a consolidation exercise, on an as-is basis, i.e., without altering the underlying obligations, and it reinforces the integration of digital lending standards into the core compliance frameworks of our partner regulated entities (banking partners and NBFCs).

Consequently, the operations of PLSPL, in respect of LSP are governed under Chapter III of the DL Directions, further details of which have been disclosed in “*Key Regulations and Policies – Key Regulations applicable to the Company and its Subsidiaries – I. Reserve Bank of India (“RBI”)*” on page 235. In the instance of failure by PLSPL to comply with the extant DL Directions that are contractually passed down to it from its partner lenders, it could result in (i) suspension or terminations of PLSPL’s relationship with its partner authorised lenders; (ii) a pause in or cessation of PLSPL’s LSP services; or (iii) litigation by lending partners or customers of PLSPL, arising from any lapse in adhering to the procedural requirements embedded in the aforementioned DL Directions. Such consequences may lead to a loss of revenue for PLSPL. There can be no assurance that PLSPL will be able to adapt effectively to future regulatory interpretations or that PLSPL's compliance controls will prevent all instances of non-compliance. A loss of revenue for PLSPL or a failure of PLSPL to comply with regulatory requirements may adversely affect our business, financial condition or results of operations.

Further, another one of our Subsidiaries, PWBPL, had received a notice of inspection from SEBI dated August 25, 2025, whereby SEBI had informed that they intend to conduct a thematic inspection of PWBPL for the period April 1, 2024 to July 31, 2025. The theme of the inspection was in relation to the client onboarding process, and it was conducted on September 8, 2025. The inspection report has been issued by SEBI on October 27, 2025 with one observation in relation to senior management approval at the time of onboarding clients who are politically exposed persons (“PEP”) , to which the company responded on October 29, 2025 clarifying that PWBPL does not onboard clients of foreign origin and instead onboards only domestic individual clients who do not fall under the scope of foreign PEPs as envisaged under the SEBI circular SEBI/HO/MIRSD/MIRSDSECFATF/P/CIR/2024/78 (guidelines on anti-money laundering (AML) standards and combating the financing of terrorism (CFT) /obligations of securities market intermediaries under the Prevention of Money Laundering Act, 2002 and rules framed there under) dated June 06, 2024 read with the Prevention of Money-laundering (Maintenance of Records) Rules, 2005.

The NSE, by way of its communication dated October 9, 2025, conducted a Focus Area Inspection of PWBPL from October 27, 2025, which is currently ongoing. The inspection is being carried out in accordance with the prescribed scope notified by the NSE, and PWBPL continues to extend full cooperation by providing the requisite data, system access, and clarifications sought during the review. While PWBPL has responded to the relevant observations and concerns highlighted by these regulatory agencies, there can be no assurance that SEBI, NSE, CDSL or other regulatory agencies may not make similar or other observations in the future.

If we fail to seek or obtain the requisite permits, approvals and licenses, or if our existing permits, approvals and licenses are withdrawn by the relevant authority, our ability to maintain business operations and execute our objectives as planned could be compromised. Further, our Subsidiary, PWBPL had received 14 notices from the Stock Exchanges (three of which are outstanding as on date), in relation to potential penalties arising out of non-compliances and observations relating to, among others, online closure of trading accounts for clients, non-provisions of details under the enhanced supervision framework, discrepancy in reporting of collateral deposit figures, technical glitches, delay

in reporting of technical glitches, non-compliances relating to submission of financial action task force declarations and non-compliances with client registration documentations or anti-money laundering compliance. Further, our Company received a show cause notice dated July 3, 2025, issued under Sections 10(2), 18, 23A, 26 and 30 of PSS Act, 2007 in relation to RBI's observations during the statutory inspection for the period October 1, 2023 to December 31, 2024. In response thereto, our Company submitted its replies to RBI and produced the requisite supporting documents as well. Thereafter, a hearing in relation to this matter was conducted by the RBI on August 19, 2025. Subsequently, by way of an order dated September 10, 2025 ("Order"), the RBI found our Company to be in contravention of paragraph 12.3(ii) of the Master Directions on Prepaid Payment Instruments, 2021 and levied an aggregate penalty of ₹2.10 million to be paid within 30 days from the receipt of the Order, for which payment has been made by the Company. Apart from the regulatory observations, non-compliances, and penalties discussed above, we have not faced any other material instances of non-compliance in the six months period ended September 30, 2025 and 2024, and the Fiscal Years 2025, 2024 and 2023. For further details of these notices, please refer to "*Outstanding Litigation and Material Developments – Litigation involving our Subsidiaries – Litigation against our Subsidiaries – Actions taken by regulatory or statutory authorities*" on page 444. For further details of the regulatory licenses obtained by and applied for our Company and subsidiaries and the details of the licensing requirements and regulatory stipulations to which we are subject, please refer to the sections titled "*Key Regulations and Policies*" and "*Government and Other Approvals*" of this Updated Draft Red Herring Prospectus – I, on pages 235 and 449, respectively.

On August 22, 2025, the Parliament enacted the Promotion and Regulation of Online Gaming Act, 2025 (the "**Online Gaming Act**"), which imposes a comprehensive ban on online money games (referred to in this Updated Draft Red Herring Prospectus – I as "**real money gaming**" or "**RMG**" and the "**RMG ban**"), whether based on skill, chance or a combination thereof, and prohibits related financial transactions and advertisements. Accordingly, we ceased to generate revenues from advertising and payment gateway services associated with real money gaming with effect from August 22, 2025. Our results of operations from October 2025 onwards will exclude any further impact from RMG, as these services were discontinued in August 2025. Details of our revenue from RMG for the six-month period ended September 30, 2025 and 2024, and fiscal years 2025, 2024 and 2023 set out below represent revenue recorded in those respective periods:

(All amounts in ₹ million unless otherwise indicated)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Total RMG Revenue	709.87	1,470.66	2,449.02	2,342.09	2,081.13
RMG Revenue as % of Revenue of PhonePe Platform	1.84%	4.63%	3.47%	4.65%	7.24%
Total RMG Gross Margin (" RMG GM ")	600.60	1,377.60	2,250.67	2,240.99	2,054.43
RMG GM as % of GM of PhonePe Platform	2.17%	5.77%	4.19%	5.79%	9.31%

Non-compliance with laws, licensing conditions and regulations could result in penalties or revocation of authorisation, disrupting business operations and impacting financial stability. Furthermore, any changes in laws, regulatory policies or the introduction of new guidelines could necessitate costly adjustments to existing systems and processes or have other adverse effects on our business, any of which could adversely affect our market position and results of operations. These regulatory demands necessitate significant investments in personnel, technology and operational infrastructure, potentially increasing operational costs and affecting the efficiency of payment processing. Therefore, we are required to continuously adapt to evolving regulatory requirements, which can be challenging and may impact our ability to innovate and expand our services effectively. Furthermore, any cybersecurity breaches or system failures could compromise customer data and trust, leading to reputational damage and financial losses. These risks could significantly affect our ability to maintain market share and operational efficiency, impacting our financial stability and growth prospects.

The licenses and approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

9. We are subject to cybersecurity risks that could lead to disruptions of our operations and additional costs that adversely affect our reputation, brand, business, financial condition, results of operations and cash flows.

The digital nature of our business and industry makes us a target for, and vulnerable to, cybersecurity risks, including cyberattacks, data theft, security breaches, hacking, viruses, account takeovers, phishing, deep fake scams, trojans, social engineering, distributed denial of service, credential stuffing, ransomware and other malware, other attempts at information exfiltration, employee error, sabotage and malfeasance and other risks that could lead to disruptions of our operations and unauthorised access to data that we process and store. We process confidential and personal data

in our ordinary course of business and store data where permitted under applicable law and in accordance with our terms of service. This includes personal identifiable information (“**PII**”) of consumers including but not limited to email addresses and phone numbers, KYC data (including permanent account number and Aadhaar number), payment transaction data, tokenised card data, Bharat Connect (formerly BBPS) data, UPI data, device and usage data, financial data of our users (for example, income, loans, securities and insurance data), other consumer profile markers, as well as data of our merchants, lending partners, insurers and other business partners and third-party integration data. Hostile actors may target us due to our name, brand recognition, types of data (including sensitive payments- and identity-related data) that our users provide to us, and the widespread adoption and use of our platforms, products and services. Unauthorised parties may attempt to gain access to our systems or facilities through various means, including through hacking into our systems or facilities or those of our users, merchants, lending partners, insurers, other business partners or vendors, and attempting to fraudulently induce users of our systems (including employees, vendor and partner personnel and customers) into disclosing user names, passwords, payment card information, multi-factor authentication application access or other sensitive information used to gain access to such systems or facilities. This information may, in turn, be used to access our users’ confidential personal or proprietary information and financial instrument data that are stored on or accessible through our information technology systems and those of third parties with whom we partner. This information may also be used to execute fraudulent transactions or otherwise engage in fraudulent actions.

While we have internal governance policies including a data retention policy and information security policy, internal committees, system controls and checks restricting the access to our data and we have not experienced any material cybersecurity breaches in the six months period ended September 30, 2025 and 2024, and Fiscal Years 2025, 2024 and 2023, there can be no assurance that cybersecurity incidents will not occur in the future. The techniques used to obtain unauthorised, improper, or illegal access to our systems, or our user data, or to disable or degrade service or sabotage systems, are constantly evolving, may be difficult to detect quickly, and often are not recognised until after they have been launched against a target. The software underlying our platforms may contain undetected vulnerabilities which may also be exploited by such techniques. We may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventative or remedial measures.

Any accidental or wilful security breaches or other unauthorised access to our platforms or servicing systems could cause confidential, proprietary, or sensitive information to be stolen and used for criminal or other unauthorised purposes. Security breaches or unauthorised access to confidential information could also expose us to liability related to the loss of the information, time-consuming and expensive litigation, negative publicity and reputational harm. Particularly, the GoI has recently notified the Digital Personal Data Protection Act, 2023 (“**DPDP Act**”) that is set to overhaul India’s current personal data protection regime, under which penalties of up to ₹2,500 million can be levied, if we fail to implement reasonable security standards to prevent personal data breaches. If security measures are breached because of employee theft, exfiltration, misuse or malfeasance, our or third-party actions, omissions, errors, unintentional events, deliberate attacks by cyber criminals or otherwise, or if design flaws in our software or systems are exposed and exploited, our relationships with our users and business partners could be damaged, and we could incur significant liability. Further, as we continue to grow in compliance with applicable laws, we will collect, store and process the data of more individuals, which in turn increases the risk that a significant failure in our internal controls or data security measures could result in a data breach affecting more individuals and expose us to greater potential liability through fines and compensation claims, significant risk of reputational harm and loss of user trust. For further details related to the privacy and data protection laws applicable to us, see “*Key Regulations and Policies*” and “*—Regulatory, legislative or policy developments regarding privacy and data security could affect our ability to conduct our business.*” on pages 235 and 67, respectively.

In addition, we engage third parties in certain circumstances who may, by themselves or through their employees, access certain consumer data as part of their business relationship with us, such as service providers and business partners. This includes service providers and business partners with whom we share business, transaction, customer, and technical data on a need-to-know basis, in accordance with applicable laws and contractual agreements. In the event of a data breach involving a third-party, we may be subject to regulatory investigations and penalties, and our reputation could be adversely affected. While we own and manage our servers, they are hosted at data centres in third-party premises in India, limiting our control over physical security, access protocols, and uptime. Any lapses by the data centre provider—such as unauthorised access, service outages, or disaster recovery failures—could compromise data availability and integrity. Additionally, we store certain information on the public cloud, which introduces risks such as misconfigurations and insider threats. Improper handling of sensitive personal information by our data centre or cloud service providers may lead to non-compliance with India’s data protection laws, exposing us to legal, financial, and reputational risks. Our ability to monitor these third parties’ data security is limited, as we do not control their operations or processing of data beyond our contractual agreements. Consequently, we cannot ensure the integrity or security measures they implement to protect our consumers’ data, leaving us vulnerable to cyberattacks or security incidents affecting these third parties, which could adversely impact our business even if our systems remain unaffected.

While our business has not been materially affected due to cybersecurity issues in the six months period ended September 30, 2025 and 2024, and the Fiscal Years 2025, 2024 and 2023, any system failure, security breach or third-party attacks or attempts to illegally obtain the data that result in any actual or perceived disclosure of consumer data, or the perception that any of the foregoing has occurred, could damage our reputation and brand, deter current and other consumers from using our platforms, damage our business, and expose us to potential legal liability. Furthermore, security breaches involving our competitors could generate negative publicity for the entire industry, indirectly harming our reputation and reducing demand for our products and solutions.

10. Our success depends on the continuing efforts of our employees including Key Managerial Personnel and Senior Management, and our ability to recruit and retain talent. If we fail to hire, retain or motivate our employees, maintain our company culture and our values as we grow, our business may suffer.

The digital payments and financial services industry is highly competitive, and the loss of any of our Key Managerial Personnel or Senior Management could, among other things, disrupt our product innovation, and long-term strategy. Our leadership's expertise and experience in setting up and scaling startups are critical to navigating the complexity of our evolving industry. While we have entered into service agreements which include non-compete provisions, there is no assurance that such provisions will be enforceable. If any of our employees, Key Managerial Personnel or Senior Management joins a competitor or forms a competing business, we may lose business, customers, and know-how. If we are unable to retain or replace key leaders, investor confidence and business stability could be negatively affected. If we lose the services of any member of our Key Managerial Personnel and/ or Senior Management, we may not be able to hire suitable or qualified replacements and may incur additional expenses and time to recruit and for them to adapt to the new work culture. See "Our Management – Our Board – Changes in the Board in the Last Three Years" and "Our Management – Changes in Key Managerial Personnel and Senior Management" on pages 280 and 292, respectively.

The digital payments and financial services industry is experiencing strong demand for professionals with domain expertise. As a result, we have observed attrition in teams that drive innovation, including product development and technology. Further, the attrition levels are structurally higher in sales and customer support functions, as these are high-volume, target-driven entry roles with naturally greater mobility, unlike specialised functions where tenure is longer.

Our inability to attract, develop and retain top talent may hinder our ability to safeguard and enhance customer experience, create new products, and maintain operational efficiency. We rely on employees with specialised knowledge of our products and technology. Should these specialists leave, we could face disruptions in decision-making and risk compliance oversight. Mergers, acquisitions, or restructuring efforts may lead to workforce integration issues, employee dissatisfaction, and challenges in talent retention. Maintaining a cohesive organisational culture and strong leadership alignment may become challenging as we scale our business through acquisitions and expand into new markets. Rapid hiring and expansion could lead to misalignment between teams, inefficiencies in decision-making, and challenges in preserving our core values. Furthermore, employee burnout, particularly among high-performing teams engaged in high-growth products or areas in which we aspire to lead industry thinking, may increase attrition. Our growth and the aforementioned risks could result in higher hiring and training costs, increased employee benefits expenses, and greater costs associated with retaining talent through long-term incentives (both cash and equity).

The table below sets forth our employee attrition rate for the periods/ fiscal years indicated:

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Overall employee attrition rate ⁽¹⁾ (%)	22.10%	16.98%	34.24%	31.41%	27.88%

Note:

(1) Attrition rate is calculated as the total number of permanent employees who exited during the relevant fiscal year divided by the average total number of permanent employees during such periods/ fiscal year, multiplied by 100.

The table below sets forth our employee benefits expense and as a percentage of total expenses for the periods/ fiscal years indicated:

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Employee benefits expense (A)	28,691.09	21,496.63	40,967.05	36,039.76	30,965.74
Total expenses (B)	60,692.68	46,800.27	93,940.97	77,542.91	59,062.34
Employee benefits expense as a percentage of total expenses (A/B*100) (%)	47.27%	45.93%	43.61%	46.48%	52.43%

We may need to continue to invest in salaries and stock options to attract and retain new employees and expend time and resources to identify, recruit, train and integrate such employees. For instance, during the six months period ended September 30, 2025, certain actions were undertaken in relation to our employee stock option plans and founder awards which resulted in one-time impacts on our consolidated statements of profit and loss, cash flows and balance sheet. For further details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 387. If we are unable to effectively manage our hiring needs or successfully integrate, train and retain new and existing hires, our efficiency, ability to meet forecasts and employee morale, productivity and engagement could suffer, which could adversely affect our business, financial condition, results of operations, cash flows and prospects.

While we do not have an active labour union as of the date of this Updated Draft Red Herring Prospectus – I and have not experienced any work stoppages in the six months period ended September 30, 2025 and 2024, and Fiscal Years 2025, 2024 and 2023, there can be no assurance that our workers will not form a union and that we will not experience any disruption, including work stoppages, in the future as a result of disputes or disagreements with our work force, which may adversely affect our ability to continue our business operations. In addition, we are subject to, and may from time to time be involved in, employee-related disputes, claims, or proceedings, including matters relating to compensation, benefits, termination, and other employment-related issues. Any such disputes, if determined adversely, could result in financial liability, adverse publicity, and disruption to our operations.

11. *We face substantial and increasingly intense competition within India’s financial services industry. If we are unable to compete effectively, our business, financial condition, results of operations, cash flows and prospects will be materially and adversely affected.*

We face substantial competition within India’s financial services market, which has companies that have digital payments offerings such as consumer payments and merchant payments, and other offerings such as insurance, lending and mutual fund distribution, according to the Redseer Report (*chapter 7, page 187*). The digital payments industry includes payment companies that provide B2C offerings such as Consumer UPI Payments, Wallet Payments, among others, and payment companies that provide B2B offerings such as offline merchant acquisitions, online payment aggregators, among others, according to the Redseer Report (*chapter 7, page 187*). Furthermore, we face competition from financial services companies that provide offerings among Lending Distribution, Insurance Distribution, and Mutual Fund Distribution, along with a few offerings from consumer and merchant payments, according to the Redseer Report (*chapter 7, page 187*). Further, the three sponsor PSP banks through whom we participate in the UPI payment system, namely Yes Bank Limited, Axis Bank Limited, and ICICI Bank Limited, may also provide payment services and financial services, thereby leading to increased competition for us.

Some of our current and potential competitors may have larger operations, greater financial resources, larger user bases, greater brand recognition, more successful marketing capabilities, longer operating histories, higher traffic, a more secure position or offer products or services that we do not, which may provide competitive advantages to them. These or similar factors may allow our competitors to respond more quickly to new or emerging technologies and changes in consumers and merchant preferences and may render our platforms less attractive or obsolete.

We compete for customers based on the value we provide, the quality of our customer experience, the security of our platforms, and the breadth of our product offerings. We compete for merchants based on factors, such as, scale and engagement of merchants on our platforms, cost, convenience, quality, the innovative nature of our products and services and on time settlement of payments. We also compete for motivated and capable talent, including staff with technology and financial services expertise. We also face competition in areas such as choice on payment options; duration, simplicity, and transparency of payment terms; reliability and speed of processing payments; compliance and security; promotional offerings; fees; ease-of-use; marketing expertise; service levels; technological capabilities; customer service; brand and reputation; and consumer, merchant and business partner satisfaction. Our competitors may also make acquisitions or establish cooperative or other strategic partnerships or joint ventures among themselves or with others, including merchants, lending partners and insurers, because of which they may be able to achieve greater economies of scale.

Increased competition could result in the need for us to alter the pricing we offer to consumers, merchants, lending partners, insurers or other business partners. If we are not able to compete effectively, differentiate our products or services from those of our competitors or provide value to our consumers, merchants, lending partners, insurers or other business partners, we may be unable to retain them and our business, financial condition, results of operations, cash flows and prospects may be materially and adversely affected.

12. Our operations are subject to regulations and licensing requirements and oversight from various regulatory bodies. Our inability to obtain, renew or maintain the statutory permits, approvals, registrations and licenses may adversely affect our operations.

We are regulated by Indian financial regulators, and other government authorities, given our business interests across multiple financial service sectors. We are collectively registered with and have multiple licenses from Indian financial regulators, statutory bodies and sectoral bodies, such as the RBI, SEBI and IRDAI as well as from the Association of Mutual Funds in India (“AMFI”), the UIDAI, the DoT, the Stock Exchanges and Depositories. We are also subject to inspection, audit and certification requirements, including in relation to some of our licenses, as well as by virtue of some of our arrangements or agreements (for example, the arrangements with our PSP banks namely, Yes Bank Limited, Axis Bank Limited, and ICICI Bank Limited, which allow the RBI, NPCI and the respective PSP bank to conduct an audit of the infrastructure, systems, application components related to the UPI facilities).

In the course of our business operations, we are required to obtain various approvals, licenses, registrations, authorisations and permits, and make necessary registrations and filings with governmental, statutory and regulatory authorities. Given the dynamic nature of regulatory frameworks in the areas where we operate, we may also need to obtain additional licenses and approvals as new regulations are enacted. As of the date of this Updated Draft Red Herring Prospectus – I, none of our licenses, permits and authorisations issued by governmental authorities or regulators have expired. Details of the licenses are provided in the table below.

Sr. No	Regulation/Relevant regulator/sectoral body	License Details
Our Company		
1.	Master Direction on Regulation of Payment Aggregator (“PA Master Directions”)	Certificate of authorisation bearing number 245/2025 issued by the RBI, dated November 6, 2025, to operate as a Payment Aggregator, as per the provisions of the PSS Act. The authorisation granted is perpetual. The certificate is for both online and physical operations. For details, see “Government and other Approvals” on page 449.’ The previous certificate of authorization 241/2025 issued by the RBI was dated September 19, 2025 to operate as an ‘online payment aggregator’.
2.	Master Directions on Prepaid Payment Instruments, 2021 (“PPI-MD”)	Certificate of authorisation number 237/2025 dated August 25, 2025, valid till August 31, 2026, issued by the RBI, for issuance and operation of PPIs. This is as per the RBI circular on ‘Perpetual Validity for Certificate of Authorisation’ issued to Payment System Operator under the PSS Act renewed by way of letter dated August 28, 2025. The original certificate of authorisation number 75/2014 issued by the RBI was dated August 25, 2014. The authorisation has since been periodically renewed by RBI. Our Company has also obtained a one-time approval dated March 26, 2025 from the RBI, for issuing and operating co-branded PPIs.
3.	Master Direction- Reserve Bank of India (Bharat Bill Payment System) Directions, 2024 (“BBPS MD”)	Certificate of authorisation, bearing number 238/2025, dated August 25, 2025, issued by the RBI to operate as a BBPOU under RBI circulars issued prior to the BBPS MD. The original certificate of authorisation number 148/2022 issued by the RBI was dated March 3, 2022. This authorisation is perpetual.
4.	DoT circular dated 8 February 2022 on Registration Process of M2M Service Providers (M2MSP) & WPAN/WLAN Connectivity Provider for M2M Services	Registration certificate bearing registration No: KTK/M/100476/0625, dated June 24, 2025, as an M2MSP under the Department of Telecommunications circular dated February 8, 2022, to facilitate functioning of smart speakers containing SIM cards used as part of merchant payments processing. The original registration certificate bearing registration number KTK/M/100028/1222, issued by the Department of Telecommunications was dated December 12, 2022. The registration is perpetually valid.

Sr. No	Regulation/Relevant regulator/sectoral body	License Details
5.	PMLA, Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 (“ Aadhaar Act ”), and Aadhaar (Authentication and Offline Verification) Regulations, 2021 (“ Aadhaar Authentication Regulations ”)	Our Company has been notified as a reporting entity under Section 11A of the PMLA pursuant to the Ministry of Finance’s gazette notification dated September 22, 2021 thereby permitting our Company to carry out Aadhaar-based authentication. Approval dated June 10, 2022 issued by the UIDAI, to be appointed as a local authentication user agency (“ AUA ”)/e-KYC user agency (“ KUA ”) as per the Aadhaar Act and Aadhaar Authentication Regulations. UIDAI approval dated June 30, 2023, for the usage of the face authentication modality for the purpose of biometric Aadhaar authentication under the Aadhaar Act.
6.	Master Directions on Access Criteria for Payment Systems, 2017	RBI one-time approval dated January 17, 2025, for participation in the centralised payment systems i.e., RTGS and NEFT.
7.	Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions, 2022	Our Company has obtained a one-time approval, dated March 26, 2025, from the RBI for entering into co-brand arrangements with card issuers.
Our Subsidiaries		
PWBPL		
1.	Securities and Exchange Board of India (Stock Brokers) Regulations 1992, as amended	Certificate of registration as a stock broker, dated October 8, 2021, issued by SEBI, for carrying on activities of buying, selling or dealing in securities or as such activities permitted by stock exchange(s).
2.	Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended	SEBI registration dated June 24, 2022, issued by SEBI to act as a depository participant.
3.	Securities and Exchange Board of India (Research Analysts) Regulations, 2014, as amended	SEBI registration to act as a research analyst dated November 28, 2024, issued by SEBI and BSE research analyst enlistment issued by BSE.
4.	NSE rules, bye-laws and regulations	NSE membership valid from the year 2021 bearing membership number 90226 issued by NSE to act as a trading member of NSE in the equity and equity derivatives segments.
5.	BSE rules, bye-laws and regulations	BSE membership valid from the year 2022 bearing membership number 6756 issued by BSE to act as a trading member of BSE in the equity and equity derivatives segments.
6.	Association of Mutual Funds of India	Registration dated October 12, 2021, last renewed on August 20, 2024.
7.	SEBI, in consultation with UIDAI	Approval to act as a sub-authentication user agency and sub-eKYC user agency by SEBI in consultation with UIDAI vide gazette notification dated July 13, 2022.
PIBSPL		
1.	IRDAI (Insurance Brokers) Regulations, 2018, as amended	Certificate of registration number 766, dated August 8, 2024, obtained from the IRDAI, to act as a direct (life and general) broker (“ IRDAI Registration ”), valid till August 10, 2027. The original IRDAI Registration was dated August 11, 2021 and was valid until August 10, 2024. IRDAI permission dated September 8, 2023, for undertaking insurance e-commerce activities in India through the Insurance Self Networking Platform (“ ISNP ”), valid till the expiry of the IRDAI Registration.

Please refer to the section titled “*Key Regulations and Policies*” on page 235, for further details on our rights and obligations pursuant to these licenses and “*Government and Other Approvals*” on page 449. As a result of the above-mentioned licenses, we are subject to comprehensive regulatory requirements. It should be noted that non-compliance with the conditions of the licenses, authorisations or approvals may also lead to their cancellation, revocation, or suspension or attract consequences as defined under the regulatory framework (such as fines).

We are subject to multiple ongoing regulatory compliances under the aforementioned licenses. There is no assurance that we will comply with or adhere to such regulatory compliances to the satisfaction of the relevant regulatory

authorities. In the event we are unable to adhere to the relevant regulations applicable to us, we may be subject to regulatory action, fine or penalty. We are subject to ongoing regulatory supervision and monitoring, including regular inspections that are conducted by RBI for our PPI, and BBPOU licenses, SEBI, Stock Exchanges, CDSL, AMFI, UIDAI for our KUA license and IRDAI for our insurance broking license.

On October 20, 2021, one of our Subsidiaries, PhonePe Finance Private Limited (“PFPL”), had filed an application (“**Registration Application**”) with the RBI, to obtain a certificate of registration to commence and carry on business as a type-II non-banking finance company (non-deposit taking) (“**NBFC-ND II**”), which was returned by the RBI through a letter dated May 25, 2022 on the grounds that one of the related parties of PFPL had also applied for the NBFC-ND-II license. PFPL had filed another application for the same license on March 27, 2023 which was returned through a letter dated June 21, 2023 because one of the related parties of PFPL had already been granted in-principle approval to act as an NBFC-ND-II. On November 4, 2025, PFPL made a re-application to the RBI for a Certificate of Registration to operate as an NBFC-ND II. The application is currently under consideration with RBI. Further, one of our Subsidiaries, PhonePe Middle East FZ-LLC, has applied for the below licenses:

Sr. No	Regulation/Relevant regulator/sectoral body	Application date
1.	Retail Payment Services and Card Schemes Regulation (Circular No. 15/2021), Central Bank of UAE	Application dated February 10, 2025 to operate as a retail payment service provider in the UAE.
2.	Stored Value Facilities (SVF) Regulation (Circular No. 6/2020), Central Bank of UAE	Application dated February 10, 2025 to act as a provider of stored value facilities in the UAE.

**Applications were initially filed by our Company on behalf of the proposed entity, PhonePe Middle East FZ-LLC, which was incorporated on October 31, 2025.*

There can be no assurance that this current and/or any future registration applications filed by the Company or any other of our Subsidiaries with the RBI or any other regulatory body will not be returned or rejected, which may affect our business, financial conditions and prospects. Further, in the event that we are able to obtain the necessary registrations from RBI or any other regulatory body, there can be no assurance that we will have the necessary resources to carry on such new business operations, bear the additional compliance costs and regulatory scrutiny, oversight and liabilities which such additional registrations may invite.

13. There are pending litigations against our Company and our Subsidiaries. Any adverse decision in such proceedings may render us or them liable to liabilities or penalties and may adversely affect our business, financial condition, results of operations, cash flows and prospects.

Certain legal proceedings involving our Company, certain Subsidiaries and one of our Directors are pending at different levels of adjudication before various courts, tribunals and authorities. In the event of adverse rulings in these proceedings or consequent levy of penalties, we may need to make payments or make provisions for future payments which may increase expenses and current or contingent liabilities. A summary of outstanding litigation proceedings involving our Company and our Subsidiaries, and as per the Materiality Policy as disclosed in “*Outstanding Litigation and Material Developments*” on page 435, in terms of the SEBI ICDR Regulations as of the date of this Updated Draft Red Herring Prospectus – I is provided below:

Category of individuals / entities	Criminal proceedings	Tax proceedings ⁽²⁾	Statutory or regulatory proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action	Material civil litigations	Aggregate amount involved (in ₹ million) ⁽¹⁾
Company						
By our Company	135	N.A.	N.A.	N.A.	6	240.81
Against our Company	3	16	Nil ⁽³⁾	Nil	1	49.96
Directors						
By our Directors	1	N.A.	N.A.	N.A.	Nil	0.07
Against our Directors	Nil	3	Nil	Nil	Nil	515.07 ⁽⁴⁾
Promoters						
By our Promoters	Nil	N.A.	N.A.	N.A.	Nil	-
Against our Promoters	Nil	Nil	Nil	Nil	Nil	-
Subsidiaries						
By Subsidiaries	1	N.A.	N.A.	N.A.	Nil	-
Against Subsidiaries	2	3	3	Nil	Nil	6.31

⁽¹⁾ To the extent ascertainable and quantifiable.

- (2) The above table does not include 15 refund proceedings and three rectification proceedings filed by our Company and certain Subsidiaries. There is no tax demand liability against our Company and Subsidiaries in these proceedings but only a refund that needs to be paid by the tax authorities to our Company and Subsidiaries.
- (3) Our Company has filed an adjudication application dated July 14, 2025 before the Registrar of Companies, Karnataka on July 16, 2025, for adjudication of penalties under Section 450 of the Companies Act, 2013 in relation to non-conformance with the provisions of Section 62(1)(c) of the Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014, as amended, on allotments of equity shares at a price lower than the price determined in the valuation reports. For further details, see “Risk Factors – Certain of our corporate filings with the RoC have discrepancies and instances of non-conformance with the Companies Act, 2013 relating to share allotments. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future, and we will not be subject to any penalty imposed by the competent regulatory authority in this regard” on page 66.
- (4) The amount pertains to a tax refund by one of our Directors, where an appeal is pending before the Commissioner of Income-tax (Appeals).

Category of individuals	Criminal proceedings	Statutory or regulatory proceedings	Aggregate amount involved (in ₹ million) ⁽¹⁾
Key Managerial Personnel			
By our Key Managerial Personnel	1	Nil	0.07
Against our Key Managerial Personnel	Nil	Nil	Nil
Senior Management			
By our Senior Management	Nil	N.A.	Nil
Against our Senior Management	Nil	Nil	Nil

⁽¹⁾ To the extent ascertainable and quantifiable.

As disclosed in further detail in “Outstanding Litigation and Material Developments – Other pending proceedings” on page 446 of this Updated Draft Red Herring Prospectus – I, our Company received a summons from the Directorate of Enforcement (“ED”) Mumbai, Bengaluru and Delhi, respectively, seeking evidence in relation to an investigation under the Prevention of Money Laundering Act, 2002 (“PMLA”) against certain third-party individuals and entities and not against Company or Directors or Key Managerial Personnel or Promoters. The summons in the name of the Company was addressed to its authorised representatives and/or one of our Whole-time Directors and one of our Key Managerial Personnel, Rahul Chari on June 21, 2024 and March 17, 2025, April 11, 2025 and April 23, 2025, respectively each under Section 50 of PMLA. These summons were issued in relation to ongoing investigations being conducted by the ED, against Sutrulla Express Private Limited (OPC) and Dinero Payment Services Private Limited, who were third-party merchants using the payment aggregator/ gateway services on the PhonePe Platform, and apart from this, these entities are otherwise not directly or indirectly connected to our Company, Subsidiaries, Promoters or our Key Managerial Personnel in any manner. Further, the ED, Bengaluru also issued a letter and three communications dated December 1, 2025, December 28, 2025 and December 29, 2025, respectively, to our Company, seeking information and documents, including, details of transactions/ settlements made with Winzo Games Private Limited (“Winzo”) and Tictok Skill Games Private Limited (“Tictok”), via the PhonePe Platform. Apart from this, Winzo and Tictok entities are otherwise not directly or indirectly connected to our Company, Subsidiaries, Promoters or our Key Managerial Personnel in any manner. Accordingly, we do not foresee any implications on our Company. The information was sought from our Company, in its capacity as a third-party information provider. In compliance therewith, our Company has submitted its replies to the ED and has produced the requisite documents. We cannot assure you that we will not be subject to any further summons or directions in respect of the same or any other actions as may be undertaken by statutory or regulatory authorities in the future. Further, our Subsidiary, PWBPL had received 14 notices from the Stock Exchanges (of which three are outstanding as on date), in relation to potential penalties arising out of non-compliances and observations relating to, among others, online closure of trading accounts for clients, non-provisions of details under the enhanced supervision framework, discrepancy in reporting of collateral deposit figures and delay in reporting of technical glitches. The details of such outstanding notices are provided below:

Sr. No.	Particulars	Date of administrative warning/ deficiency letter/ adjudication orders/ settlement	Summary (including details of penalty levied and current status)
1.	Delay in submission of financial action task force (“FATF”) declaration	Penalty notice issued by NSE on September 4, 2024 in accordance with Exchange Circular No. NSE/INSP/53530 dated September 02, 2022	PWBPL received a notice dated September 4, 2024 (“Notice”) from NSE in relation to delay in submission of financial action task force (“FATF”) FATF declaration and monetary penalty amounting to ₹0.01 million (“Penalty”) was levied on PWBPL. However, no Penalty has been debited from PWBPL’s account, hence, the matter is currently pending.
2.	Offsite inspection conducted during August 2024	Penalty notice issued by NSE on September 24, 2024 in accordance with NSE Circular reference no. NSE/INSP/53530 dated September 2, 2022	PWBPL received a notice dated September 24, 2024 from NSE in relation to failure to report the closure of bank accounts to the NSE. Consequently, PWBPL submitted its reply dated October 2, 2024, (“Reply”) stated the reasons for delay and requested NSE to waive off the indicative penalty. Subsequently, NSE vide its letter dated February 18, 2025, after considering the Reply and stating lack of evidence, levied a penalty amounting to ₹0.01 million (“Penalty”) to PWBPL. However, no Penalty has been debited from PWBPL’s account, hence, the matter is currently pending.

Sr. No.	Particulars	Date of administrative warning/ deficiency letter/ adjudication orders/ settlement	Summary (including details of penalty levied and current status)
3.	Technical glitch	Penalty notice issued by BSE on April 15, 2025, in accordance with Exchange notice no. 20230704-27	PWBPL received a notice dated April 15, 2025 (“ Notice ”), from BSE in relation to penalty amounting to ₹0.03 million (“ Penalty ”) on failure to inform BSE towards instance of technical glitch. However, no Penalty has been debited from PWBPL’s account, hence, the matter is currently pending.

The RBI in the past has imposed a penalty on our Company with reference to inspections conducted by it. For further details, please see “— *Our operations are subject to various legal and regulatory requirements, including oversight and inspection by most of the major Indian financial regulators, including the Reserve Bank of India (“**RBI**”), Securities and Exchange Board of India (“**SEBI**”), and Insurance Regulatory & Development Authority of India (“**IRDAI**”), as well as other authorities of the Government of India (“**GoI**”) such as the Unique Identification Authority of India (“**UIDAI**”) and the Department of Telecommunications (“**DoT**”). Any changes in, or non-compliance with, applicable legal or regulatory requirements may adversely affect our operations*” on page 47. Our failure to comply with such orders, notices or summons received from the ED, RBI, Stock Exchanges or any other statutory or regulatory authority, including any further directions with respect to the above or in respect of any new investigations, may expose us, our Directors and Key Managerial Personnel to legal and statutory action or any other penal actions, which could have a material adverse impact on our business, financial condition, results of operations, cash flows and prospects.

For further details see “*Outstanding Litigation and Material Developments*” beginning on page 435. We cannot assure you that any of the outstanding litigation matters will be determined in our favour, or that no (additional) liability will arise out of these proceedings. Our Company is in the process of litigating these matters and based on the assessment in accordance with applicable accounting standards our Company has presently not made provision for any of the pending legal proceedings. For details of our contingent liabilities, see “*Summary of the Offer Document – Summary of Contingent Liabilities*” and “—*If we incur any contingent liabilities in the future, our financial condition, results of operations and cash flows could be adversely affected*” on pages 19 and 81, respectively. In addition to the foregoing, we could also be adversely affected by complaints, claims or legal actions brought by persons, before various forums such as courts, tribunals, consumer forums or sector-specific or other regulatory authorities in the ordinary course or otherwise, in relation to our products and services, our technology and/or intellectual property, our branding or marketing efforts or campaigns or our policies or any other acts or omissions. Further, we may be subject to allegations that may or may not lead to any outstanding legal action or notice but may receive media coverage which could adversely affect our reputation. Additionally, our Company may be a party to proceedings before various courts and authorities, of which our Company may be unaware due to a lack of notice, summons having been received by our Company. For instance, a miscellaneous case has been filed involving our Company before the Additional Metropolitan Magistrate, Bhoiwada, Dadar, Mumbai. However, our Company has not been served any notice or summon pertaining to the case and are not aware of the pending proceeding. There can be no assurance that such complaints, claims, notices, summons will not result in investigations, enquiries or legal actions by any courts, tribunals or regulatory authorities against us.

- 14. *The uninterrupted functioning of our platforms and technology systems is essential to our business, and we depend on third-party service providers and vendors to maintain the performance of such platforms and technology systems. Any disruption to our technology systems or infrastructure or to technology systems on which our third-party service provider rely, or any difficulties in switching to or engaging another third-party service provider could materially affect our ability to maintain the performance of our platforms and deliver consistent products and services to our users.***

Our platforms depend on the efficient and uninterrupted operation of our Technology Stack (which refers to our technology infrastructure, core platforms, our online analytical processing platform for data intelligence and our technology systems for product verticals). The reliability, accessibility and satisfactory performance of our technology systems and infrastructure are critical to our success, our ability to attract and retain consumers, merchants, lending partners, insurers or other business partners and our ability to maintain a satisfactory user experience and customer service. Our Technology Stack may experience service interruptions, downtime or degradation or other performance problems for any number of reasons, including but not limited to, hardware and software defects or malfunctions, unexpected high volume of transactions, distributed denial-of-service and other cyberattacks, infrastructure changes, failures, human error, natural disasters, power losses, disruptions in telecommunications services, interrupted supply of electrical power, fuel shortages, unauthorised access, fraud, military or political conflicts, terrorist attacks, legal or regulatory takedowns, phishing, computer viruses, ransomware, malware, or other events. Our Technology Stack may also be subject to break-ins, sabotage, theft, intentional acts of vandalism or unauthorised use of software or devices by our employees. See “— *We are subject to cybersecurity risks that could lead to disruptions of our operations and*

additional costs that adversely affect our reputation, brand, business, financial condition, results of operations and cash flows” on page 51. Additionally, systems, app components and software that are developed internally may contain undetected errors, defects or bugs, which we may not be able to detect and repair in time, in a cost-effective manner or at all. In such circumstances, we may be liable for all or some costs and damages, as we would not be entitled to any indemnification or warranty that may have been available if we had obtained such systems or software from third-party providers. Further, an increase in power costs may also adversely affect us, and we might not be able to adequately pass these costs on to our consumers. As we expand our operations, additional power supply may be required, and there is no guarantee that we will be able to secure sufficient power.

We have faced certain outages in the past. For example, in August 2025, we experienced an outage of UPI across India which impacted the PhonePe platform for approximately 1.5 hours. While this instance did not have a material adverse impact on our business, any interruptions or disruptions in our services in the future, including events such as these, could cause current or potential users to believe that our systems are unreliable, leading them to switch to our competitors or to avoid our products and services.

We are required to continuously upgrade and maintain our platforms and infrastructure, which requires significant investment of time and resources and may not be successful or effective or generate tangible return on investment. See “– The success and growth of our business depend upon our ability to innovate and develop new products and services. Our failure to accurately predict the demand or growth of our new products and services also could have a material and adverse effect on our business, financial condition, results of operations, cash flows and prospects” on page 61. The table below sets forth details regarding information technology infrastructure expenses, and as a percentage of total expenses for the periods/fiscal years indicated:

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Information technology infrastructure (A)	2,838.34	2,237.21	4,878.72	3,828.07	2,162.25
Total expenses (B)	60,692.68	46,800.27	93,940.97	77,542.91	59,062.34
Information technology infrastructure as a percentage of total expenses (A/B*100)(%)	4.68%	4.78%	5.19%	4.94%	3.66%

As we continue to grow our user base and integrate more merchants, lending partners, insurers and other business partners, we will experience growth in transaction volumes, which could place a significant strain on the processing capacity of our platforms and systems. We cannot assure you that our current processing capacity will be able to handle the growth of the transaction volumes on our platforms.

We also engage third parties for cloud infrastructure services, internet, data centre hosting services (such as locations, premises and electricity, constant delivery networks), developer tools, identity and access management tools, customer support platforms, e-signature services, etc. The technology systems on which these third parties rely and the services they provide may experience service interruptions or degradation or other performance problems for similar reasons that may affect our own technology systems. Further, we may not be able to easily switch to or engage another third-party service provider, such that any disruption of or interference with our use of such providers’ services could increase our operating costs and could adversely affect our business, financial condition, results of operations and cash flows, and we might not be able to secure service from an alternative provider on similar terms or at all. As our technology infrastructure, products and services expand and become increasingly complex, we face increasing risks to the performance and security of our technology infrastructure, products and services that may be caused by these third parties and their services including risks relating to incompatibilities among these services, service failures or delays or back-end procedures on hardware and software. In addition, we cannot assure you that our back-up and disaster recovery measures and business continuity planning would effectively eliminate or alleviate the risks arising from the above contingencies. Any failure by us or third parties to maintain and improve technology infrastructure, or to adapt to emerging industry standards, could result in unanticipated system disruptions, slower response times, impaired quality of user experience and delays in reporting accurate operating and financial information, which, in turn, could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

15. *The success and growth of our business depend upon our ability to innovate and develop new products and services. Our failure to accurately predict the demand or growth of our new products and services also could have a material and adverse effect on our business, financial condition, results of operations, cash flows and prospects.*

The markets in which we operate are subject to rapid and frequent changes in standards, technologies, products, services and solutions, user preferences and regulations, including for UPI. If we are unable to successfully and timely innovate and continue to deliver a superior user experience for users, merchants, lending partners, insurers and other

business partners, the attractiveness of our platforms and demand for our products and services may decrease and our growth, business, results of operations, financial condition, cash flows and prospects could be materially and adversely affected. Although there have been no such material instances in the six months period ended September 2025 and 2024, and the Fiscal Years 2025, 2024 and 2023, any failure by us to accurately predict the demand or growth of our new products and services also could have a material and adverse effect on our business, financial condition, results of operations, cash flows and prospects.

We are exploring and will continue to explore the development of new products, services and platforms. For more information, see “*Our Business – Our Growth Strategies*”. These new offerings may present new and difficult technological, operational, and other challenges. For example, in the second quarter of Fiscal Year 2026, our Company refined its strategy for our Pincode business towards further developing integrated merchant business solutions aimed at enhancing merchant engagement and enabling offline stores with technology tools. As part of this strategy refinement, our Company has transitioned out of the Pincode consumer mobile application, which was a hyperlocal e-commerce platform. If we experience service disruptions, failures, or other issues with new products, services or platforms, our business may be materially and adversely affected. Our newer activities may not recoup our investments in a timely manner or at all. If any of this were to occur, it could limit our growth, business and prospects.

Developing new business initiatives and models or new markets and incorporating new technologies into our products and services may require significant investment, take considerable time, demand adaptability from our users, merchants, lending partners, insurers or other business partners, present new and difficult technological, operational and compliance challenges and may ultimately not be successful. If we are unable to do so in a timely or cost-effective manner, our business could be adversely impacted.

Additionally, industry participants may not be receptive to our products and services in these new industries, which may cause them to eventually reduce their volume routed through us or even stop working with us altogether. If we expand into new verticals or geographic regions, we will need to understand and comply with various new requirements applicable in those verticals or regions. In addition, there can be no assurance that we will be able to develop, maintain and update these products, services and platforms to ensure initial and continued compliance with applicable laws and regulations. Industries change rapidly, and we may not be able to accurately forecast demand (or the lack thereof) for our solution or those industries may not grow. Failure to accurately forecast demand or growth in new industries, or eventual reputational harm from engaging in certain verticals, could have a material adverse impact on our business, financial condition, results of operations, cash flows and prospects.

16. *Failure to deal effectively with erroneous, fraudulent transactions or illegal activities on our platforms could diminish confidence in and use of our platforms and could result in increased legal and regulatory scrutiny and enforcement actions.*

We experience and face risks of loss due to erroneous and fraudulent transactions and illegal activities on our platforms, including consumer and merchant fraud, fraudulent chargeback, unauthorised use of account information and identity theft. Erroneous transactions may occur due to technical glitches, user input errors, or system misconfigurations. While the terms of use provided on our platforms prohibit the use of our services for illegal purposes, our product and service offerings, particularly the PhonePe Platform, are susceptible to potentially illegal or improper uses, resulting in liability for us. According to the Redseer Report, social engineering scams, fake apps, and misuse of UPI can erode user trust and require collective industry-level mitigation in the digital payments industry. We use a “Risk Based Transaction Monitoring” system to oversee transactions and user activities, including a risk score based automated evaluation of user actions, manual proactive review of events that are suspicious and investigations of reported fraudulent behaviours. However, there is no assurance that such a system can protect our platforms from any erroneous, fraudulent transactions or illegal activities.

Our Company, in its ordinary course, files criminal complaints against third-party merchants who may fraudulently initiate chargebacks such that we are unable to recover the amount deducted from our escrow account or for other relevant fraudulent activity impacting the Company. For instance, one of our Subsidiaries, PLSPL, filed a criminal complaint dated April 12, 2023 under sections 416, 419, and 420 of the IPC, against various accused persons on the grounds of alleged commission of fraudulent activities on social media platforms by the accused who were impersonating employees of PLSPL.

The risk prevention measures designed to detect and reduce the risk of fraud or illegality on our platform may not be effective in preventing all such activities. In such a scenario, fraudulent or illegal activity on our platforms may continue or increase which could lead to an increase in fraud related complaints from various channels, including law enforcement agencies, banks and regulators. These complaints are broadly in relation with authorised push payments, compromised authentication of payment transactions, merchant disputes and refund failures. Such increase in complaints may lead to increased scrutiny from regulatory bodies and payment networks and may eventually lead to

losses, regulatory penalties or even temporary restrictions on our operations and a loss of confidence in our platforms, brand and reputation. For further details of FIRs and actions initiated by our Company in relation to instances of such chargeback fraud, please see “*Outstanding Litigation and Material Developments - Litigation by our Company – Criminal litigation*” on page 437.

We may also incur losses from claims of unauthorised transactions from customers and may be required to reimburse our customers as required by the RBI, fraudulent or misleading usage of our apps, and breaches of security protocols. If losses incurred by us related to such payment transactions become excessive, it could potentially result in restrictions on our customer acquisition, which could harm our business.

Fraudulent or illegal activity on our platforms could lead to regulatory intervention and negative publicity that could harm our reputation. Any illegal, fraudulent, corrupt or collusive activity, misconduct, or perceptions of conflicts of interest and rumours could severely damage our brand and reputation, even if they are baseless or satisfactorily addressed, which could drive consumers, merchants, lending partners, insurers and other business partners away from our platforms. Some of our registered users are also under investigation by the law enforcement authorities for defrauding other persons using our platforms pursuant to which certain amounts lying in our nodal/ escrow account are frozen. Regulatory, statutory or government authorities could seek information or impose directions on us in the course of proceedings initiated against fraudulent or illegal actions of our merchants, lending partners, insurers or other business partners. In the past, statutory authorities have called for information from us and directed us to attach certain amounts processed by our Company or undertake corrective measures for non-compliances. The use of our platforms for illegal or improper uses may subject us in the future, to claims, lawsuits, and government and regulatory requests, inquiries, or investigations that could result in liability and harm to our reputation and any resulting liabilities, loss of transaction volume, or increased costs could harm our business.

17. *Our business depends on the strength of the PhonePe brand and the trust that our users have in us, and any failure to maintain, protect, and enhance our brand strength or trust could hurt our business.*

We believe that we have developed a strong brand and trust of our user base. It is critical to maintain, enhance and promote trust in our Company and our platforms. The success of our brand is critical to expanding the base of consumers, merchants, lending partners, insurers and other business partners on our platforms, as well as in increasing their engagement with our products and services. As of the date of this Updated Draft Red Herring Prospectus – I, our Company holds 201 trademarks and two copyright associated with the brand ‘PhonePe’. Our reputation and the confidence in and use of our products and services may be impacted by any negative publicity about our industry or us, and the quality and reliability of our products and services, our risk management processes, changes to services, our ability to effectively manage and resolve complaints, our privacy and security practices, litigation, regulatory activity, and the experience of consumers, merchants, lending partners, insurers and other business partners with our products and services. For further details on our intellectual property, see “*Our Business—Our Technology—Intellectual Property*” on page 229.

Many factors could undermine, erode or damage the trust in us, our platforms or our brand, including failure by us or our merchants, lending partners, insurers and other business partners to satisfy expectations of service and quality; inadequate protection of sensitive information; compliance failures and claims; employee misconduct; and misconduct by our merchants, lending partners, insurers, other business partners or other counterparties. Under the agreements with our merchants, the merchant is responsible for quality, quantity, timely delivery and price of the services offered by it and is further responsible for related customer support and dispute resolution services. Further, our contracts with merchants require the respective partners to resolve the disputes directly with the customers, without making us a party to the disputes. However, instances of unsatisfactory services provided by one or more merchants, lending partners, insurers or other business partners may damage the trust that consumers have in our brand and our platforms. We may receive negative reviews from users and become subject to legal notice and/or action, which may adversely affect our reputation and the confidence in and use of our products and services. Unfavourable media coverage, including on social media, could also harm our brand, business, financial condition, cash flows and results of operations. There have been in the past certain instances of negative publicity on account of actions of third parties, for instance, in relation to the ‘Hibox’ investment scam wherein a payment gateway partner carried out fraudulent practices against customers. While there have been no material instances of negative media publicity, negative reviews from our users or legal actions, we cannot assure you that such instances will not occur in the future. Negative publicity, reviews and allegations, even if not proved, may lead to inquiries, investigations, or other legal actions against us which could cause us to incur significant costs to defend ourselves. If we do not successfully maintain trust in us, our brand, business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected.

18. *Any impediment in procuring hardware and software in a timely manner and at competitive costs, or at all, and any significant disruption in, or errors in, service on our platforms or relating to third parties that we work with may have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.*

We source our hardware devices and some software services from third-party suppliers. For example, although we own and operate our own data centres, all of our servers, as well as all of our audio payment confirmation devices (also called Smart Speakers) and digital check-out points, are manufactured by third parties. Our reliance on external suppliers for both hardware and software requirements subjects us to risks such as currency fluctuations, import or export issues, third-party's non-compliance with laws (such as environmental conditions and standards), production and transportation costs, changes in domestic as well as international government policies and geo-political risks, regulatory or trade sanctions, or our manufacturers experiencing temporary or permanent disruptions in their manufacturing operations, labour strikes or shortages, natural disasters, public health disasters, component or material shortages, cost increases, insolvency, changes in legal or regulatory requirements, or other similar problems. We are also vulnerable to other supply-chain risks, including strikes or shutdowns at delivery ports, customs delays, product loss or damage during transit or storage, theft, quality and sourcing issues, failure by our suppliers to comply with applicable laws, intellectual property disputes, tariffs or trade restrictions and security breaches. These issues could delay and/or limit our product supply. Given these potential risks, we may face product shortages or delays in the future, and the availability of these products may be unpredictable.

While we have not faced any material difficulties in retaining our suppliers, engaging alternative suppliers or obtaining sufficient hardware or software from third parties to meet our requirements in the six months period ended September 30, 2025 and 2024, and Fiscal Years 2025, 2024 and 2023, we cannot assure you that we will be able to continue retaining our suppliers on commercially competitive terms or to find alternative suppliers or maintain a steady supply of hardware devices and software services. In the event of a supply shortage or interruption, we may struggle to find alternative sources quickly and cost-effectively, if at all, which could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

19. *We intend to commence international operations, which may involve risks that could increase our expenses including compliance risks and adversely affect our results of operations and cash flows and require increased time and attention from our management.*

While we currently derive our revenue from rendering of services in India and substantially all of the Group's non-current operating assets are domiciled in India, we intend to commence operations in a number of jurisdictions, including in Singapore and the United Arab Emirates. As of the date of this Updated Draft Red Herring Prospectus – I, we have applied to obtain relevant licenses in the UAE which are pending approval. In addition, we have extended UPI payments service to Singapore, United Arab Emirates, Nepal, Sri Lanka, Bhutan, France, Qatar and Mauritius, through the UPI infrastructure provided by NPCI International Payments Limited, which is a wholly owned subsidiary of NPCI.

There is no assurance that we will be able to successfully operate in such jurisdictions. We may be subject to risks inherently associated with international operations. Our global operations expose us to legal, tax, licensing and regulatory requirements and violations or unfavourable interpretation by the respective authorities of these regulations could harm our business. This might include difficulties in managing and growing international operations. Additional risks associated with international operations include difficulties in enforcing contractual rights, foreign currency risks, the burdens of complying with a wide variety of domestic and foreign laws and potentially adverse tax consequences, including permanent establishment and transfer pricing issues, tariffs, quotas and other barriers and potential difficulties in collecting accounts receivable. In addition, we may face competition in other countries from companies that may have more experience with operations in such countries or with international operations. Our international expansion plans may not be successful, and we may not be able to compete effectively in other countries. These factors could impede the success of our international expansion plans and limit our ability to compete effectively in other countries, which may adversely impact our business, financial condition, results of operations, cash flows and prospects.

20. *After the completion of the Offer, one of our Promoters, WM Digital Commerce Holdings Pte. Ltd., will continue to hold a majority shareholding in our Company, which will allow them to exercise influence over us.*

As of the date of this Updated Draft Red Herring Prospectus – I, one of our Promoters, WM Digital Commerce Holdings Pte. Ltd. holds 71.77% of our pre-Offer paid-up Equity Share capital on a fully diluted basis. Further, as of date of this Updated Draft Red Herring Prospectus – I, our other Promoter, Wal-Mart International Holdings, Inc. and the members of the Promoter Group do not hold any Equity Shares in our Company. Following the completion of the Offer, WM Digital Commerce Holdings Pte. Ltd., will continue to hold [●] Equity Shares constituting [●]% of our post-Offer Equity Share capital and will continue to exercise influence over all matters requiring shareholders'

approval. For details of its shareholding, see “*Capital Structure*” on page 116. This concentration of ownership may delay, defer or even prevent a change in control of our Company and certain transactions may require the support of our Promoters.

The interests of our significant shareholders could conflict with our interests or the interests of our other shareholders. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business. Further, the disposal of Equity Shares by our Promoters or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. In addition, the trading price of our Equity Shares may be adversely impacted if potential new investors are deterred from investing in us due to perceived disadvantages associated with a significant concentration of shareholding in our Promoters, as well as concerns related to the residential status of our Promoters. Further, since the Offer consists of only an Offer for Sale, accordingly, the Promoter Selling Shareholder and Investor Selling Shareholders shall be entitled to the entire proceeds from the Offer (net of its portion of the Offer-related expenses) and the Company will not receive any proceeds from the Offer.

21. *The Examination Report issued by our Statutory Auditors discloses certain modifications included in the auditor’s report and annexures related to our audited financial statements for Fiscal Years 2025, 2024 and 2023, and on the Companies (Auditor’s Report) Order 2020 for Fiscal Years 2025 and 2024. There can be no assurance that future audit reports will not include remarks from our auditors, which may have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.*

Our Statutory Auditors have identified certain modifications in the Report on Other Legal and Regulatory Requirements of auditor's report for Fiscal Years 2025, 2024 and 2023.

- ***Fiscal Year 2025***

- *Maintenance of books of account and other related matters:* The location of the backup servers with respect to backup of certain ancillary applications was not mentioned in the System and Organisation Controls (SOC) report. Accordingly, our statutory auditors were unable to ascertain whether the back up of ancillary applications is performed on servers physically located in India.
- *Audit trail:*
 - With respect to our Company and its subsidiaries incorporated in India, the audit trail feature was not enabled in legacy software in Fiscal Year 2024 and during the period from April 1, 2024 to April 24, 2024 in Fiscal Year 2025. Additionally, as per the statutory requirements for record retention, the audit trail for the current year and previous year were not preserved by our Company and its subsidiaries to the extent it was not enabled and recorded for the current year and previous year.
 - Our Company and one subsidiary have used certain other accounting software for maintaining books of account that does not have the feature of recording the audit trail. Accordingly, the audit trail has not been preserved for the current year and previous year.
 - Our Company has used an ancillary accounting software which is operated by a third-party software service provider for maintaining our books of account. The System and Organisation Control (SOC) report does not include information related to the audit trail. Accordingly, our statutory auditors were unable to comment whether the audit trail has been preserved by the Company as per the statutory requirements for record retention.

- ***Fiscal Year 2024***

- *Maintenance of books of account and other related matters:* With respect to our Group, books of account and daily backups have been maintained in electronic mode on server physically located in India, except for certain ancillary applications, supporting computation and an application acting as a repository are hosted on servers outside India.
- *Audit trail:*
 - Our Company and its subsidiaries incorporated in India have used an accounting software where the feature of recording the audit trail was not enabled throughout the year for all relevant transactions recorded in the software. Accordingly, our statutory auditors were

unable to comment whether in Fiscal Year 2024 there was any instance of the audit trail feature being tampered with in respect of accounting software.

- Our Company has used certain accounting software for maintaining books of account which does not have the audit trail (edit log) feature. Our Company and its eight subsidiaries incorporated in India, have also used certain accounting software which are operated by third-party software service providers for maintaining books of account. The System and Organisation Control reports do not include information related to the audit trail. Accordingly, our statutory auditors were unable to comment upon tampering of the audit trail feature.

- **Fiscal Year 2023**

- *Maintenance of books of account and other related matters:* With respect to our Group, books of account and daily backups have been maintained in electronic mode on servers physically located in India, except that certain ancillary applications, supporting computation and an application acting as a repository are hosted on servers outside India.

In addition, our auditor's reports also had qualifications under the Companies (Auditor's Report) Order, 2020 related to undisputed dues for provident fund being outstanding at the end of Fiscal Years 2025 and 2024, for a period of more than six months from the date they became payable, as shown in the table below:

Fiscal Year	Name of the Statute	Nature of the Dues	Amount (₹)	Period to which the amount relates	Due date	Date of Payment
2025	The Employee's Provident Funds and Miscellaneous Provisions Act, 1952	Employee's Provident Fund	2.09 million	Various dates	Various dates	₹1.28 million paid on various dates
2024	The Employee's Provident Funds and Miscellaneous Provisions Act, 1952	Employee's Provident Fund	30 million	Various dates	Various dates	-

There can be no assurance that any similar observations, qualifications, modifications, material uncertainties, remarks or matters of emphasis will not form part of the audit reports on our financial statements for future fiscal periods, or that such remarks will not affect our financial results in future fiscal periods.

22. Any failure by us or our merchants, lending partners, insurers or other business partners who work with us to comply with applicable anti-corruption, anti-money laundering, counter-terrorist financing and economic sanction laws and regulations could lead to penalties and may damage our reputation.

We and our partners who work with us are required to comply with the anti-money laundering ("AML") requirements under the PMLA in India and other regulators in the jurisdictions where we and our business partners operate. These requirements include the establishment of a client identification program, the monitoring and reporting of suspicious transactions, the preservation of client information and transaction records, and the provision of assistance in investigations and proceedings in relation to money laundering matters. In India, the PMLA was enacted to prevent money laundering and to provide for confiscation of property derived from money laundering. Pursuant to the PMLA, the FIU-IND has been conferred with the concurrent powers under relevant sections of the PMLA to implement the provisions of the PMLA. In case of any failure to comply with the provision under the PMLA or any event resulting in an inadvertent breach of the PMLA, the adjudicating authorities may also initiate further proceedings against us by way of a notice. Any proceedings or actions taken by the FIU-IND in relation to any non-compliance in this regard could tarnish the reputation of our Company, leading to a loss of trust among our stakeholders, business partners and customers. Our Company has received various summons and letters from the Directorate of Enforcement ("ED"), Delhi, Mumbai and Bengaluru seeking evidence in relation to an investigation against third-party individuals and entities under the Prevention of Money Laundering Act, 2002 ("PMLA"). For more details, see "—There are pending litigations against our Company and our Subsidiaries. Any adverse decision in such proceedings may render us or them liable to liabilities or penalties and may adversely affect our business, financial condition, results of operations, cash flows and prospects." on page 57.

We, our Promoters and our business partners may also be subject to various counter-terrorist financing and economic sanction laws and regulations that prohibit, among other things, any involvement in transferring the proceeds of criminal activities and any activities involving restricted countries, organisations, entities and persons that have been identified as unlawful actors or that are subject to U.S. sanctions imposed by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), or other international economic sanctions that prohibit us and our partners from engaging in trade or financial transactions with certain countries, businesses, organisations and individuals.

We provide services to our consumers and merchants, who may be doing business with, or located in, countries to which certain OFAC-administered and other sanctions apply. Although we have compliance systems in place, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. We rely on third parties, such as our banking partners, to help ensure that we do not provide services to parties to which sanctions apply. Although we do not believe that we are in violation of any applicable sanctions, if it were determined that transactions in which we participate violate U.S. or other sanctions, we could be subject to U.S. or other penalties, and our future business prospects could be adversely affected. In addition, we rely on third-party vendors to be up-to-date and aware of the latest sanctions in place.

Our Promoters and our Company may also be subject to anti-corruption, anti-bribery, anti-money laundering, and similar laws and regulations in various jurisdictions in which we conduct or in the future may conduct activities, including the Prevention of Money Laundering Act, 2002, Prevention of Corruption Act, 1988, U.S. Foreign Corrupt Practices Act ("FCPA"), and other applicable anti-corruption laws and regulations.

The policies and procedures we and our business partners have adopted may not be adequate or effectively implemented in protecting our services from being exploited for money laundering, terrorist financing and other illegal purposes. While there has not been any instances related to anti-money laundering, counter-terrorist financing and economic sanction that materially impacted our business in the six months period ended September 30, 2025 and 2024, and Fiscal Years 2025, 2024 and 2023, if we fail to comply with anti-money laundering, anti-terrorist and economic sanction laws and regulations in the future, we will be subject to fines, enforcement actions, regulatory sanctions, additional compliance requirements, increased regulatory scrutiny of our business, or other penalties levied by regulators, and damages to our reputation, all of which may adversely affect our business, financial condition, results of operations, cash flows and prospects. In particular, if we are publicly named as the target of an enforcement action or the subject of an investigation by relevant regulatory authorities or become subject to investigation, our business may be significantly interrupted, and our reputation might be severely damaged. Similarly, if our business partners fail to comply with applicable laws and regulations, it could disrupt our services and could result in potential liability for us and damage our reputation. We have been and will continue to be required to make changes to our compliance programs in response to any new or revised laws and regulations on anti-money laundering, counter-terrorist financing and economic sanctions, which could make compliance more costly and operationally difficult to manage.

23. *Certain of our corporate filings with the RoC have discrepancies and instances of non-conformance with the Companies Act, 2013 relating to share allotments. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future, and we will not be subject to any penalty imposed by the competent regulatory authority in this regard.*

Certain of our corporate filings with the RoC contain discrepancies. For instance, in relation to certain corporate filings made for six allotments of equity shares made between August 2014 and March 2015, while we have noted that the issue price for the allotments was ₹46.73 per equity share (comprising ₹10 as face value and ₹36.73 as securities premium), as per resolution annexed to Form PAS-3. However, as per the 'list of allottees' / 'Table A and B' annexed to Form PAS-3, the amount of securities premium is erroneously mentioned as 'Nil'. Further, our Company has on July 16, 2025, filed an adjudication application dated July 14, 2025 before the Registrar of Companies, Karnataka, for adjudication of penalties under Section 450 of the Companies Act, 2013 in relation to non-conformance with the provisions of Section 62(1)(c) of the Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014, on allotments of equity shares at a price lower than the price determined in the valuation reports. For further details, see "*Capital Structure –Notes to Capital Structure – Share capital history of our Company –Equity Share capital*" on page 117. Under Section 450 of the Companies Act, 2013 for adjudication of penalties of offences for which no penalty or punishment is provided elsewhere in the Companies Act, 2013, the company and every officer of the company who is in default or such other person shall be liable to a penalty of ₹ 10,000, and in case of continuing contravention, with a further penalty of ₹ 1,000 per day during which the contravention continues, subject to a maximum penalty of ₹ 200,000. Accordingly, our Company may be subject to a maximum penalty of ₹ 200,000 and the officers in default may be subject to a maximum penalty of ₹ 50,000 for each of these allotments for which there was a non-compliance. There can be no assurance that we will receive a favourable order in the adjudication application and even after receiving a favourable order, we may be subject to penalties for the non-compliances.

There can be no assurance that further deficiencies in our filings will not arise in future, or that we will be able to implement, or continue to maintain, adequate measures to rectify or mitigate any deficiencies in our internal control. Any inability on our part to adequately detect, report, rectify any deficiencies in our corporate filings may adversely impact on our compliance with the applicable rules and regulations. As we continue to grow, there can be no assurance that there will be no other instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

- 24. *We are unable to trace some of our corporate records relating to allotments made by our Company. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters or there will be any other non-compliances in the future, which may impact our financial condition and reputation.***

Some of our Company's corporate records are not traceable as the relevant information was not available in the records maintained by our Company. These include certain letters of offer sent to the relevant Shareholders and letters of non-participation by relevant Shareholders for certain rights issues undertaken by our Company during the period from June 2015 to February 2020, pursuant to which Equity Shares were allotted by our Company. For further details, see "*Capital Structure – Notes to Capital Structure – Share capital history of our Company – Equity Share capital*" on page 117. Further, for an allotment made to a non-resident allottee dated August 26, 2015, while our Company has made the relevant form filings with RBI, we have been unable to trace an acknowledgement from the RBI in relation to filing of the Form FC-GPR. While no legal proceedings or regulatory action has been initiated or is expected against our Company, in relation to such unavailable records as of the date of this Updated Draft Red Herring Prospectus – I, we cannot assure you that such proceedings or regulatory actions will not be initiated against us in the future. Further, we cannot assure you that such lapses will not occur in the future and that we will not be subject to further penalties or other regulatory action.

- 25. *Regulatory, legislative or policy developments regarding privacy and data security could affect our ability to conduct our business.***

Numerous domestic and international laws and regulations address privacy and the collection, storing, sharing, use, disclosure, and protection of certain types of data. These laws, rules, and regulations evolve frequently, and their scope may continually change, through new legislation, amendments to existing legislation, and changes in enforcement. Additionally, many laws and regulations relating to privacy and the collection, storing, sharing, use, disclosure, and protection of certain types of data are subject to varying degrees of enforcement and new and changing interpretations by courts or regulators. Changes in laws or regulations relating to privacy, data protection, and information security, particularly any new or modified laws or regulations, or changes to the interpretation or enforcement of such laws or regulations, that require enhanced protection of certain types of data or new obligations with regard to data retention, transfer, or disclosure, could greatly increase the cost of providing our platforms, require changes to our operations, or even prevent us from providing our platforms in jurisdictions in which we currently operate and in which we may operate in the future.

As part of our operations, we are required to comply with the Information Technology Act, 2000 and the rules thereof, which provide for civil and criminal liability including compensation to persons affected, penalties and imprisonment for various cyber related offenses, including unauthorised disclosure of confidential information and failure to protect sensitive personal data. India has already implemented certain privacy laws, including the Information Technology (Reasonable Security Practices and Procedures and or Information) Rules, 2011 ("**Privacy Rules**"), which impose limitations and restrictions on the collection, use, disclosure and transfer of personal information and the Indian Computer Emergency Response Team issued directions ("**CERT-In Directions**") under the IT Act which includes a host of cyber-security, breach reporting, and record maintenance requirements.

Additionally, the GoI, in August 2023, notified the DPDP Act. Accordingly, the GoI notified the Digital Personal Data Protection Rules ("**DPDP Rules**") on November 13, 2025. The GoI has set out an implementation timeline for the DPDP Act and the DPDP Rules (together, the "**DPDP Framework**") over an 18-month period starting from November 2025. The DPDP Framework regulates all forms of personal data (regardless of sensitivity) and makes consent the primary basis for processing such data (while recognising some limited non-consensual grounds for processing personal data). Once brought into effect, its obligations will apply to 'data fiduciaries' (i.e., entities that determine the purpose and means of processing personal data) and will require such entities to, among others, implement technical and security standards, comply with breach notification requirements which will include notifying affected data principals (which is a relatively new development in terms of Indian privacy regulations), ensure that data principals are able to exercise their rights granted to them under the DPDP Framework, and also comply with transfer, disclosure, and retention requirements for personal data processing. The DPDP Framework also introduced penalties of up to ₹2,500 million for any breach of its requirements. Further, there is a risk that we may also be classified as a 'significant data fiduciary' under the DPDP Framework (given the volume and sensitivity of the personal data we process) and so

may be required to comply with additional obligations such as appointing independent auditors and carry out periodic data protection impact assessments. For further details, see “Key Regulations and Policies” on page 235.

We have considered the compliance requirements under the DPDP Act and are already aligned with certain key principles of the legislation, including: (a) ensuring that notice and consent requirements are appropriately implemented; (b) adhering to data minimisation and proportionality principles in the processing of personal data; and (c) entering into contractual arrangements with third parties that establish mutual data protection obligations. As the implementation timeline for the DPDP Framework has been confirmed, we are beginning the implementation of the necessary systems and governance mechanisms to ensure full compliance with the applicable requirements. To this end, the implementation of the DPDP Framework and its rules will require us to modify our existing systems or invest in new technologies to ensure compliance with such applicable laws, which may require us to incur additional expenses and adversely affect our financial condition. Our failure to adhere to or successfully implement processes in response to changing regulatory requirements in this area could result in legal liability or impairment to our reputation in the marketplace, which could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Several jurisdictions have implemented new data protection regulations and others are considering imposing additional restrictions or regulations. We expect data protection regulations to continue to increase both in number, complexity and in the level of stringency. The entry into force of the General Data Protection Regulation (EU) 2016/679 (“GDPR”), in the European Union prompted various countries to begin processes to reform their data protection regimes. In many cases, these regulations have strict measures regulating both the transfer of data externally, and also the storage and transfer of data internally among our employees in the course of their work and among our subsidiaries and affiliates. Moreover, these regulations may have conflicting and/or inconsistent requirements, and compliance with one data protection regime does not necessarily entail compliance with another data protection regime and could even potentially create conflicts in compliance with another data protection regime. Any failure to comply with applicable data protection regimes could subject us to significant penalties and negative publicity, which could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

26. Seven of our Subsidiaries have incurred losses and eight of our Subsidiaries have incurred negative cash flows from operating activities, investing activities and financing activities for the six months period ended September 30, 2025 and 2024 and Fiscal Years 2025, 2024 and 2023. If these Subsidiaries continue to incur losses or negative cash flows, we may be required to provide financial support to them, which may adversely affect our business, cash flows, financial condition, results of operations and prospects.

Seven of our Subsidiaries have incurred losses and eight of our Subsidiaries have incurred negative cash flows from operating activities, investing activities and financing activities in the six months period ended September 30, 2025 and 2024 , and Fiscal Years 2025, 2024 and/or 2023. We cannot assure you that our Subsidiaries will achieve or maintain profitability and they may continue to incur losses going forward. Failure to become profitable could materially and adversely affect the value of our investment in our Subsidiaries and our Company’s business, prospects and financial condition. Further, negative cash flows over extended periods, or significant negative cash flows in the short term, could adversely impact our Subsidiaries’ ability to operate their business and in turn adversely impact our Company’s business, cash flows, financial condition, results of operations and prospects.

The table below sets forth details of Profit/ (loss) incurred by our Subsidiaries that recorded a loss in at least one of the periods/fiscal years indicated:

(All amounts in ₹ million)

Particulars	For the six months period ended September 30		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Pincode Shopping Solutions Private Limited	(2,056.51)	(1,470.83)	(2,832.02)	(1,070.60)	(1.42)
Indus Appstore Private Limited	(1,303.70)	(806.34)	(1,575.58)	(1,229.89)	(1,135.38)
PhonePe Wealth Broking Private Limited*	(903.65)	(2,079.51)	(3,097.12)	(1,814.94)	(1,278.51)
PhonePe Insurance Broking Services Private Limited	(503.36)	(201.46)	(204.82)	(2,472.91)	(4,273.28)
PhonePe Technology Services Private Limited	(20.07)	(56.20)	(113.40)	(223.40)	(17.34)
PhonePe Finance Private Limited	2.36	1.36	(1.03)	1.64	(2.47)
PhonePe Lending Services Private Limited (formerly known as 'PhonePe Credit Services Private Limited)	(425.43)	(507.94)	(1,620.93)	(1,282.23)	(227.03)

* Hon'ble Regional Director (South East Region, Hyderabad) has passed an order which became effective on October 30, 2024, approving the Scheme of Merger by Absorption or Amalgamation under section 233 of the Companies Act, 2013, of amongst Wealth Technology & Services

Private Limited and Quantech Capital Investment Advisors Private Limited (together referred as the "the transferor companies") with PhonePe Wealth Broking Private Limited ("the transferee") with effect from April 01, 2023.

The table below sets forth details of net cash flows incurred by our Subsidiaries periods/fiscal years indicated. In the table below, "net cash flows" is calculated as the sum of net cash flows generated from/ (used in) operating activities, net cash flows generated from/ (used in) investing activities and net cash flows (used in)/ generated from financing activities.

(All amounts in ₹ million)

Particulars	For the six months period ended September 30		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
PhonePe Lending Services Private Limited (formerly known as 'PhonePe Credit Services Private Limited)	(219.19)	99.44	367.01	0.82	(73.41)
Indus Appstore Private Limited	(144.61)	1.28	147.15	(14.45)	(16.59)
Indus Appstore (Singapore) Pte. Ltd.	(81.85)	21.03	(751.86)	839.54	24.68
PhonePe Technology Services Private Limited	(13.47)	0.45	(34.60)	52.40	(13.30)
PhonePe Insurance Broking Services Private Limited	(4.64)	(153.60)	(116.03)	43.29	100.20
Pincode Shopping Solutions Private Limited	(1.45)	(186.23)	(172.46)	99.93	4.02
PhonePe Finance Private Limited	2.98	3.18	(12.20)	3.80	52.90
PhonePe Wealth Broking Private Limited*	11.43	(83.16)	(6.12)	(87.38)	(155.35)

* Hon'ble Regional Director (South East Region, Hyderabad) has passed an order which became effective on October 30, 2024, approving the Scheme of Merger by Absorption or Amalgamation under section 233 of the Companies Act, 2013, of amongst Wealth Technology & Services Private Limited and Quantech Capital Investment Advisors Private Limited (together referred as the "the transferor companies") with PhonePe Wealth Broking Private Limited ("the transferee") with effect from April 01, 2023.

27. Our Promoters may, through their investments in other entities, engage in the same line of activity or business as that of our Company which could result in overlapping interests.

Our Promoters have multiple investments, including in overlapping activities or businesses. For example, Scapic Innovations Private Limited, one of the members of the Promotor Group operates super.money, which is a digital payments and lending app in India. In addition, certain of our Non-Executive Nominee Directors are also directors on the boards of certain investee companies of our Promoters and Promoter Group outside of India which conduct similar activities or businesses as our Company. We can provide no assurance that we will be prioritised by our Promoters, and individual investment choices by these Promoters, including to support or prioritise other businesses, which could adversely affect our business, financial condition, results of operations, cash flows and prospects. See " – After the completion of the Offer, one of our Promoters, WM Digital Commerce Holdings Pte. Ltd., will continue to hold a majority shareholding in our Company, which will allow them to exercise influence over us" on page 63.

28. We may not be able to maintain the levels of growth in our Lending and Insurance Distribution services.

We have strategically expanded PhonePe Platform's offering beyond payments into Lending and Insurance Distribution services. In Lending Distribution, we offer a comprehensive suite of lending solutions for both consumers and merchants, operating as a LSP to distribute loans on behalf of banks and NBFC partners. In Insurance Distribution, we provide users, directly through the PhonePe app, access to a wide range of Insurance products on behalf of insurer partners. In the six months period ended September 30, 2025 and Fiscal Years 2025, 2024 and 2023, we were not exposed to risks of loan defaults or any insurance claims because our Lending and Insurance Distribution services were limited to distribution (except to the extent of Default Loss Guarantee ("DLG") provided to the partners not exceeding 5% of the total amount disbursed out of the identified loan portfolio) and any exposure to loan default or insurance claims were to be borne by the loan and insurance providers respectively. For details on how we earn revenue from Lending and Insurance Distribution services, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Our Business Model" beginning on page 388.

Pursuant to the DL Directions, issued on November 28, 2025, LSPs are permitted to enter into default loss guarantee ("DLG") contractual arrangements with lenders, to compensate for losses incurred by the lenders due to defaults by the borrowers, up to a pre-specified percentage of the identified loan portfolio not exceeding 5% of the total amount disbursed out of the identified loan portfolio. For further details, please refer to the "Key Regulations and Policies" section on page 235. Our Subsidiary, PLSPL, entered into DLG arrangements with certain lenders starting in Fiscal Year 2026. In case of defaults by borrowers, our Subsidiary, PLSPL will have to compensate such lenders up to the specified percentage, which may adversely affect our business, financial position and results of operations. The table

below sets forth revenue from Lending and Insurance Distribution services and as a percentage of revenue from operations for the periods/ fiscal years indicated:

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Revenue from sale of services					
- Lending and Insurance Distribution services (A)	4,526.26	2,167.82	5,576.47	1,810.61	280.54
Revenue from operations (B)	39,184.69	32,075.16	71,148.58	50,641.33	29,142.87
Revenue from Lending and Insurance Distribution services as a percentage of revenue from operations (A/B*100)(%)	11.55%	6.76%	7.84%	3.58%	0.96%

We partner with financial institutions to distribute lending and insurance offerings. Our financial institutions partners include banks, NBFCs and insurance companies. Our success depends on our ability to maintain a mutually beneficial partnership with these financial institutions. Our financial institutions partners may determine to reach and acquire customers directly instead of partnering with us; may renegotiate commercial terms of the fee arrangements we have with them; may become unwilling to offer products and services on our platforms; and may reduce or cease their cooperation with us and therefore expose us to greater partner concentration risk or ultimately lead to our inability to satisfy demand from customers.

Further, our marketing efforts may not generate the desired results and may fail to engage our users and not lead to satisfactory acquisition rates as expected by our financial institutions partners.

In addition, we have entered into collection agreements with various financial institution partners under which we provide collection services to such financial institution partners in respect of loans that are extended by them. Collection fees and service fees under these agreements are paid to us based on the principal amounts outstanding and the amounts collected, and low collection and service fees could have an adverse impact on our financial condition, cash flows and results of operations.

While we have achieved rapid growth in the six months period ended September 30, 2025 and 2024, and Fiscal Years 2025, 2024 and 2023, there is no guarantee that we will be able to maintain our strong consumer and merchant base and good relationships with our financial institution business partners. In addition, according to the Redseer Report, limited access to formal credit in lending, which stems from low financial literacy, inadequate documentation and collateral, lack of formalisation, and regional accessibility barriers, may present challenges to the expansion of Lending Business. Poor awareness, product complexity, affordability concerns, and limited ability to offer customised or contextually relevant coverage at scale also contribute to the low demand for insurance in India, according to the Redseer Report. Accordingly, we may not be able to sustain the levels of growth in our Lending and Insurance Distribution services, which could materially and adversely affect the value of your investment in our Company.

29. While we have taken all necessary steps, we may be unable to protect our trademarks, design applications (filed and registered), patents and similar intellectual property and may be subject to intellectual property infringement claims, either of which may substantially harm our business.

We regard our trademarks, design applications (filed and registered), patents and similar intellectual property as critical to our success. We rely on a combination of intellectual property laws and contractual arrangements to protect our proprietary rights. The following table sets forth the number of our registered intellectual properties and pending applications, as of the date of this Updated Draft Red Herring Prospectus – I.

Intellectual Property	As of the date of this Updated Draft Red Herring Prospectus – I
India	
<i>Registered intellectual property:</i>	
Patents	3
Copyrights	3
Design registrations	Nil
Trademarks	268
<i>Applications in respect of intellectual property, which are pending/accepted/advertised:</i>	
Patents	5
Design	5
Copyrights	Nil

Intellectual Property	As of the date of this Updated Draft Red Herring Prospectus – I
Trademarks	136
<i>Applications in respect of intellectual property, which have been withdrawn/abandoned/expired/refused/opposed/objected:</i>	
Patents	7
Design	1
Copyrights	Nil
Trademarks	151
Outside India	
<i>Registered intellectual property:</i>	
Patents	10
Copyrights	Nil
Design registrations	2
Trademarks	126
<i>Applications in respect of intellectual property, which are pending/published/under examination</i>	
Patents	8*
Design	1
Copyrights	Nil
Trademarks	26
<i>Applications in respect of intellectual property, which have been withdrawn/abandoned/expired/refused/opposed/objected:</i>	
Patents	24
Design	Nil
Copyrights	Nil
Trademarks	6

* Includes four patents for which formal order is awaited. However, the applications have been abandoned by our Company.

For further details on our intellectual property, see “*Our Business—Our Technology—Intellectual Property*” on page 229.

As of the date of this Updated Draft Red Herring Prospectus – I, one of our Subsidiaries, Indus Appstore (Singapore) Pte. Ltd. has five patents registered in five countries outside India (these patents have been registered in its former name, i.e., OSLabs Pte. Ltd., prior to its acquisition). In relation to these patents, Indus Appstore (Singapore) Pte. Ltd. has transferred the patent rights to Indus Appstore Private Limited, however, the transfer requests are yet to be filed in the respective jurisdictions. Further, one of our Subsidiaries, Indus Appstore Private Limited has one patent application pending under the PCT (which has been filed in its former name, i.e., OSLabs Technology Private Limited, prior to its acquisition). While we may seek to transfer or update these patents to the current names of the relevant subsidiaries, there can be no assurance that such applications will be successful or accepted by the relevant authorities in various jurisdictions.

Our Company has abandoned one trademark application in India and abandoned one trademark application in China and abandoned one patent application in India and had one trademark application refused in India. Our Company has also made 37 trademark applications that have been opposed in India and our Subsidiary, Indus Appstore Private Limited, has made one trademark application that has been opposed in India. Additionally, one of our Subsidiaries, Indus Appstore (Singapore) Pte. Ltd. (in its former name) has 28 patents applications, in 16 countries outside India and the European Union, which are under examination or have been refused, withdrawn, abandoned, published, lapsed, cancelled or expired, as of the date of this Updated Draft Red Herring Prospectus – I. As a result, we may be exposed to risks associated with intellectual property infringement and misappropriation claims by third parties, which could adversely affect our business and reputation. Such risks may further increase as we expand and enter new geographies.

While we undertake to register our intellectual property, no assurance can be provided that such applications will be granted. An intellectual property registration granted to us may not be sufficient to protect our intellectual property rights. Further, intellectual properties could also be challenged by a third-party including by way of revocation or invalidity actions. In addition, there could be potential trade name or trademark ownership or infringement claims brought by owners of other rights, including registered trademarks, in our marks or marks similar to ours. Our contractual arrangements to protect our proprietary rights may be breached by counterparties and there may not be adequate remedies available to us for such breach. Although we have policies and measures in place to prevent unauthorised use of our intellectual property, unauthorised parties may copy aspects of our platforms or obtain and use information that we consider proprietary. Malicious third-party actors may adopt service names or purchase domain names similar to ours, thereby harming our ability to build brand identity and leading to confusion. If our users have an adverse experience with services or platforms that use or mimic our intellectual property without authorisation, the consequent negative publicity or perceptions may adversely affect our reputation and brand. We have initiated and are

party to various trademark infringement proceedings against various persons or entities for using word or brand marks similar to ours. We may also be harmed by the actions of or negative press relating to entities which have similar names to us. Although we have taken all necessary measures, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights because policing the unauthorised use of our intellectual property is difficult and costly. The steps we take may not be sufficiently adequate to prevent the infringement or misappropriation of our intellectual property. Further, in some cases, our brand “PhonePe” and its associated trademarks may be subject to infringement and passing off by other third-parties, seeking to capitalise on our brand. For further details of litigation proceedings initiated by our Company challenging the trademark infringement by other entities, please see “*Outstanding Litigation and Material Developments - Litigation involving our Company – Litigation by our Company – Material civil litigation*” on page 442.

Companies, including our competitors or individuals, may hold or obtain patents, trademarks or other proprietary or intellectual property rights that could prevent, limit or interfere with solutions or products offered on our platforms. We may be subject to claims from third parties asserting infringement claims or inquiries. For further details, see “*Outstanding Litigation and Material Proceedings – Litigation involving our Company – Litigation against our Company – Material civil litigation*” on page 436.

30. *If we are unable to cross-sell our new platforms, products and services, our ability to generate additional revenue from customers could be negatively impacted, which could adversely affect our business, financial condition, results of operations, cash flows and prospects.*

Our ability to attract customers to use, and build trust in, our non-payments offerings, such as Lending and Insurance Distribution services, is dependent on our ability to cross-sell. We do so by matching suitable products to our PhonePe Platform users, which we determine based on the consumer insights generated from our platforms. We also promote the New Platforms, Share.Market and Indus Appstore, by running banner ads on the PhonePe Platform. If we are unable to effectively cross-sell on existing or new platforms, products and services, it could hinder our growth and diversification efforts. The processes we use for cross-selling may not always be effective. If we are not successful in cross-selling our platforms, products and services, we will not be successful in growing our Financial Services businesses and New Platforms in a timely manner or at all and may not realise our expected returns on our investments in developing those businesses, thereby adversely impacting our business, financial condition, results of operations, cash flows and prospects.

31. *We rely on third-party app stores and other third-party online channels to include, prominently display and promote our apps and platforms to their users. If our apps are not included or do not receive promotions or prominent placements in these marketplaces, our usage or brand recognition could decline and our business, financial condition, results of operations, cash flows and prospects could be adversely affected.*

We depend, in large part, on third-party app stores, social media platforms, content-based digital marketing and other online third-party sources to promote downloads, installations and usage of our apps and platforms in addition to and pursuant to service agreements with third parties including creative agencies, production houses, media procurement partners, etc. Our ability to maintain and increase the level of downloads of our apps and platforms is to a significant extent outside of our control. Third-party app stores, social media platforms and other online channels often revise their algorithms and introduce placement methodologies and new advertising services. In addition, if our online display advertisements are no longer able to reach certain users due to their use of ad-blocking software, our business, financial condition, results of operations, cash flows and prospects could suffer. In the past, we have been subject to warnings and actions by other app stores, and it may happen again in the future which could have a material adverse impact on our operations and reputation.

Our success depends in part on our ability to attract new customers to find and download our platforms through unpaid internet search results on search engines. We rely on app marketplaces to drive downloads of our mobile app. App marketplaces regularly make changes, which may make access to our services more difficult. In the event that it is difficult for consumers to access and use our platforms, our business may be materially and adversely affected. In particular, our organic app downloads and new customer acquisitions heavily rely on the Android app store and the iOS App Store, and those platforms compete with our Indus Appstore. If one or more of the app stores, search engines or other online channels on which we rely for traffic to our platforms were to modify its ranking algorithm for how it displays our apps or advertisements, it may impact our app discoverability and result in fewer users clicking through to our platforms, and our business, financial condition, results of operations, cash flows and prospects may suffer.

As new mobile devices and mobile platforms are released, there is no guarantee that certain mobile devices will continue to support our platforms or effectively roll out updates to our applications. Additionally, in order to deliver high-quality applications, we need to ensure that our platforms are designed to work effectively with a range of operating systems, networks, technologies and standards. We may not be successful in developing or maintaining

relationships with key participants in the mobile device and platform industry that enhance customers' experience. If participants that utilise our platforms encounter any difficulty accessing or using our applications on their mobile devices or if we are unable to adapt to changes in popular mobile operating systems, we expect that our numbers of registered and active customers to be adversely affected.

32. *We rely on third-party service providers for certain aspects of our business, which creates additional risk, and the failure of third-party service providers to comply with legal or regulatory requirements or to provide various products and services that are important to our operations could have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.*

We depend on third-party service providers for certain services, such as customer support, marketing, certain technology enabled solutions (such as human resources and business processes outsourcing), cloud storage services, maintenance of security, device interconnectivity and IoT capabilities, and merchant and customer onboarding for some cases, as well as procurement of government licenses. Our success depends on our ability to manage such third-party service providers to provide reliable and satisfactory services to users on our platforms and to meet our regulatory requirements. Our operations and business could be adversely affected if we face any operational or system interruptions from outsourcing to such third-party service providers. To the extent we are unable to effectively manage these third-party service providers to provide satisfactory services on commercially acceptable terms or in a timely manner, or at all, or if we fail to retain existing or attract new quality partners to our platform, our ability to retain, attract or engage our users may be severely limited, which may have a material and adverse effect on our business, financial condition, results of operations, cash flows and prospects.

We are dependent on the ability of our products and services to integrate with a variety of third-party operating systems, as well as web browsers that we do not control. Any changes in these third-party systems that degrade the functionality of our products and services, impose additional costs or requirements on us, or give preferential treatment to competitive services, including their own services, could materially and adversely affect usage of our products and services. Most of our agreements with third-party service providers are terminable, without cause, by the service provider with a short notice period (typically ranging between 30 days to 180 days), and if our current third-party service providers were to terminate their agreements with us or otherwise stop providing services to us on acceptable terms, we may be unable to procure service from alternative service providers in a timely and efficient manner and on acceptable terms or at all. Furthermore, some of our service agreements are fixed-term contracts or have short durations ranging from one year to five years and may not always be subject to automatic renewal. While there have been no instances of business disruptions due to contract termination, or deficiency or failure to provide service by third-party service providers in the six months period ended September 30, 2025 and 2024, and Fiscal Years 2025, 2024 and 2023, if any service provider fails to provide the services we require, fails to meet contractual requirements (including compliance with applicable laws and regulations), fails to maintain adequate data privacy controls and electronic security systems, or suffers a cyber-attack or other security breach, we could be subject to regulatory enforcement actions, claims from third parties, including our customers, and suffer economic and reputational harm that could have an adverse effect on our business. Further, we may incur significant costs to resolve any such disruptions in service, which could adversely affect our business.

In addition, our dependence on these third-party service providers also exposes us to risks associated with their internal management, bankruptcy, change of management and financial condition, which could adversely affect our business, financial condition, results of operations, cash flows and prospects.

33. *A change in the regulatory environment around Digital Gold offerings could have an adverse effect on our business, and operations.*

The Company facilitates sale and purchase of digital gold for its customers from large digital gold players via the PhonePe Platform. This offering is different from the SEBI regulated exchange traded commodity derivative contracts, gold exchange traded funds (ETFs) offered by mutual funds and electronic gold receipts (EGRs) tradeable on Stock Exchanges.

Currently, there is no regulatory framework governing digital sale of gold. In this regard, SEBI has issued a press release dated November 8, 2025 cautioning the public regarding investment in digital gold on various digital-platforms. In this, SEBI has noted that digital gold/ E-gold products are being marketed as an alternative for investment in physical gold; however, they are neither notified as securities nor regulated as commodity derivatives. Such digital gold products are different from SEBI regulated gold products and thus operate outside SEBI's purview. SEBI has further cautioned that investments in digital gold products are not covered by investor protection mechanisms available under the securities market framework and may expose investors to counterparty and operational risks.

While there are no regulations applicable to our operations of facilitating sale and purchase of digital gold at present, any future regulatory framework or changes in the regulatory environment could have an adverse impact on our business and results of operations.

34. *The discontinuation or reduction in government incentive schemes or any adjustment on fee rates that we benefit from could adversely affect our business, financial condition, results of operations, cash flows and prospects.*

Our business model and revenue generation are influenced by government incentives, specifically (a) the Payments Infrastructure Development Fund (“**PIDF**”) – Extension of Scheme and Enhancements offered by the RBI; (b) the incentive scheme offered by the Ministry of Finance for promotion of RuPay Debit Cards and low-value Bharat Interface for Money (“**BHIM**”) UPI transactions (P2M); (c) National Payments Corporation of India for RuPay Credit Cards on UPI Acceptance Incentive Scheme; and (d) the Open Network for Digital Commerce (“**ONDC**”) Incentive Program for the promotion of buyer side orders placed through the ONDC network.

On account of prevailing government budgetary policies or shifts in pricing for services set by the NPCI or regulators, there is a risk that the share of digital incentive or rates chargeable to us may be discontinued or reduced, which could adversely affect our financial performance.

Any failure on the part of our Company to meet the requirements of, or delay in receiving incentives or share of incentives from, government bodies, or a reduction in, elimination of or unfavourable application of government incentives or rates because of policy changes, may adversely affect our business, financial condition, results of operations, cash flows and prospects.

Additionally, the recognition of such incentives is often uncertain and irregular, which may result in variability in our revenue recognition patterns. This uncertainty in timing of revenue recognition could lead to volatility in our quarterly financial results, and uneven distribution of cash flows.

35. *Our obligation to adhere to the terms and conditions of financial institutions, payment gateways and other institutions that we depend on could introduce additional costs or operational challenges to our business.*

Payment and settlement/ financial institutions, such as the NPCI, payment gateways and other institutions accept and process credit card, debit card, PPI payments and UPI payment and other payment transactions on our platforms. As a “payment service provider”, we are required to adhere to the operating terms and conditions set by these financial institutions, including specific rules applicable to our payment processing services for merchants. Regulators, or financial institutions set these rules and have discretion to interpret them and change them. Any changes or interpretations that conflict with our current operations or those of our acquiring processors may necessitate costly or challenging adjustments to our business practices. Failure to implement such changes or resolve issues with financial institutions could result in fines or a prohibition on processing payments. While we have not experienced an increase in costs, inability to receive incentives or otherwise had a material adverse effect on our business as a result of non-compliance with the terms and conditions of financial institutions in the six months period ended September 30, 2025 and 2024 and Fiscal Years 2025, 2024 and 2023, any future non-compliance with applicable rules or a deterioration in our relationships with these financial institutions could jeopardise our ability to receive incentives, increase our costs, or otherwise harm our business. If we are unable to accept payment or face restrictions in doing so, our business could be adversely impacted.

We have also received an intimation from NPCI in November 2024 highlighting failures on device binding controls on our UPI application for Android OS. 600+ such incidents have been reported to NPCI as on the date of the intimation. We have processed ₹26.59 million as chargeback for these instances.

We could also be subject to penalties from financial institutions if we fail to detect that merchants are engaging in activities that are illegal, contrary to the applicable procedural guidelines and circulars or applicable operating rules or considered “high risk.” We are required to prevent high-risk merchants from using our products and services and conduct additional monitoring and diligence with respect to such merchants. However, our ability to monitor these merchants is limited, and we cannot guarantee that our prevention or monitoring efforts will always be successful. Although the amount of these penalties has not been material as of the date of this Updated Draft Red Herring Prospectus – I, any additional penalties in the future could become material and could result in termination of our ability to accept payments or could require changes in our process for registering new merchants. This could adversely affect our business.

36. *There have been instances of delay in payment of statutory dues by our Company in the past. Any delay in payment of statutory dues by our Company in future, may result in the imposition of penalties and in turn may have an adverse effect on our Company’s business, financial condition, results of operations, cash flows and prospects.*

Our Company is required to pay certain statutory dues including goods and services tax, income-tax, cess, provident fund contributions, employee state insurance contributions and professional taxes under various applicable statutory regulations.

The table below sets out the details in respect to undisputed dues for provident fund outstanding at the end of Fiscal Years 2025 and 2024, for a period of more than six months from the date they became payable:

Fiscal Year	Name of the Statute	Nature of the Dues	Amount (₹)	Period to which the amount relates	Due date	Date of Payment	Reason for delay
2025	The Employee's Provident Funds and Miscellaneous Provisions Act, 1952 ("EPF Act")	Employee's Provident Fund	2.09 million	Various dates	Various dates	₹1.28 million paid on various dates	The qualification arose due to mismatches between the know-your-customer ("KYC") details as updated on the universal account number ("UAN") portal and the documents and/or records provided by employees to the Company, which led to verification failures. This technical issue did not allow the deposit of contributions into such employees' Employees' Provident Fund Organization ("EPFO") accounts until KYC details are updated and uploaded to the UAN portal and there is a successful match. Our Company is in the process of implementing a structured follow up and remediation plan to resolve remaining mismatches.
2024	The Employee's Provident Funds and Miscellaneous Provisions Act, 1952	Employee's Provident Fund	30 million	Various dates	Various dates	Paid on various dates	The qualification resulted from certain employees not being identified as "International Workers", leading to the lower remittance of provident fund contributions under the EPF Act. The entire amount of arrears, interest, and penalties was remitted to the Provident Fund department in Fiscal Year 2025. To prevent recurrence, we have implemented a systemic control mandating the collection of citizenship proof before the release of offer to ensure accurate compliance with the provisions under the EPF Act.

The table below sets forth the statutory dues paid by our Company and Indian Subsidiaries in relation to our employees for the periods/fiscal years indicated:

(All amounts in ₹ millions)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Gratuity	22.61	16.08	34.10	28.83	6.23

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Provident fund	368.89	250.83	620.52	463.39	272.77
Professional tax	11.48	9.37	19.61	15.10	8.75
Labour welfare fund	0.46	0.27	1.42	0.78	0.29
Tax Deducted at source on salary	18,489.65	1,279.20	4,390.92	5,728.69	2,058.04*

* Excludes numbers for the entities acquired during Fiscal Year 2023.

The table below sets forth the details of our total employees, as of the dates indicated:

Particulars	As of September 30,		As of March 31,		
	2025	2024	2025	2024	2023
Number of employees	12,338	10,063	10,909	9,723	4,372

The delays in payment of statutory dues were attributable to incidents occurring in the ordinary course of making such statutory payments, including on account of administrative or logistical issues that were not material and technical difficulties with the relevant statutory payment portals. We may continue to experience such delays in the future and be subject to penalties or fines from regulators, which could have a material impact on our financial condition and cash flows.

37. *We depend on strong relations with our business partners and merchants. Our business may be negatively affected if our business partners do not continue their relationship with us or if their operations fail.*

Our relationships with our business partners are crucial to our success. For example, our ability to attract customers to the loan, insurance and travel products available on the PhonePe Platform depends on the quantity and quality of such products offered by our partners on the PhonePe Platform. A failure by these lending partners and insurers or their third-party service providers to meet their obligations and service standards could result in customer dissatisfaction, potentially leading to a loss of customers or users. If our lending partners, our insurer partners or the reinsurance companies they partner with become insolvent, our customers may not be able to realise the protection expected from the insurance policies, which may negatively affect our reputation and results of operations. We also had 31,019 agents commissioned through channel partners primarily as part of our sales network, as of September 30, 2025. Our relationships with these agents are important for our rural expansion in India and increasing our network of merchants, and any failure to manage our relationship or arrangement with the agents or the channel partners which commission them may have an adverse impact on our business, prospects and results of operations. In addition to our relationships with lending partners and insurers, we also rely on a diverse network of business partners integrated into our platforms for various use cases, including recharges, travel, ticketing, transit services, mutual fund, and digital gold and digital silver transactions. These partnerships are essential in broadening the scope of services available on our platforms, thereby enhancing customer engagement and satisfaction. Furthermore, we have established partnerships for payments with both offline merchants and online merchants. If our business partners face operational challenges or fail to sustain demand, it could adversely affect our business, financial condition, results of operations, cash flows and prospects. These collaborations are crucial for facilitating seamless payment experiences across various consumer touchpoints.

Our contracts with our merchants (which include negotiated contracts, memoranda of understanding, letter agreements and standard form terms and conditions), lending partners (agreements, addenda thereto and memoranda of understanding) and insurers (insurance broking agreements and addenda thereto, miscellaneous letters and memoranda of understanding) may be constructed for a limited period as specified in the relevant arrangements with the merchants, insurers and lenders, or in each case valid until terminated, and the terms of such contracts allow for termination without cause by giving notice (with notice ranging typically between 30 days to 90 days) as per the terms of the agreement. The agreements with our financial institutions' partners, including banks, NBFCs and insurance companies, are either valid until terminated by either party, valid until the validity of the IRDAI certificate of registration (in the case of our contracts with insurance companies) or valid for a fixed period varying from two years to five years, typically with automatic renewal for a further period, unless terminated. Our financial institutions partners may terminate these agreements without any reason by typically giving a notice of 30 days to 90 days or with immediate effect in case of any unremedied material breach of our obligations under these agreements and on the occurrence of certain other events. In relation to the agreements providing for borrower acquisition, we are required to, among others, facilitate the customer due diligence by the lenders, preserve the data and documents we obtain from customers in a secure manner, maintain confidentiality, ensure all data is stored on servers located in India and otherwise maintain all necessary controls and security practices to preserve customer data confidentiality in accordance with applicable laws. Any breach of these data privacy/confidentiality obligations may require us to indemnify the lenders or pay damages in accordance with the terms of our arrangements with lenders or may otherwise invite liability or proceedings under applicable data privacy laws. Any such breach or the resultant proceedings and / or monetary

liabilities due to any reason could adversely affect our business, financial condition, results of operations, cash flows and prospects.

Our business partners or merchants may seek price reductions when expanding or changing their products and services with us and/or when their business experiences significant volume changes. Further, certain business partners or merchants may seek to negotiate more favourable terms than they have previously agreed with us. In addition, some of our business partners or merchants have arrangements with multiple providers, including our competitors. Therefore, these business partners or merchants could shift business away at any given time without necessarily terminating their contracts with us. In the past, we have experienced instances of certain of our business partners who have discontinued their relationship with us. For instance, we have previously received a notice for the termination of an agreement from an online merchant. Further, in the past, certain contracts with our business partners or merchants have been subject to re-negotiations and price reductions in the ordinary course of business. If our contracts with our business partners or merchants are terminated or if these business partners shift business away from us, or if we are unsuccessful in retaining high renewal rates and favourable contract terms, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected. There can be no assurance that we can maintain relationships with our existing business partners or merchants on commercially desirable terms or at all. If we fail to prove that our technology capabilities could help improve their operating efficiency or are otherwise valuable to them, our business, financial performance and prospects will be materially and adversely affected. Our arrangements with our business partners and merchants are typically not exclusive, and they may have similar or more favourable arrangements with our competitors. If our business partners or merchants are dissatisfied with our services and solutions or find us ineffective in enhancing their profitability, they may terminate their relationships with us and decide to cooperate, or increase their cooperation, with our competitors.

Further, our contracts and arrangements with lenders and insurance companies typically require us to, among others, preserve the data and documents we obtain from customers in a secure manner, maintain confidentiality, ensure all data is stored on servers located in India and otherwise maintain all necessary controls and security practices to preserve customer data confidentiality in accordance with applicable laws. Any breach of these data privacy/confidentiality obligations may require us to indemnify the lenders or pay damages in accordance with the terms of our arrangements with lenders or may otherwise invite liability or proceedings under applicable data privacy laws. Any such breach or the resultant proceedings and / or monetary liabilities due to any reason could adversely affect our business, financial condition, results of operations, cash flows and prospects.

We cannot assure you that we will be able to maintain or increase historic levels of business from our larger partners. The loss of business from any of these partners due to any reason could adversely affect our business, financial condition, results of operations, cash flows and prospects.

38. *Our insurance policies may not be sufficient to protect us from all business risks, and if our insurance coverage is inadequate, it may have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.*

We maintain insurance policies that we believe are customary for companies operating in our industry. Our principal types of coverage, including “all risks”, fire, electronic equipment (including portable electronic equipment), burglary-fixed assets insurance and burglary-inventory, comprehensive general liability, stockbrokers’ indemnity, crime policy, marine insurance policies, directors and officers’ liability professional indemnity policy, cyber insurance, machinery breakdown, business shield policy, and terrorism. As of September 30, 2025, of our consolidated property, plant and equipment with a net book value amounting to ₹16,455.77 million, we had insurance coverage for a value of ₹34,210.68 million, resulting in a 207.89% insurance coverage over our total insurable assets. For details in relation to the insurance policies, please see “*Our Business—Insurance*” on page 233.

Our insurance policies contain exclusions and limitations on coverage, and, accordingly, we may not be able to successfully assert claims for the full amount of any liability or losses. Additionally, there may be various other risks and losses for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms. For certain types of operations-related risks or future risks related to our new and evolving services, we may not be able to, or may choose not to, acquire insurance. In addition, we may not obtain enough insurance to adequately mitigate such operations-related risks or risks related to our new and evolving services and we may have to pay high premiums, self-insured retentions, or deductibles for the coverage we do obtain. In addition, if any of our insurance providers terminate their relationship with us or refuse to renew their relationships with us on commercially reasonable terms, we could be required to find alternate insurance providers and may not be able to secure similar terms or a suitable replacement in an acceptable time frame. We also apply for the renewals of our insurance policies in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost, or at all.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business and there has been no material rejection of claims in the six months period ended September 30, 2025 and 2024, and Fiscal Years 2025, 2024 and 2023, our insurance claims may be rejected by the insurance agencies in the future and there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. If the amount of one or more operations-related claims were to exceed our applicable aggregate coverage limits, we may be required to bear the excess, in addition to amounts already incurred in connection with deductibles, self-insured retentions. Insurance providers have, in the past, raised premiums and deductibles for many businesses and may do so in the future. As a result, our insurance and claims expenses could increase, or we may decide to raise our deductibles or self-insured retention when our policies are renewed or replaced. Any uninsured losses or liabilities could result in an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

39. *Misconduct and errors by our employees, vendors, service providers, merchants, lending partners, insurers or other business partners could adversely affect our business, financial condition, results of operations, cash flows and prospects.*

Our employees, vendors, service providers, merchants, lending partners, insurers and other business partners collectively handle a substantial volume of complex transactions and sensitive personal and business information. Our business, reputation, brand and consumer trust could be adversely affected if transactions were redirected, misappropriated, or otherwise improperly executed, if confidential information is disclosed to unintended recipients, or if there is an operational failure in transaction processing, whether as a result of human error, a purposeful sabotage or a fraudulent manipulation of our operations or systems.

Should any of our employees, vendors, service providers, merchants, lending partners, insurers, or other business partners misappropriate or misuse funds, documents, software code or data, use unauthorised software on our systems, or fail to adhere to established protocols, we could face liability for damages and be subject to regulatory actions and penalties. We might also be perceived as being complicit in the illegal misappropriation of funds, documents or data, in the misrepresentation of the nature of our business by our employees to third parties, or in the failure to follow protocols, thereby exposing us to civil or criminal liability. While we investigate such matters internally and initiate actions as required against the relevant individuals, including termination of their employment, and have safeguards and policies in place to detect and prevent misconduct or errors by our employees, vendors, and service providers, these measures may not always be effective in identifying and deterring such actions. Furthermore, the precautions we take may not adequately manage unknown or unmanaged risks or losses. While we have not experienced any material instances of misconduct or errors by our employees, vendors, service providers, merchants, lending partners, insurers and other business partners, nor has there been any material lapse in time before corrective action was taken in respect of any instances of misconduct or errors by any of such persons or parties, in each case that had an adverse impact on our business in the six months period ended September 30, 2025 and 2024 and Fiscal Years 2025, 2024 and 2023, any misconduct or error by our employees, vendors, service providers, merchants, lending partners, insurers or other business partners could impair our ability to conduct business, result in liability to us or them, hinder our ability to attract merchants, lending partners, insurers and other business partners to our platforms, damage our reputation, invite regulatory scrutiny, and cause financial harm, thereby adversely affecting our business, financial condition, results of operations, cash flows and prospects.

40. *Our expenditures for sales and marketing to sell our products, services and platforms and to continue to build our brand may not be effective, and we may not be able to attract or retain users, which could adversely affect our business, financial condition, results of operations and cash flows.*

To attract and retain users on our platforms, sell and cross-sell our products, services and platforms and promote our brand, we have incurred and expect to continue to incur substantial expenses related to sales, advertising and other marketing efforts. The table below sets forth our expenses related to advertisement and sales promotions and as a percentage of total expenses for the periods/fiscal years indicated:

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Advertisement and sales promotions (A)	4,555.09	3,076.31	5,416.54	6,910.48	6,516.35
Total expenses (B)	60,692.68	46,800.27	93,940.97	77,542.91	59,062.34
Advertisement and sales promotions as a percentage of total expenses (A/B*100) (%)	7.51%	6.57%	5.77%	8.91%	11.03%

We cannot assure you that these expenses will yield their intended results. If our sales and marketing efforts fail to maintain and increase the number of users and transactions on our platforms, we may not be able to attract or retain

users, and our business, financial condition, results of operations, cash flows and prospects may be adversely affected. Further, if we need to introduce new marketing options for new user acquisition or change our marketing approach, our marketing initiatives may become increasingly expensive, and we may incur further investments for our sales and marketing efforts. If our sales and marketing expenses increase, it may be difficult to generate a meaningful return on these initiatives, which may have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

41. *We are exposed to cash management risks associated with providing early settlement for our merchants.*

Our merchant business model involves providing early settlement services to our merchants. This practice exposes us to cash management risks because, for settlements to our merchants, we may be required to make payments to them in advance, before we receive the corresponding payments from the customers' banks or payment networks due to delays on their part. This can lead to a mismatch in timing between the outflow and inflow of funds, potentially leading to cash flow challenges that affect our liquidity position. Our ability to manage this risk effectively depends on our cash management strategies and the reliability of our financial partners. Any failure in these areas could adversely affect our business, financial condition, results of operations, cash flows and prospects.

Additionally, changes in RBI regulations or their interpretation could increase our exposure to these risks or require us to alter our business practices, potentially leading to increased operational costs or reduced competitiveness. We may not be able to monitor and adapt to regulatory requirements to mitigate these risks effectively, which could have an adverse impact on our business, financial condition, results of operations, cash flows and prospects.

42. *We are subject to chargeback and refund liability risk when our merchants refuse to or are unable to reimburse chargebacks and refunds resolved in favour of their customers. Any increase in chargebacks and refunds not paid by our merchants may adversely affect our business, financial condition, results of operations, cash flows and prospects.*

We are currently, and will continue to be, exposed to certain risks associated with chargebacks and refunds in connection with payment fraud or relating to the products or services provided by our merchants. The following table provides details of chargebacks and refund expenses and as a percentage of total expenses for the periods/fiscal years indicated:

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Chargebacks and refund expenses (A)	46.80	96.45	234.14	74.72	73.30
Total expenses (B)	60,692.68	46,800.27	93,940.97	77,542.91	59,062.34
Chargebacks and refund expenses as a percentage of total expenses (A/B*100)(%)	0.08%	0.21%	0.25%	0.10%	0.12%

In the event that a billing dispute between a consumer and a merchant is not resolved in favour of the merchant, including in situations in which the merchant is engaged in fraud, the transaction is typically "charged back" to the merchant and the purchase price is credited or otherwise refunded to the customer. We do not have any insurance policy to cover chargeback liabilities as of the date of this Updated Draft Red Herring Prospectus – I. In certain circumstances where we are unable to collect chargeback or refunds from the merchant's account, or if the merchant refuses to or is unable to reimburse us for chargeback or refunds due to closure, bankruptcy, or other reasons, we may bear the loss for the amounts we paid to the customer. The risk of chargebacks is typically greater with merchants that promise future delivery of products and services rather than delivering products or rendering services at the time of payment, and any customer disputes linked to rendering such services from our merchants may adversely impact our ability to retain and attract our customers. Additionally, under the terms of our contracts with PSP banks and payment gateway service providers, our Company is typically responsible for chargebacks and fraudulent transactions, irrespective of reason or fault, as well as for all consequential liabilities such as penalties imposed on the respective partner bank or service provider.

While most of our merchant agreements establish that the chargeback and refund liability risk lie with the merchant and would permit us to collect and retain the settlement amount, we may not be able to collect and maintain reserves from our merchants to cover these potential losses, including in the case of customer and merchant disputes. If we are unable to maintain our losses from chargebacks at acceptable levels, the payment network providers could fine us, increase our transaction fees, or terminate our ability to process debit, credit and PPI cards as well as UPI payments. Any increase in our transaction fees or liability for incorrect charges could adversely impact our business, and if we were unable to accept payments, our business could be materially and adversely affected. Any increase in chargebacks

not paid by our merchants could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Our Company, in its ordinary course, files criminal complaints above a certain value threshold with various police stations of different jurisdictions against merchants who may fraudulently initiate chargebacks such that we are unable to recover the amount deducted from our escrow account. For further details of FIRs and actions initiated by our Company in relation to instances of such chargeback frauds, please see “*Outstanding Litigation and Material Developments - Litigation by our Company – Criminal litigation*” on page 437.

43. *Some aspects of our platforms include open source software, and our use of open source software could adversely affect our business, financial condition, results of operations, cash flows and prospects.*

One of the aspects of our platforms is the use of software covered by open source licenses. The terms of open source licenses are open to interpretation. Unfavourable interpretations, regardless of whether they are reasonable or consented to by us, could have an adverse operational impact on us, including whether and how we continue to use such software, and could increase our operating and compliance costs. While we may take necessary precautions, we cannot ensure that we have incorporated open source software in our software in a manner that is consistent with the terms of the applicable license or our current policies.

If portions of our proprietary software are determined to be subject to an open source license, we could be required to, under certain circumstances, publicly release or license, at no cost, our products and services that incorporate the open source software or the affected portions of our source code. This could enable our competitors to create similar services and could ultimately result in a loss of transaction volume for us.

We may inadvertently use open source software in a manner that could expose us to claims for breach of contract or intellectual property infringement, misappropriation, or other violation. While we have not experienced any material instances of failure to comply with the terms and conditions of our open source licenses in the six months period ended September 30, 2025 and 2024, and Fiscal Years 2025, 2024 and 2023, if we fail to comply, or are alleged to have failed to comply, with the terms and conditions of our open source licenses, we could be required to incur significant legal expenses defending such allegations, be subject to damages, be enjoined from the sale of our products and services, and be required to comply with onerous conditions or restrictions on our products and services, any of which could be materially disruptive to our business.

Open source software may have security vulnerabilities, defects, or errors of which we are not aware. Even if we become aware of any security vulnerabilities, defects, or errors, it may take a significant amount of time for either us or the programmers who developed the open source software to address such vulnerabilities, defects, or errors, which could negatively impact our services and result in liability to us.

44. *Delays or defaults in the collection of our trade receivables could adversely affect our cash flows, financial condition, and results of operations.*

The following table sets forth our trade receivables as a percentage of total assets as of the dates indicated.

(All amounts in ₹ million, unless otherwise stated)

Particulars	As of September 30,		As of March 31,		
	2025	2024	2025	2024	2023
Trade receivables (A)	6,348.49	5,485.69	6,262.10	5,436.18	2,051.00
Total assets (B)	231,789.54	132,233.45	182,052.34	127,064.77	118,402.82
Trade receivables as a percentage of total assets (A/B*100) (%)	2.74%	4.15%	3.44%	4.28%	1.73%

Our trade receivables consist of receivables from our consumers, including merchants and financial institutions. Our trade receivables are non-interest bearing and generally have a defined credit period of 0 to 90 days. For trade receivables, we apply a simplified approach in calculating expected credit loss (“ECL”). Therefore, we do not track changes in credit risk but instead recognise a loss allowance based on lifetime ECLs at each reporting date. We have 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. While our business has not been materially and adversely affected in the six months period ended September 30, 2025 and 2024 and Fiscal Years 2025, 2024 and 2023, no assurance can be provided that we will be able to collect our trade receivables on time in the future. Our inability to collect trade receivables from our customers on time could adversely affect our cash flows.

45. *If we incur any contingent liabilities in the future, our financial condition, results of operations and cash flows could be adversely affected.*

We did not have any contingent liability as per Ind AS 37 as of September 30, 2025 and 2024, and Fiscal Years 2025, 2024 and 2023. However, there can be no assurance that we will not have contingent liabilities in the future. If any of our future contingent liabilities become actual liabilities, our business, financial condition, results of operations and cash flows may be adversely affected. See section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Contingent Liabilities and Commitments*” on page 416.

- 46. Our Company’s investments in debt instruments are subject to credit and recoverability risks. Any adverse changes in the recoverability of these investments could materially and adversely affect our business, financial condition, results of operations and cash flows.**

We have made debt investments in the form of commercial papers (quoted), non-convertible debentures (quoted), fixed deposits with NBFCs and mutual funds (overnight/ liquid) with underlying investments in debt instruments (quoted). The following table sets forth total of unsecured debt investments as of the dates indicated:

(All amounts in ₹ million)

Particulars	As of September 30,		As of March 31,		
	2025	2024	2025	2024	2023
Current assets					
Financial assets					
Investments (A)	77,876.50	39,861.07	34,823.07	24,672.83	51,009.08
Cash and cash equivalents					
Overnight mutual funds (B)	-	-	64.50	-	318.11
Total of unsecured debt investments (A)+(B)	77,876.50	39,861.07	34,887.57	24,672.83	51,327.19

As a holder of an unsecured debt investment, we may lack adequate protection in the event the issuers of these debt instruments become distressed or insolvent or otherwise experience a deterioration in their financial condition or creditworthiness. The existence of more senior debtholders could adversely impact our ability to recover our investments in the event the debtor defaults on its indebtedness. We may also continue to invest in debt instruments in the future. While we have not experienced any material losses on our debt investments due to credit and recoverability risks in the six months period ended September 30, 2025 and 2024 and Fiscal Years 2025, 2024 and 2023, any adverse changes in the financial condition or creditworthiness of the debtors could negatively impact the recoverability of these investments, which could materially and adversely affect our business, financial condition, results of operations and cash flows.

- 47. We generated our revenue from operations in India in the six months period ended September 30, 2025 and 2024 , and Fiscal Years 2025, 2024 and 2023. Our sales are geographically concentrated in India, and any adverse changes in the economic, legal, political, regulatory, public health, and other circumstances in India could disrupt our sales activities and reduce our overall transaction volume, thereby affecting our business, financial condition, results of operations, cash flows and prospects.**

We derive our revenue from rendering of services in India only. We expect that India will continue to remain our most significant market for the foreseeable future. Due to this geographical concentration, adverse changes in the economic, legal, political, regulatory, public health and other circumstances in India could disrupt our sales activities and reduce our overall transaction volumes, thereby affecting our business, financial condition, results of operations, cash flows and prospects.

- 48. We rely on telecommunications and information technology systems, networks and infrastructure to operate our business and any interruption or breakdown in such systems, networks or infrastructure or our technical systems could impair our ability to effectively operate our platforms or provide our products and services.**

Our business could be impacted by the failure of telecommunications network operators to provide us with the requisite bandwidth which could also interfere with the speed and availability of our platforms and payment acceptance devices, as well as by breakdowns at the level of our internet service providers. Disruptions or instabilities in telecommunications networks, our platforms, servers and databases as well as the functioning of internet service providers could lead to dissatisfaction and damage our reputation, which may have an adverse impact on our business, financial condition, results of operations, cash flows and prospects.

In addition, to perform reliably, the fixed telecommunications networks and internet infrastructure of internet service providers in India, and in any other locations that we may operate in, require maintenance and periodic upgrading of the appropriate networks and infrastructure which are beyond our control. According to the Redseer Report, limited internet connectivity, smartphone penetration, and digital literacy in Tier2+ cities continue to constrain broader

adoption of digital payments. Our success will depend upon third parties maintaining and improving internet infrastructure to provide a reliable network with adequate speed and data capacity and telecommunication networks with good quality of services and lower congestion. While we have not encountered any material interruption or breakdown in telecommunications and information technology systems, networks or infrastructure in the six months period ended September 30, 2025 and 2024 and Fiscal Years 2025, 2024 and 2023, any failure to perform reliably as a result of the foregoing may have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

49. *We may not be able to obtain financing on favourable terms or at all.*

As on the date of this Updated Draft Red Herring Prospectus – I, our Company and Subsidiaries have sanctioned borrowings which are in the nature of inter alia working capital facilities, bank guarantees and letter of credit facilities, which are unsecured and may be recalled at any time. We may require additional cash resources due to future growth and development of our business, including any investments or acquisitions we may decide to pursue. If our cash resources are insufficient to satisfy our cash requirements, we may seek to issue additional equity or debt securities. Our ability to obtain external financing in the future is subject to a variety of uncertainties. These filing and approval procedures will take time, which may result in our missing the best market windows for debt or equity issuances in the future. In addition, incurring indebtedness could subject us to increased debt service obligations and could result in operating and financial covenants that could restrict our operations. Our ability to access international capital and lending markets may be restricted at a time when we would like, or need, to do so, especially during times of increased volatility and reduced liquidity in global financial markets and stock markets, including due to policy changes and regulatory restrictions, which could limit our ability to raise funds. While our Company and our securities do not have credit ratings, we or they may have credit ratings in the future. If such credit ratings in the future are not favourable or are downgraded, it may adversely affect our borrowing costs, price of the Equity Shares and access to the debt capital markets. There can be no assurance that financing will be available in a timely manner or in amounts or on terms acceptable to us, or at all. Any failure to raise needed funds on terms favourable to us, or at all, may impact our liquidity as well as have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects. For further details, see section titled “*Financial Indebtedness*” on page 384.

50. *Certain sections of this Updated Draft Red Herring Prospectus – I contain information from the Redseer Report which has been exclusively commissioned and paid for by us in relation to the Offer and any reliance on such information for making an investment decision in this Offer is subject to inherent risks.*

Pursuant to being engaged by us via an engagement letter dated March 31, 2025, Redseer Strategy Consultants Private Limited, an independent third-party agency, prepared a report on the industry, “*Democratising Access to Digital Economy*” dated January 13, 2026 (the “**Redseer Report**”), which has been exclusively commissioned and paid for by us. The Redseer Report will be made available on the website of our Company upon filing of the Updated Draft Red Herring Prospectus-I until the Bid/Offer Closing Date. Certain sections of this Updated Draft Red Herring Prospectus – I include information based on, or derived from, the Redseer Report or extracts thereof. There are no parts, data or information (which may be relevant for the Offer) that have been left out or changed in any manner. Accordingly, any information in this Updated Draft Red Herring Prospectus – I derived from, or based on, the Redseer Report should be read taking into consideration the foregoing. The Redseer Report uses certain methodologies for market sizing and forecasting and may include numbers relating to our Company that differ from those we record internally. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts, and assumptions that may prove to be incorrect. The Redseer Report is subject to various limitations and based upon certain assumptions that are subjective in nature. Neither our Company, nor the Directors, Promoters or the BRLMs are a “related party” or otherwise related to Redseer. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Updated Draft Red Herring Prospectus – I. The Redseer Report is not a recommendation to invest or disinvest in any company covered in the Redseer Report.

Accordingly, prospective investors should not place undue reliance on or base their investment decision solely on this information. You should consult your own advisors and undertake an independent assessment of information in this Updated Draft Red Herring Prospectus – I based on, or derived from, the Redseer Report before making any investment decision regarding the Offer.

51. *We may be unable to renew our existing leases/ coworking spaces or secure renewals for our existing premises.*

Our Registered and Corporate Office and our other premises across the country are located on properties which are held on leasehold basis, pursuant to lease agreement, leave and license agreements and also in certain cases, coworking space arrangements. For more details on our properties, see “*Our Business – Properties and Facilities*” on page 231.

Typically, the term of our arrangements ranges from four months to five years or until termination in writing by either party, and while we renew these agreements and deeds periodically in the ordinary course of business, in the event that these existing arrangements are terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our operations. Specifically, our Registered and Corporate Office is held on a leasehold basis, pursuant to a lease arrangement, which is valid until August 14, 2026, which the Company is in the process of renewing until 2031. If alternative premises are not available at the same or similar costs, sizes or locations, our business, financial condition, results of operations, cash flows and prospects may be adversely affected. Further, any regulatory non-compliance by the landlords/ co-working space provider or adverse development relating to the landlords' title or ownership rights to such properties, including as a result of any non-compliance by the landlords/ co-working space provider, may entail disruptions to our operations, especially if we are forced to vacate spaces following any such developments, and expose us to reputational risks. In addition, lease agreements are required to be duly registered and adequately stamped under Indian law and if any of our lease agreements or other agreements entered into by us, are not duly registered and adequately stamped in the future, we may face challenges in enforcing them and they may be inadmissible as evidence in a court in India along with the requisite stamp duty prescribed under applicable Indian law being paid. If our business does not increase in line with our rent and costs, including setup and interior design costs, our profitability, cash flows and results of operations could be adversely affected.

52. *Our online marketing services or listings may constitute internet advertisements, which subjects us to laws, rules and regulations applicable to advertising.*

Indian and international advertising laws, rules and regulations require advertisers, advertising operators and advertising distributors to ensure that the content of the advertisements they prepare or distribute is fair and accurate and is in full compliance with applicable law. These regulations, among others, may prohibit the advertising of services like virtual currency offerings, which in turn may place limits on how our ads are displayed and the due diligence we may be required to undergo prior to allowing ads to be displayed on our platforms.

For instance, our revenues from advertising and payment aggregator/ gateway services associated with such platforms were discontinued with effect from August 22, 2025 following the enactment of the Online Gaming Act. We cannot guarantee that enforcement guidelines or rules under the Online Gaming Act or other similar legislations may not be enacted in the future.

We adopt practices such as incorporating comprehensive contractual safeguards with our direct partners and agencies involved in promotional and marketing activities, including (a) requiring representations and warranties on compliance from partners obligating them to ensure their conduct and materials comply with applicable laws, regulations, and industry standards such as those issued by the Advertising Standards Council of India (ASCI); (b) implementing strict content controls through communication with partners to prevent violation of third-party intellectual property rights or the inclusion of false, misleading, deceptive, illegal, or objectionable material; and (c) reserving an absolute right to refuse publication, display, or hosting of any material deemed objectionable, technically inadequate, or misaligned with brand and platform standards.

Additionally, final screening decisions regarding campaign content are routed through and confirmed by the Company's central ads team. Nevertheless, we cannot guarantee that these ads will always be compliant and as a consequence violation of these laws, rules or regulations may result in penalties, including fines, confiscation of advertising costs, orders to cease dissemination of the advertisements and orders to publish corrective information. Complying with these requirements and any penalties or fines for any failure to comply may significantly reduce the attractiveness of our platforms and increase our costs and could have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

In addition, for advertising content related to specific types of services, advertisers, advertising operators and advertising distributors must confirm that the advertisers have obtained the requisite government approvals, including the advertiser's operating qualifications, proof of quality inspection of the advertised services, and, with respect to certain industries, government approval of the content of the advertisement and filing with the local authorities. Pursuant to the Information Technology Act, 2000, as amended, read with the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 ("**Intermediary Guidelines**"), as amended, to ensure that we are not liable for third-party content displayed on our platforms, such as reviews posted by customers, third-party advertisements or links to third-party applications ("**Safe Harbor Protection**"), we are required to ensure that we do not initiate any transmission, select the recipient of any transmission and modify the information contained in any transmission. In addition, we are also required to observe due diligence when discharging our obligations and comply with a host of compliances under the Intermediary Guidelines. While we strive to ensure compliance with these

requirements, this requires considerable resources and time, and could significantly affect the operation of our business, while at the same time also exposing us to increased liability under the relevant laws, rules and regulations, and we cannot guarantee that we will be eligible for Safe Harbor Protection at all times. The costs associated with complying with these laws, rules and regulations, including any penalties or fines for our failure to comply if required, could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects. Any further change in the classification of our online marketing services by the Indian government may also significantly disrupt our operations and materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

53. A significant portion of our asset base includes computers, property improvements, goodwill, other intangible assets and others which could be subject to impairment.

We have acquired, and may continue to acquire, tangible assets such as computers and make property improvements, and we may not realise all the economic benefit from those acquisitions, which could cause an impairment of goodwill, tangible or intangible assets. Some of our intangible assets along with goodwill were transferred to us through business combinations. We assess whether there are any indicators of impairment for all non-financial assets including property, plant and equipment, capital work-in-progress and other intangible assets at each reporting date. Goodwill is tested for impairment annually and at other times when such indicators exist. 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. While we have not experienced any instances of significant impairment to such assets in the six months period ended September 30, 2025 and 2024 and Fiscal Years 2025, 2024 and 2023, we may consider impairing our tangible or intangible assets including goodwill, to the extent that the economic benefits associated with our acquisitions or purchases diminish in future. The following table provides the net book value of certain assets as of the dates indicated:

(All amounts in ₹ million)

Particulars	As of September 30,		As of March 31,		
	2025	2024	2025	2024	2023
Computers	16,303.54	20,641.55	17,693.23	19,994.15	16,352.52
Leasehold improvements	15.75	27.83	21.81	33.89	6.25
Others ⁽¹⁾	136.48	107.92	117.42	104.43	103.08
Goodwill	10,587.84	10,587.84	10,587.84	10,587.84	10,587.84
Other intangible assets ⁽²⁾	69.39	1,660.31	174.63	2,275.64	1,209.56

Notes:

⁽¹⁾ Others include office equipment, furniture and fixtures and electrical installations.

⁽²⁾ During Fiscal Year 2024, the Group acquired and recorded an intangible asset for ₹2,136.00 million to be amortised over useful life of three years. During the Fiscal Year 2025, we have re-evaluated the useful life of this asset as sixteen months. Accordingly, the Group has recorded an accelerated amortisation charge, amounting to ₹1,166.96 million during the Fiscal Year 2025.

54. We are subject to risks associated with exchange rate fluctuations, which can adversely affect our net profit, finance costs and margins.

Although our reporting currency is the Indian Rupee, we have financial assets and liabilities denominated in other currencies, including the U.S Dollar, Euro, United Arab Emirates Dirham, and Singapore Dollar, and we plan to further expand sales of our products and services into international markets. We also incur expenses in other currencies such as the U.S. Dollar, as certain of our suppliers are located outside of India. As such, a portion of our assets, liabilities and expenses are denominated in foreign currencies, subjecting us to risks stemming from fluctuations in currency exchange rates. Any appreciation of the Indian Rupee would reduce the revenue received from exports of goods and services, while any depreciation of the Indian Rupee would increase the cost of our offshore supplies. These fluctuations can affect our net profit, finance costs and margins.

The table below sets forth our Foreign exchange gain(net), Foreign exchange loss (net), and as a percentage of revenue from operations for the periods/fiscal years indicated.

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Foreign exchange gain (net) (A)	-	0.21	59.66	1,507.82	-
Foreign exchange loss (net) (B)	13.55	-	-	-	946.42
Total Foreign exchange gain/ (loss) (net) (C=A-B)	(13.55)	0.21	59.66	1,507.82	(946.42)
Revenue from operations (D)	39,184.69	32,075.16	71,148.58	50,641.33	29,142.87

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Foreign exchange gain/ (loss) (net) as a percentage of revenue from operations (C/D*100) (%)	(0.03)%	0.00%	0.08%	2.98%	(3.25)%

Our foreign exchange gain/loss (net) and as a percentage of revenue from operations for the periods/fiscal years indicated above were solely attributable to currency movements. To date, we do not have a hedging policy and have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited. In addition, the policies of the RBI may change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our business, financial condition, results of operations, cash flows and prospects. Exchange rate fluctuations can also affect the Indian Rupee value of our monetary assets and liabilities denominated in foreign currencies irrespective of operating results, which could have an adverse impact on the value of our Equity Shares.

55. *Any difficulties in identifying, consummating and integrating acquisitions, investments or alliances may expose us to potential risks and have an adverse effect on our business, financial condition and results of operations and deprive of any anticipated benefits from such relationships.*

We may in the future enter into strategic alliances, including joint ventures or minority equity investments, with various third parties to further our business purpose from time to time. These investments could subject us to a number of risks, including risks associated with sharing proprietary information with and non-performance by third parties and risks of conflict or disputes with these third parties, as well as increases in expenses in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have limited ability to monitor or control the actions of these third parties and, to the extent any of these third parties suffers negative publicity or harm to their reputation from events relating to their businesses, we may also suffer negative publicity or harm to our reputation by virtue of our association with any such third-party.

We may also experience difficulties in integrating acquired businesses or partnerships with our network, whether due to infrastructural, human capital or other management issues. Our acquisitions or alliances may not be successful, with acquired businesses failing to meet our quality standards or otherwise, which could lead to adverse effects on our reputation and business. There can be no assurance that our investments and acquisitions will achieve their anticipated benefits. In the event that any of the above risks or any other incidental risks should materialise, our business, financial condition, results of operations, cash flows and prospects may be adversely affected.

In addition, if appropriate opportunities arise, we may acquire additional assets, products, technologies, or businesses that are complementary to our existing business. Proposed acquisitions may be subject to the receipt of regulatory approvals and the completion of conditions precedent to the closing of such acquisitions, which may not be fulfilled in a timely manner or at all and could result in delays and costs, and may derail our business strategy if we fail to do so. Moreover, the costs of identifying and consummating acquisitions may be significant. Furthermore, past and future acquisitions and the subsequent integration of new assets and businesses into our own require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our operations. Acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, the occurrence of significant goodwill impairment charges, amortisation expenses for other intangible assets, and exposure to potential unknown defects of the acquired assets or liabilities of the acquired business. Any acquired business may be involved in legal proceedings originating from historical periods prior to the acquisition, and we may not be indemnified, fully or at all, for any damage to us resulting from such legal proceedings, which could materially and adversely affect our financial condition, results of operations and cash flows. While we have not experienced material adverse effect to our business in relation to strategic alliances, joint ventures, acquisitions or divestitures and have not experienced any significant impairment of goodwill in the six months period ended September 30, 2025 and 2024 and Fiscal Years 2025, 2024 and 2023, any such incidents in the future will materially and adversely affect our financial condition, results of operations and cash flows. We may also enter into strategic alliances and partnerships with third parties to expand our suite of offerings or expand into new geographic regions. While we do not have any material strategic or financial partners as of the date of this Updated Draft Red Herring Prospectus – I, no assurance can be provided that we will be able to agree on the appropriate commercial terms governing any future alliances or partnerships. Certain arrangements with strategic partners may require exclusivity commitments, which could prohibit us from working with identified competitors or with businesses operating in the same industries as our strategic partners, or revenue sharing commitments which may require us to share revenue with our strategic partners.

56. *We track certain metrics and non-GAAP measures with internal systems and tools. Certain of these metrics are subject to inherent challenges in measurement and any real or perceived inaccuracies in such metrics may adversely affect our business and reputation.*

Certain of our metrics, including LTD Registered User Base, Yearly Active Users, Monthly Active Users (MAU), Daily Active Users (DAU), Yearly Active Customers (YAC), Monthly Active Customers (MAC), Daily Active Customers (DAC), Customer Transactions, Customer TPV, LTD Registered Merchant Base, Monthly Active Merchants (MAM), Daily Active Merchants (DAM), Merchant Transactions and Merchant TPV, as well as non-GAAP measures, presented in this Updated Draft Red Herring Prospectus – I are internally prepared measures that are not independently verified by any third-party. In addition, these non-GAAP measures or metrics may not be comparable to similarly titled measures published by third parties due to differences in the methodologies or assumptions that are applied during their preparation. Our systems and methodologies for tracking these non-GAAP measures and metrics may change over time, which could cause the non-GAAP measures and metrics that we publicly disclose to no longer be comparable to previously disclosed data. If the internal systems and tools we use to track these non-GAAP measures and metrics under count or over count performance or contain algorithmic or other technical errors, the data we report in future may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our non-GAAP measures and metrics for the applicable period of measurement, there are inherent challenges in measuring how our platform is used across large populations. Limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which could affect our long-term strategies. If our metrics are not accurate representations of our business, if investors do not perceive our metrics to be accurate or if we discover material inaccuracies with respect to these figures, we expect that our business, financial condition, results of operations, cash flows and prospects could be adversely affected.

Non-GAAP measures presented in this Updated Draft Red Herring Prospectus – I, such as EBITDA, EBIT, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBIT, Adjusted EBIT Margin, Profit/ (loss) Margin, Adjusted profit/ (loss), Adjusted profit/ (loss) Margin, Free cash generated/ (used), Bank balances and Investments, Net-worth, Return on Net worth, Net Asset Value per equity share, Total revenue from payment services and Adjusted employee benefits expense are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Indian accounting standard (“Ind AS”), Indian GAAP, international financial reporting standards (“IFRS”) or United States generally accepted accounting principles (“U.S. GAAP”). Further, these measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. Although these non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that they are useful to an investor in evaluating us, as these measures are widely used to evaluate an entity’s operating performance. In addition, these are not standardised terms, hence a direct comparison of these measures between companies may not be possible. Other companies may calculate these measures differently from us, limiting their usefulness as a comparative measure.

57. *Any deficiencies identified in the implementation and maintenance of effective internal controls over financial reporting or internal financial controls could adversely affect the timeliness and accuracy of our financial reporting and the orderly and efficient conduct of our business.*

Despite our efforts, there is a risk that our internal controls over financial reporting or our internal financial controls in the future may not be effective in providing reasonable assurance regarding the reliability of our financial reporting, the preparation of financial statements for external purposes in accordance with applicable accounting principles and the orderly and efficient conduct of our business. While there has been no identified significant deficiencies or material weaknesses in our internal controls in the six months period ended September 30, 2025 and 2024 and Fiscal Year 2025, 2024 and 2023, deficiencies in our internal controls could occur in the future. Any failure to implement or maintain effective internal controls, or the identification of significant deficiencies or material weaknesses in our internal controls, could result in errors in our financial statements, delays in their preparation and publication, and potential restatements of prior period financial information. This could negatively impact investor confidence in our company, lead to a decline in the price of our equity shares, and subject us to regulatory scrutiny and potential penalties. Furthermore, the costs associated with remediating any identified deficiencies could be substantial and could adversely affect our financial condition, results of operations and cash flows.

58. *The valuation reports obtained for acquisitions or divestments of business/undertakings, mergers, amalgamations, any revaluations of assets, etc. in the last 10 years are based on various assumptions and may not be indicative of the true value of the subject matter to which they relate.*

We have entered into several acquisitions or divestments of business/undertakings, mergers and amalgamations in the last 10 years, and have obtained valuation reports in connection with certain of these transactions. For more details, see “*History and Certain Corporate Matters*” on page 252. These valuation reports will be made available for public inspection, as material documents available for inspection. See “*Material Contracts and Documents for Inspection – Material Documents*” on page 537. The valuations are subject to certain assumptions made and conclusions derived which may turn out to be inaccurate or incomplete, which may affect the valuation of the subject matter of such reports. The valuations are an estimate and not a guarantee, and they are fully dependent upon the accuracy of the assumptions contained in each report. Further, each valuer has evaluated the suitability of certain methodologies and has followed a particular methodology to arrive at the valuation. There is no assurance that other methodologies would not have resulted in a different valuation. The valuation reports do not confer rights or remedies upon investors or any other person, and do not constitute and should not be construed as any form of assurance as to our financial condition or future performance or as to any other forward-looking statements included therein, including those relating to macro-economic factors. Additionally, the price at which we may be able to sell any of the subject matter of such valuation reports in the future may be different from the initial acquisition value of such entities. While there has been no material impact on our Company’s operations and financial performance based on these valuation reports in the past, however, we cannot assure you that other valuers would arrive at the same valuations. Accordingly, investors should not rely solely on the valuation reports in making an investment decision to subscribe to or purchase Equity Shares in the Offer.

59. *If a United States person is treated as owning at least 10% of our stock, such person may be subject to adverse United States federal income tax consequences.*

A corporation not incorporated under the laws of the United States or any state or locality thereof (a “**non-U.S. corporation**”) generally is considered a controlled foreign corporation (a “**CFC**”) if “United States shareholders” (as defined below) own directly, indirectly or constructively, in the aggregate, more than 50% of (i) the total combined voting power of all classes of voting stock of such corporation or (ii) the total value of the stock of such corporation. A United States person is a “United States shareholder” of a non-U.S. corporation if it owns directly, indirectly or constructively at least 10% of (i) the total combined voting power of all classes of voting stock of such corporation or (ii) the total value of all classes of stock of such corporation. We currently expect to be a CFC this year, and we may continue to be treated as a CFC in the future.

If we are a CFC, a United States shareholder with respect to our stock generally will be required to report annually and include in its United States taxable income its pro rata share of our “Subpart F income,” “global intangible low-taxed income” (renamed “net CFC tested income” for taxable years beginning after December 31, 2025, pursuant to the One Big Beautiful Bill Act of 2025), and our investments in United States property regardless of whether we actually make any distributions. An individual that is a United States shareholder with respect to a CFC generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a United States shareholder that is a corporation. In addition, a United States shareholder of a CFC is subject to certain information reporting requirements with respect to such CFC and substantial penalties may be imposed for noncompliance. We cannot provide any assurances that we will assist any United States investor in determining our status as a CFC (or such investor’s status as a United States shareholder with respect to our stock) or that we will furnish to any United States shareholder information that may be necessary to comply with the reporting and tax paying obligations with respect to CFCs. United States investors in our Equity Shares are strongly encouraged to consult their own tax advisors regarding the potential application of these rules to us and the ownership of our Equity Shares.

60. *United States investors in Equity Shares may suffer adverse tax consequences if we are classified as a “passive foreign investment company.”*

A non-U.S. corporation generally will be a passive foreign investment company (“**PFIC**”) for any taxable year if either (i) at least 75% of its gross income is passive income or (ii) at least 50% of its assets (determined based on a quarterly average) are held for the production of, or produce, passive income (such test described in clause (ii), the “**Asset Test**”). Passive income generally includes, among other things, dividends, interest, rents and royalties (other than rents or royalties derived from the active conduct of a trade or business) and gains from the disposition of passive assets. In making this determination, the non-U.S. corporation is treated as earning its proportionate share of any income and owning its proportionate share of any assets of any corporation in which it holds, directly or indirectly, a 25% or greater interest by value of the stock. In the case of a non-U.S. corporation that is a CFC (for this purpose, determined without applying the constructive ownership rules on stock actually owned by non-United States persons) that is not treated as “publicly traded” for purposes of the PFIC rules, the Asset Test is measured based on the adjusted tax bases of the CFC’s assets (determined under United States federal income tax principles). For such purpose, stock traded on an exchange that is not registered with the United States Securities and Exchange Commission generally is considered publicly traded only if such stock is traded on an exchange identified by the Secretary of the United States Treasury as having rules adequate to carry out the purposes of the PFIC rules. The Secretary of the United States Treasury has not identified any such exchanges to date. Accordingly, our stock may not be treated as publicly traded for this purpose.

Based on the current and anticipated composition of our and our subsidiaries, income, assets, structure and operations and certain factual assumptions, we do not expect to be treated as a PFIC for the current taxable year or in the foreseeable future. However, whether we are treated as a PFIC is a factual determination that is made on an annual basis after the close of each taxable year. This determination will depend on, among other things, the ownership and the composition of our income and assets, our status as a CFC, and the value of our assets, from time to time. Moreover, the application of the PFIC rules is unclear in certain respects. The IRS or a court may disagree with our determinations. Therefore, there can be no assurance that we will not be a PFIC for any taxable year.

If we are a PFIC for any taxable year during which a United States investor holds our Equity Shares, certain adverse United States federal income tax consequences could apply to such investor. Prospective investors should consult their tax advisors regarding the potential application of the PFIC rules to them.

61. *We have entered into, and will continue to enter into, related party transactions that may potentially involve conflicts of interest and may be subject to additional approvals and compliances under applicable law.*

In the ordinary course of our business, we enter into and will continue to enter into transactions with related parties. For more details regarding our related party transactions, see “Offer Document Summary - Summary of related party transactions” on page 19.

While we believe that such related party transactions are conducted on an arm’s length basis in accordance with the Companies Act and other applicable regulations, there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. All such related party transactions that we may enter into post-listing, will be subject to our Board or Shareholder approval, as necessary under the Companies Act and the SEBI Listing Regulations. There can be no assurance that such approvals will be issued to us in a timely manner, or at all. If we do not receive such approvals in a timely manner, or at all, certain transactions which may be favourable to us may not be executed. We cannot assure you that these arrangements in the future, or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects or will perform as expected. Further, any future transactions with our related parties could potentially involve conflicts of interest that may be detrimental to our Company. These conflicts of interest may lead to regulatory scrutiny, and it may impact our financial conditions, results of operations and cash flows. There can be no assurance that we will be able to address such conflicts of interests in the future.

62. *We may receive complaints and negative feedback from merchants and customers that use the PhonePe Platform, and any failure to effectively manage, resolve, and learn from such complaints could adversely affect our brand, user trust, and our business, financial condition, results of operations and prospects.*

We receive complaints and negative feedback from customers and merchants in the ordinary course of business. Such complaints and negative feedback, whether or not justified, may adversely affect our brand and reputation, require increased management time and resources for investigation and resolution and lead to observations being noted by our regulators during periodic audits. We accept customer queries and information requests related to transactions through our app or IVR, most of which are resolved through our automated systems. In cases where a customer is not satisfied with the response or resolution provided, they may register a complaint or grievance (“**Complaints**”) with us for further review and action. The following table sets forth details of Complaints received by the Company from customers and merchants in the periods/fiscal years indicated:

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
No. of complaints received	3,692	3,095	5,754	3,000	3,552

We receive complaints and negative feedback for a range of reasons. For example, in the past we have received complaints relating to alleged service failures, payment delays, account administration matters, fulfilment delays (for example in bill payment), payment device-related issues and other types of customer or merchant dissatisfaction. For example, we received a complaint that a merchant had not received ₹73,800 in their bank account with respect to transactions processed on the PhonePe Platform for a particular day. To resolve the issue, we conducted investigations with our remitter bank and the merchant’s beneficiary bank and identified that the beneficiary bank had reversed the settlement money back to us and failed to notify us of the reversal of payment. We updated the settlement status in our system and reinitiated the credit/settlement to the merchant while the issue was resolved between us, the merchant and the remitter and beneficiary banks.

While we endeavour to resolve complaints and negative feedback in a prompt manner, there have been, and may in the future be occasional delays in responding to customer and merchant complaints. These delays have and may in the future be due to, among other things, time required to communicate with and resolve disputes with third-party banks, billers, insurers, lenders, service providers and the NPCI, time required for customers or merchants to provide additional documents or information that we need to resolve the matter in question, and time required to conduct field visits for Payment Device servicing and replacements. Further, unresolved or recurring issues can erode brand equity and user trust, reduce engagement and transaction volumes, adversely affect partner relationships, and hamper our ability to attract and retain consumers and merchants. While our business, reputation, results of operations, and financial condition have not been materially and adversely affected by customer and merchant complaints in the six months period ended September 30, 2025 and the last three Fiscal Years, if we are unable to effectively manage and resolve complaints and negative feedback, enhance our controls and service quality, or coordinate timely resolution with ecosystem partners, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected.

External Risks

63. *Political, macroeconomic, demographic or other factors that are beyond our control could adversely affect economic conditions in India and globally, which could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.*

Our Company is incorporated in India, and we derive our revenue from rendering of services in India only and substantially all of our non-current operating assets are domiciled in India. Consequently, our performance and the market price of the Equity Shares may be affected by interest rates, government policies, taxation, and other social, political and economic developments affecting India. The Indian economy differs from the economies of most developed countries in many respects, including the degree of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. While the Indian economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among various sectors of the economy. The Indian government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall Indian economy but may have a negative effect on us. In addition, political instability, armed aggression, armed conflicts, acts of violence, civil unrest, terrorism in India, between Russia and Ukraine, in the Middle East, between Israel and Iran or elsewhere globally or regionally, including in India's various neighbouring countries. In particular, any deterioration in relations between India and its neighbouring countries (such as Pakistan), including as a result of the April 2025 attack in Pahalgam, Jammu and Kashmir, may directly affect our or our business partners' business, result in investor concern about stability in the region and have an adverse effect on the Indian economy, and our financial condition, results of operations, cash flows and prospects.

Our business results depend on a number of general macroeconomic and demographic factors in India which are beyond our control. In particular, our revenue and profitability are strongly correlated to consumer discretionary spending, which is influenced by general economic conditions, unemployment levels, the availability of discretionary income and consumer confidence. Recessionary economic cycles, a protracted economic slowdown, a worsening economy, increased unemployment, rising interest rates or other industry-wide cost pressures could also affect user behaviour and lead to a decline in our sales, business and earnings.

Factors that may adversely affect the Indian economy, and hence our results of operations and cash flows, may also include:

- the macroeconomic climate, including any increase in Indian interest rates;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency, export assets or increase in the interest rates;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- financial instability in other parts of the world that affect the Indian financial markets;
- trade war between large economies that lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy;
- prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its consumption sector;

- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import or export tariffs, increased regulations or capital investment requirements, including the import restrictions and tariffs of import of goods from India, currently in the process of being imposed by the Government of the United States;
- pandemics, epidemics or any other public health emergency in India or in countries in the region or globally;
- fires, natural disasters (such as typhoons, flooding and earthquakes) and/or severe weather or any act of God and its consequent impact on public and economy;
- changes in India's tax, trade, fiscal or monetary policies, such as the application of GST;
- a decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and lead to high borrowing costs; and
- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.
- Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, financial condition, results of operations, cash flows and prospects and the price of the Equity Shares.

64. *Financial instability in other countries may cause increased volatility in Indian financial markets.*

Our Company is incorporated in India, and currently we derive our revenue from rendering of services in India only and substantially all of our non-current operating assets are domiciled in India. The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia, and India's relationship with these geographies. For example, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy, which could have an adverse impact on the trade relations between the two countries. In particular, tariff and trade measures imposed by the United States and other countries could adversely impact the global and Indian economy, and in turn have an adverse effect on our business, results of operations, financial condition and cash flows. The sovereign rating downgrades for the United States, France, Brazil and Russia (and the imposition of sanctions on Russia) have also added to the growth risks for these markets. These factors may also result in a slowdown in India's export growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets.

While economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. The global credit and equity markets have from time to time, experienced substantial dislocations, liquidity disruptions and market corrections. In response to such developments, legislators and financial regulators in the U.S. and other jurisdictions, including India, may implement a number of policy measures designed to add stability to the financial markets. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and the trading price of our Equity Shares.

65. *If inflation rises in India, increased costs may result in a decline in profits.*

Inflation rates could be volatile, and we may face high inflation in the future, similar to what India had witnessed in the past. Increasing inflation in India can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, salaries, and other expenses relevant to our business, which may adversely affect our business and financial condition. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our operating expenses, which we may not be able to pass on to consumers, whether entirely or in part, and the same may adversely affect our business, financial condition, results of operations, cash flows and prospects. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit growth. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows. While the GoI has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there

can be no assurance that Indian inflation levels will not rise in the future. Any increase in inflation will have an impact on our costs, results of operations, cash flows and financial condition.

66. *Changing regulations in India could lead to new compliance requirements that are uncertain.*

The regulatory and policy environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations and policies that could affect fintech in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

For instance, the GoI notified (a) the Code on Wages, 2019 (“**Wages Code**”); (b) the Code on Social Security, 2020 (“**Social Security Code**”); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. Certain portions of the Wages Code and Social Security Code have come into force upon notification by the Ministry of Labour and Employment. The remainder of these codes shall come into force on the day that the Government shall notify for this purpose. While we are yet to determine the impact of such laws on our business and operations, the enforcement of these laws may restrict our ability to grow our business in the future, increase our expenses and could lead to higher employee and labour costs, which in turn could adversely affect our business, financial condition, results of operations and prospects.

Similarly, the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2025 have recently been notified, which have *inter alia*, expanded the definition of “*unpublished price sensitive information*” included in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended (“**Insider Trading Regulations**”).

From a regulatory perspective as well, the RBI has recently published the PA Master Directions, which amongst other things, required us to intimate the RBI about our offline payment aggregator business. Apart from changes to the RBI’s payments license regime, the RBI may also propose new requirements for certain service offerings that may impact our services, such as the prohibition on the storage of card data the RBI had introduced in 2021 that significantly affected industry participants and required them to transition to token based payment processing activities and maximum thresholds of payments permissible under the UPI facilities that we provide. For instance, the Government of India has recently notified the Online Gaming Act, which prohibits the offering, operation, facilitation, advertisement, promotion and engaging in online money games through any computer resource, mobile device or the internet.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, cash flows and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

67. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act, 2002 (“Competition Act”) could adversely affect our business and activities.*

The Competition Act prohibits any anti-competition agreement or arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India. Any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services in any manner by way of allocation of geographical area, type of goods or services or number of consumers in the relevant market or in any other similar way or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition.

The Competition Act also prohibits abuse of a dominant position by any enterprise. The combination regulation (merger control) provisions under the Competition Act require acquisitions of shares, voting rights, assets, control, mergers, or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India (“**CCI**”). Any breach of the provisions of Competition

Act, may attract substantial monetary penalties. The Competition Act aims to, among other things, prohibit all agreements and transactions that may have an appreciable adverse effect in India and has broad application. Agreements entered into by us could fall within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. We are not currently party to any outstanding proceedings, nor have we ever received any notice in relation to non-compliance with the Competition Act.

The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed by us, or any enforcement proceedings initiated by the CCI in future, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI may affect our business, financial condition, results of operations and cash flows.

68. *Changes in the taxation system in India could adversely affect our business.*

The tax regulatory and policy environment in which we operate is evolving and is subject to change. The GoI may amend existing tax laws or implement additional or new tax laws or other regulations and policies that could affect our business and the financial services industry, which could lead to additional or new tax and compliance requirements, including requiring us to obtain approvals and licenses from the GoI and other regulatory bodies, or impose onerous requirements. Such requirements could increase our costs or otherwise adversely affect our business, financial condition, cash flows, and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Any changes to such tax laws, including the instances mentioned below, may adversely affect our business, financial condition, results of operations and prospects.

Income-tax

We have opted not to claim any specified deductions or exemptions and instead, elected to pay tax as per the lower corporate tax rate (currently 22%, plus applicable surcharge and cess). Consequently, the provisions related to the Minimum Alternate Tax (“MAT”) will not be applicable. Should there be any changes in tax laws or tax rates in the future, we may be required to pay corporate tax at a different rate, as applicable, along with the relevant surcharge and cess. Therefore, the potential impact of any changes in tax law or tax rates on our business, operations, or the industry in which we operate remains uncertain.

Indian transfer-pricing regulations require that any international transaction involving foreign related parties (or associated enterprises) be at an arm’s length price. Accordingly, we determine the pricing of any international transactions involving foreign related parties on the basis of detailed functional and economic analysis involving benchmarking against transactions among entities that are not under common control. If the income tax authorities review any of our tax returns and determine that the transfer price for any international transactions involving foreign related parties applied was not appropriate, we may incur increased tax liabilities, including accrued interest and penalties. The GoI has also implemented provisions relating to general anti-avoidance rules (“GAAR”). GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in, among others, a denial of tax benefit to us and our business. In the absence of any precedents on the subject, the application of these provisions is subjective. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us. Further, if the tax costs associated with our transactions are greater than anticipated because of a particular tax risk materialising on account of new tax regulations and policies, it could affect our profitability from such transactions.

The Finance Minister of India introduced the Income-tax Bill, 2025 in February 2025 with the aim of replacing the Income Tax Act, 1961, as amended. The Income-tax Act, 2025 (“**New Act**”) has now been enacted and received the assent from the President of India in August 2025. The New Act consolidates and revises the law relating to income tax, simplifying compliance, reducing litigation, and enhancing clarity and transparency for taxpayers. The New Act is effective from April 1, 2026. The updated tax provisions in the New Act, including the rates, rules, or regulations, along with related uncertainties in its implementation, may have a material adverse effect on our business, financial condition, results of operations, cash flows, and prospects.

We are also exposed to future tax legislation, as well as the issuance of future regulations and changes in administrative interpretations of existing tax laws, and changes in transfer pricing arrangements with our subsidiaries, any of which can impact our or our subsidiaries current and future years’ tax provision. The effect of such changes in tax law, changes in administrative interpretations of existing tax laws or changes in transfer pricing arrangements could also have a material effect on our business, financial position and results of operations. Compliance with the New Act and any other new tax rules, regulations, guidance and interpretations, including collecting information not regularly

produced by us or unexpected changes in our estimates, may require us to incur additional costs and could affect our results of operations.

Furthermore, we are subject to regular review and audit by both domestic and foreign tax authorities as well as subject to the prospective and retrospective effects of changing tax regulations, legislation and interpretations. Although we believe our tax estimates are reasonable, the ultimate tax outcome may materially differ from the tax amounts recorded in our Restated Consolidated Financial Information and may materially affect our income tax provision, net income or cash flows in the period or periods for which such determination and settlement is made.

Goods and Services Tax (GST)

With the introduction of the national Goods and Services Tax (“GST”) in 2017 in India, the indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by a unified tax regime of GST with effect from July 1, 2017. The GST regime is continuously being reviewed by GOI and therefore is subject to amendments or changes. Any changes to the GST rate or rules and regulations surrounding GST and the related uncertainties with frequent changes may have a material adverse effect on our business, financial condition, results of operations and prospects and also impose onerous compliance requirements.

Further, in order for us to utilise input credit under GST, the entire value chain has to be GST-compliant, including us. While we are and will continue to adhere to the GST rules and regulations, there can be no assurance that our relevant counterparties will do so. Any such failure may result in increased cost on account of non-compliance with the GST and may adversely affect our business, financial condition, results of operations and prospects.

69. *Changes in the taxation system outside India that could adversely affect our business.*

We are subject to income taxes, other taxes and tax collection and reporting obligations in both India and the foreign jurisdictions in which we currently operate or have historically operated. The determination of our worldwide provision for income taxes and current and deferred tax assets and liabilities requires judgment and estimation.

The amount of taxes we pay in different jurisdictions outside India may depend on the application of the tax laws of the various jurisdictions to our international business activities, tax rates of such jurisdiction, tax laws and policies, and intercompany arrangements. The taxing authorities of the jurisdictions outside India in which we operate may challenge our methodologies for pricing intercompany transactions pursuant to our intercompany arrangements or disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a challenge or disagreement were to occur, and our position was not sustained, we could be required to pay additional taxes, interest and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows and lower overall profitability of our operations.

In addition, we also may not have sufficient notice to enable us to build systems and adopt processes to properly comply with new reporting or collection obligations by the effective date of those obligations. Legislatures and taxing authorities in jurisdictions in which we operate may enact changes to or seek to enforce novel interpretations of their tax rules. These changes could include modifications that have temporary effects and more permanent changes. Changes in domestic and international tax rules and regulations could have a material effect on our effective tax rate.

70. *Non-resident investors are subject to investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.*

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents or between non-residents are permitted (subject to compliance with sectoral norms and certain other restrictions and exceptions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and it falls under any of the specified exceptions, under the FEMA NDI Rules then the RBI’s prior approval is required. For details, in relation to the restrictions under the FDI Policy applicable to our Company, please see “*Key Regulations and Policies*” on page 235. In terms of Press Note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade (“**DPIT**”), as consolidated in the FDI Policy with effect from October 15, 2020, all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the GoI. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction and purview, such subsequent change in the beneficial ownership will also require approval of the GoI. Any such approval(s) could be subject to the discretion of the regulatory authorities. This may cause uncertainty and delays in our future investment plans and initiatives. We

cannot assure you that any required approval from the relevant governmental agencies can be obtained on any particular terms or at all. For further details, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 513.

Further, in terms of notification dated June 14, 2021 issued by the RBI, new investors from FATF non-compliant jurisdictions are not permitted to acquire, directly or indirectly, 20% or more of the voting power of any payment system operators (“PSO”) or any entity seeking authorisation as a PSO. However, existing investors may continue holding their investments in PSOs made prior to classification of their jurisdiction as FATF non-compliant and/or bring in additional investments as per the extant regulations. As we currently hold key PSO authorisations, we will accordingly be subject to the requirements of this notification, which may have an adverse effect on the ability of new foreign investors from FATF non-compliant jurisdictions to, directly or indirectly, invest in us. Our ability to set up other regulated businesses may also be subject to the requirements of this notification and have similar implications.

71. *A downgrade in ratings of India, may affect the trading price of the Equity Shares.*

Our borrowing costs and our access to the debt capital markets may depend in part on the credit ratings of India. India’s sovereign rating has remained at Baa3 “stable” outlook by Moody’s and BBB- with a “stable” outlook by Fitch; and BBB with a “stable” outlook by DBRS. India’s sovereign rating from S&P is BBB/A2 with a “positive” outlook. Any adverse revisions to India’s credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India’s credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to avail loans in the future, procure and maintain favourable credit ratings, and fund our growth on favourable terms or at all, and consequently adversely affect our business, cash flows and financial performance and the price of the Equity Shares.

72. *Changes in market interest rates, or rules and regulations surrounding market interest rates, could have an adverse effect on our financial condition, results of operations, cash flows and prospects.*

Increased interest rates may adversely impact the spending levels of consumers and their ability and willingness to borrow money, which in turn could impact our Lending Business. Higher interest rates could also increase the risk that our lending partners face, as the ability of consumers to service debt could be adversely impacted, thereby leading to increased delinquencies, defaults, consumer bankruptcies and charge-offs. While we may not be directly impacted due to the inability of consumers to service their debt, our business may suffer.

Higher interest rates could also lead to high cost of borrowing and expose us to higher finance costs to the extent our credit facilities or other indebtedness bear interest costs at a floating rate based on a prevailing market interest rate or when we need to refinance our fixed rate debt. Significant increases in the interest rates could adversely affect our cash flows, results of operations and ability to service our debt. Furthermore, we could be adversely impacted by decreases in interest rates, as we have fixed deposits and hold money in interest-bearing accounts. If the interest rates for such an account were to decline, then the income that we derive from the money held in such an account could decrease. Any of the foregoing could have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

73. *Certain differences exist between Ind AS and other accounting principles, particularly U.S. GAAP, which may be material to investors’ assessments of our financial condition, results of operations, and cash flows. While Ind AS is largely based on International Financial Reporting Standards, certain carve-outs specific to the Indian economic environment may lead to differences.*

The Restated Consolidated Financial Information of our Company together with our subsidiaries and the associate, comprise of restated consolidated summary statement of assets and liabilities as at September 30, 2025 and September 30, 2024 and as at March 31, 2025, March 31, 2024 and March 31, 2023, the restated consolidated summary statement of profit and loss (including other comprehensive income/ (loss)), restated consolidated summary statement of cash flows and restated consolidated summary statement of changes in equity as at and for the six months period ended September 30, 2025 and September 30, 2024 and for each of the years ended March 31, 2025, March 31, 2024 and March 31, 2023 and the summary statement of material accounting policies and other explanatory notes, derived from the interim financial statements as at and for the six months period ended September 30, 2025 and September 30, 2024 prepared in accordance with Ind AS 34 and the audited consolidated financial statements as at and for the years ended March 31, 2025, March 31, 2024 and March 31, 2023, prepared in accordance with Ind AS and as restated as per the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations, as amended and the Guidance Note on ‘Reports in Company Prospectuses (Revised 2019)’ issued by the Institute of Chartered Accountants of India, as amended from time to time. Ind AS differs from accounting principles with which prospective

investors may be familiar, such as IFRS and U.S. GAAP. Accordingly, the degree to which the Restated Consolidated Financial Information included in this Updated Draft Red Herring Prospectus – I will provide meaningful information is entirely dependent on the reader’s level of familiarity with Ind AS. Persons not familiar with Ind AS should limit their reliance on the financial disclosures presented in this Updated Draft Red Herring Prospectus – I. We have not disclosed the impact of U.S. GAAP or IFRS on the financial data included in this Updated Draft Red Herring Prospectus – I, nor do we provide a reconciliation of our Restated Consolidated Financial Information to those of U.S. GAAP or IFRS or any other principles or to base it on any other standards.

We have historically provided and intend to continue to provide our Promoters and certain members of our Promoter Group with select financial information that has been prepared and presented in conformity with U.S. GAAP. Such select financial information has not been included in this Updated Draft Red Herring Prospectus – I. Investors should not rely on such select financial information or any other related information for the purposes of investment in the Offer or for future investments in the Equity Shares of our Company. In addition, the differences in financial information reported by us, our Promoters and certain members of our Promoter Group due to varying accounting standards might affect investors’ perceptions of our Company.

74. *Changes in financial reporting standards, management’s use of accounting estimates may affect our operating results and financial position*

To comply with Ind AS, management is required to make various accounting estimates, judgments and assumptions. See “*Management’s Discussion and Analysis of Financial Condition and Results Of Operations—Material Accounting Policies*” on page 421. The facts and circumstances on which management bases these estimates, judgments, assumptions, and management’s judgment of the facts and circumstances, may change from time to time and this may result in significant changes in the estimates, with an impact on our assets or income. Current and future accounting pronouncements and other financial reporting standards may adversely affect the financial information we present. We regularly monitor our compliance with all of the financial reporting standards that are applicable to us and any new pronouncements that are relevant to us. Findings of our monitoring activity or new financial reporting standards may require us to change our internal accounting policies and to alter our operational policy so that it reflects new or amended financial reporting standards. We cannot exclude the possibility that this may have a material impact on our assets, liabilities, income, expenses or cash flows.

75. *We are and, after the Offer, remain, a “foreign owned and controlled” company in accordance with the Consolidated FDI Policy and FEMA Rules and accordingly, we shall be subject to Indian foreign investment laws.*

In accordance with the provisions of the Consolidated FDI Policy and FEMA Rules, our Company is a foreign owned and controlled company. As a foreign owned and controlled company, our Company is subject to various requirements under the Consolidated FDI Policy and other Indian foreign investment laws. Such requirements include restriction on undertaking certain business activities without prior Government approval or at all, and pricing guidelines applicable to issue or transfer of our Equity Shares.

While we believe that our business activities have been, and continue to remain, compliant with the requirements under the Consolidated FDI Policy and other Indian foreign investment laws, we cannot assure you that the Government, or a regulatory or judicial authority, will not take a different interpretation. A determination by the Government, or a regulatory or judicial authority, that any of our business activities are being, or have been, conducted in violation of the Consolidated FDI Policy and other applicable Indian foreign investment laws, could attract regulatory sanctions, including monetary penalties. In such an event, we may also have to cease undertaking the relevant business activities. Further, till the time we cease to be a foreign owned and controlled company, we may not be able to undertake certain commercially attractive business activities or investments without prior approval of the Government or at all.

76. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results and foreign investors may be exposed to exchange rate risks.*

Upon listing, our Equity Shares will be denominated and traded in Indian Rupees on the Stock Exchanges. Any dividends declared on our Equity Shares will also be paid in Indian Rupees and, where applicable, converted into the relevant foreign currency for the purpose of repatriation. Foreign investors may be exposed to exchange rate risk, as any adverse fluctuations in currency exchange rates during the conversion process may result in a reduced net dividend amount. Similarly, delays in repatriating the proceeds from the sale of Equity Shares outside India—such as delays arising from the need to obtain regulatory approvals—may be subject to exchange rate volatility, potentially diminishing the amount ultimately received by the shareholder. For instance, the exchange rate between the Indian Rupee and the U.S. Dollar has experienced significant volatility in recent years and may continue to do so, which could negatively impact returns on our Equity Shares, irrespective of our actual financial or operational performance.

77. *Following the listing of the Equity Shares, we may be subject to pre-emptive surveillance measures such as Additional Surveillance Measure (“ASM”) and Graded Surveillance Measure (“GSM”) by the Stock Exchanges to enhance market integrity and safeguard the interest of investors.*

SEBI and the Stock Exchanges have introduced various pre-emptive surveillance measures to enhance market integrity and safeguard the interests of investors, including ASM and GSM. ASM and GSM are imposed on securities of companies based on various objective criteria such as significant variations in price and volume, concentration of certain client accounts as a percentage of combined trading volume and average delivery, and on securities which witness abnormal price rise not commensurate with the company’s financial health and fundamentals such as earnings, book value, fixed assets, net worth, price/earnings multiple and market capitalisation.

Upon listing, the trading of our Equity Shares could be subject to differing market conditions as well as other factors which may result in high volatility in price, low trading volumes or a large concentration of client accounts as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned events or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchanges for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. These restrictions may include higher margin requirements, requirement of settlement on a trade for trade basis without netting off, limiting trading frequency, reduction of applicable price band, requirement of settlement on gross basis or freezing of price on upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. The imposition of these restrictions and curbs on trading may have an adverse effect on market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company.

Other Risks - Risks Related to the Offer

78. *Our Company will not receive any proceeds from the Offer.*

The Offer consists of only an Offer for Sale of 50,660,446 Equity Shares of face value of ₹1 each by our Promoter Selling Shareholder, WM Digital Commerce Holdings Pte. Ltd. and Investor Selling Shareholders. Our Promoter Selling Shareholder and Investor Selling Shareholders shall be entitled to the entire proceeds from the Offer (net of its portion of the Offer-related expenses) and our Company will not receive any proceeds from the Offer. None of our Directors or Key Managerial Personnel and Senior Management will receive, in whole or in part, any proceeds from the Offer. For details, see “*The Offer*”, “*Capital Structure*” and “*Objects of the Offer*” on pages 101, 116 and 138, respectively.

79. *We cannot assure payment of dividends on the Equity Shares in the future and our Subsidiaries may not be able to pay dividends to us.*

Our Company has a formal dividend distribution policy as on the date of this Updated Draft Red Herring Prospectus – I. Our Company has however not declared dividends on the Equity Shares during the current Fiscal Year and the last three Fiscal Years. Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements and other factors considered relevant by our directors and shareholders. Our ability to pay dividends may also be restricted under certain financing arrangements that we may enter into. We cannot assure you that we will be able to pay dividends on the Equity Shares at any point in the future. For further details of our dividend distribution policy, see “*Dividend Policy*” on page 304. Furthermore, our Subsidiaries and Associate may not generate sufficient profits and cash flows to distribute dividends to us in the future, which could adversely affect our operational results, financial condition, cash flows, and our ability to pay dividends.

80. *Our Equity Shares have never been publicly traded, and after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the Offer Price may not be indicative of the market price of the Equity Shares after the Offer.*

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such a market for the Equity Shares. The Offer Price will be determined by the Book Building Process and may not be indicative of prices that will prevail in the open market following the Offer. The market price of the Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- the failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;
- future sales of the Equity Shares by our shareholders;
- investor perception of us and the industry in which we operate;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations;
- results of operations that vary from the expectations of securities analysts and investors;
- fluctuations in stock market prices and volume;
- actual or purported short squeeze trading activities
- the public's reaction to our press releases, adverse media reports, rumours; and
- general economic conditions.

These will be based on numerous factors, including factors as described under “*Basis for Offer Price*” on page 140 and may not be indicative of the market price for our Equity Shares after the Offer. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. Consequently, the price of our Equity Shares may be volatile. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. There can be no assurance that the investor will be able to resell their Equity Shares at or above the Offer Price. There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

81. *The determination of the Price Band will be based on various factors and assumptions, and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.*

The determination of the Price Band will be based on various factors and assumptions and will be determined by our Company in consultation with the BRLMs. Furthermore, the Offer Price of the Equity Shares will be determined by our Company with the Managers through the Book Building Process. These are based on numerous factors, including factors as described under “*Basis for Offer Price*” beginning on page 140 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Managers is below their respective issue price. For further details, see “*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs and the BRLMs*” beginning on page 464. The factors that could affect the post-listing market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control.

82. *There is no guarantee that our Equity Shares will be listed on the BSE and NSE in a timely manner or at all. Investors may not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.*

The Equity Shares will be listed on the Stock Exchanges pursuant to the Offer. In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until transfer of Equity Shares pursuant to this Offer. In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the BSE and NSE within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard.

However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in the Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately two Working Days from the Bid/Offer Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within three Working Days of the Bid/ Offer Closing Date. Any failure or delay in obtaining the approval or otherwise listing or commencing trading in the Equity Shares could restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

83. *Investors may be subject to Indian taxes arising out of income arising on the sale of and dividend on the Equity Shares.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any capital gain exceeding ₹125,000, realised on the sale of listed equity shares on a recognised stock exchange, held for more than 12 months immediately preceding the date of transfer, will be subject to long term capital gains in India, at the rate of 12.5% (plus applicable surcharge and cess). This beneficial rate is, among others, subject to payment of Securities Transaction Tax ("STT"). Further, any gain realised on the sale of equity shares in an Indian company held for more than 12 months, which are sold using any platform other than a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India, at the rate of 12.5% (plus applicable surcharge and cess).

Further, any capital gains realised on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Such gains will be subject to tax at the rate of 20% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates.

Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident (as per tax laws). Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their jurisdiction on a gain upon the sale of the Equity Shares.

Similarly, any business income realised from the transfer of Equity Shares held as business or trading assets is taxable at the applicable tax rates. In the case of a non-resident seller, the applicable tax rates may be subject to any treaty relief, if applicable.

Additionally, the Indian tax laws require deduction of tax at source in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and such dividends would be taxable at applicable rates in the hands of the shareholders, both resident as well as non-resident (for tax purposes). We may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

84. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Offer Closing Date.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids or withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Offer within three Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, financial condition, results of operations, cash flows and prospects may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity

Shares even if such events occur, and such events may limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

85. *Investors may have difficulty enforcing foreign judgments against our Company or our management.*

Our Company is incorporated under the laws of India as a company limited by shares. 13 of our directors, Key Managerial Personnel and Senior Management are residents of India. A substantial portion of our Company's assets and the assets of our Directors and Key Managerial Personnel and Senior Management are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons outside India or to enforce judgments obtained against our Company or such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 ("CPC"), on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the GoI has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties. Some jurisdictions including the United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the GoI to be reciprocating countries for the purposes of Section 44A of the CPC.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there may be considerable delays in the disposal of these suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian law. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

86. *Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.*

Under the Companies Act, a company having share capital and incorporated in India seeking to issue fresh Equity Shares through a rights issue, must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a number of Equity Shares proportionate to their respective shareholding to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the respective shareholders have waived or renounced their entitlement in favour of another person/entity or the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares who have voted on such resolution. However, if the laws of the jurisdiction that holders are in do not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, the holders will be unable to exercise such pre-emptive rights unless we make such a filing. In the future, we may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to the holders. To the extent

that the holders are unable to exercise pre-emptive rights granted in respect of the Equity Shares, they may suffer future dilution of their ownership position and their proportional interests in our Company would be reduced.

87. *A third-party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.*

There are provisions in Indian law that may delay, deter, or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of Equity Shares at a premium to the market price or would otherwise be beneficial to our Company's stakeholders. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third-party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

88. *Any future issuance of Equity Shares or convertible securities or other equity linked securities by our Company may dilute holders' shareholding and sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.*

Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in us. Any disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of the Equity Shares. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

SECTION III: INTRODUCTION

THE OFFER

The following table sets forth the details of the Offer:

The Offer ^{*(1)(2)}	Up to 50,660,446 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million
<i>The Offer comprises:</i>	
Offer for Sale ⁽²⁾	Up to 50,660,446 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million
The Offer consists of:	
A) QIB Portion ⁽³⁾⁽⁴⁾	Not less than [●] Equity Shares of face value of ₹1 each aggregating up to ₹[●] million
<i>of which:</i>	
- Anchor Investor Portion ⁽⁵⁾	Up to [●] Equity Shares of face value of ₹1 each
<i>of which 40% of the Anchor Investor Portion shall be reserved in the following manner:</i>	
- 33.33% of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds	Up to [●] Equity Shares of face value of ₹1 each
- 6.67% of the Anchor Investor Portion available shall be reserved for allocation to Life Insurance Companies and Pension Funds	Up to [●] Equity Shares of face value of ₹1 each
- Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares of face value of ₹1 each
<i>of which:</i>	
- Available for allocation to Mutual Fund Portion only (5% of the Net QIB Portion)	[●] Equity Shares of face value of ₹1 each
- Balance for all QIBs including Mutual Funds	[●] Equity Shares of face value of ₹1 each
B) Non-Institutional Portion ⁽⁶⁾	Not more than [●] Equity Shares of face value of ₹1 each aggregating up to ₹[●] million
<i>of which:</i>	
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million	[●] Equity Shares of face value of ₹1 each
Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹1.00 million	[●] Equity Shares of face value of ₹1 each
C) Retail Portion ⁽⁴⁾	Not more than [●] Equity Shares of face value of ₹1 each aggregating up to ₹[●] million
Pre-Offer and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as on the date of this Updated Draft Red Herring Prospectus - I)	506,604,456 Equity Shares of face value of ₹1 each
Equity Shares outstanding after the Offer	[●] Equity Shares of face value of ₹1 each
Use of proceeds of the Offer	See “ <i>Objects of the Offer</i> ” on page 138 for information about the use of proceeds of the Offer. Our Company will not receive any proceeds from the Offer for Sale.

⁽¹⁾ The Offer has been authorised by our Board pursuant to the resolution passed at its meeting dated September 23, 2025. Our Board has taken on record the consent by each of the Selling Shareholders to, severally and not jointly, participate in the Offer for Sale, pursuant to its resolution dated September 23, 2025 and January 14, 2026, as applicable.

⁽²⁾ Each of the Selling Shareholders, severally and not jointly, confirmed that its respective portion of the Offered Shares is eligible for being offered for sale, in accordance with Regulation 8 and 8A of the SEBI ICDR Regulations respectively, pursuant to its respective consent letter and authorisations, as set out below:

Sr. No.	Name of the Selling Shareholder	Number of Offered Shares of face value of ₹1 each	Date of consent letter	Date of corporate action / board resolution / authorisation letter
Promoter Selling Shareholder				
1.	WM Digital Commerce Holdings Pte. Ltd.	Up to 45,942,496 Equity Shares	September 23, 2025	August 26, 2025
Investor Selling Shareholders				
2.	Tiger Global PIP 9-I Ltd.	Up to 1,039,160 Equity Shares	January 13, 2026	July 3, 2025
3.	Microsoft Global Finance Unlimited Company	Up to 3,678,790 Equity Shares	September 23, 2025	August 27, 2025

The Offered Shares are eligible to be offered for sale in the Offer in accordance with Regulations 8 and 8A of the SEBI ICDR Regulations, as on the date of this Updated Draft Red Herring Prospectus - I.

⁽³⁾ Our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will be accordingly reduced for the shares allocated to Anchor Investors out of which, 40% of the Anchor Investor Portion shall be available for allocation as follows, (i) 33.33% shall be available for allocation to domestic Mutual Funds, and (ii) 6.67% for Life Insurance Companies and Pension Funds, subject to valid Bids being received from domestic Mutual Funds, Life Insurance Companies

and Pension Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in (ii) above, the allocation may be made to domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see “Offer Procedure” on page 493.

- (4) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. Under-subscription, if any, in the Net QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories.
- (5) Allocation to Bidders in all categories except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each RIBs shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For further details, see “Offer Procedure” on page 493.
- (6) The Equity Shares available for allocation to NIBs under the Non-Institutional Portion, shall be subject to the following, and in accordance with the SEBI ICDR Regulations: (i) one-third of the portion available to NIBs shall be reserved for Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million, and (ii) two-third of the portion available to NIBs shall be reserved for Bidders with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of NIBs.

Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For further details, see “Offer Procedure” and “Offer Structure” on pages 493 and 490, respectively. For details of terms of the Offer, see “Terms of the Offer” on page 484.

SUMMARY OF RESTATED CONSOLIDATED FINANCIAL INFORMATION

The following tables provide the summary of financial information of our Company derived from the Restated Consolidated Financial Information as at and for the six months period ended September 30, 2025 and September 30, 2024, and as at and for the Fiscal Years ended March 31, 2025, March 31, 2024, and March 31, 2023. The summary of financial information presented below should be read in conjunction with the “*Restated Consolidated Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 305 and 387, respectively.

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RESTATED SUMMARY OF BALANCE SHEET

(in ₹ million)

Particulars	As of September 30, 2025	As of September 30, 2024	As of March 31, 2025	As of March 31, 2024	As of March 31, 2023
Assets					
Non-current assets					
Property, plant and equipment	16,455.77	20,777.30	17,832.46	20,132.47	16,461.85
Capital work-in-progress	80.85	561.62	261.21	834.33	2,692.88
Goodwill	10,587.84	10,587.84	10,587.84	10,587.84	10,587.84
Other intangible assets	69.39	1,660.31	174.63	2,275.64	1,209.56
Right-of-use assets	6,799.93	4,780.64	6,422.58	3,637.38	3,282.42
Investment accounted for using equity method	1,301.15	1,554.30	1,693.52	1,456.81	1,245.75
Financial assets					
(i) Investments	278.69	210.79	210.79	149.60	116.70
(ii) Other financial assets	610.30	462.51	575.04	448.60	312.64
Non-current tax assets (net)	1,042.90	550.97	767.76	628.99	481.70
Other non-current assets	2,967.21	1,592.15	2,996.28	1,567.03	1,539.21
Total non-current assets	40,194.03	42,738.43	41,522.11	41,718.69	37,930.55
Current assets					
Financial assets					
(i) Investments	77,876.50	39,861.07	34,823.07	24,672.83	51,009.08
(ii) Trade receivables	6,348.49	5,485.69	6,262.10	5,436.18	2,051.00
(iii) Cash and cash equivalents	11,275.77	1,961.40	5,954.14	8,579.00	6,702.06
(iv) Bank balances other than cash and cash equivalents	32,440.44	20,137.15	22,550.00	22,513.15	-
(v) Loans	-	-	-	-	1,480.00
(vi) Other financial assets	52,768.42	12,824.91	58,179.68	11,317.04	6,906.62
Other current assets	10,885.89	9,224.80	12,761.24	12,827.88	12,323.51
Total current assets	191,595.51	89,495.02	140,530.23	85,346.08	80,472.27
Total assets	231,789.54	132,233.45	182,052.34	127,064.77	118,402.82
Equity and liabilities					
Equity					
Equity share capital	506.60	442.74	442.74	442.74	434.53
Other equity	96,242.73	91,416.95	94,648.38	94,109.66	74,748.09
Equity attributable to owners of the Company	96,749.33	91,859.69	95,091.12	94,552.40	75,182.62
Non-current liabilities					
Financial liabilities					
(i) Lease liabilities	5,449.77	3,736.47	5,074.75	2,703.27	2,615.29
(ii) Cash-settled share based payment liabilities	7,187.07	13,320.22	10,404.11	9,512.74	-
Provisions	753.58	582.31	621.69	475.40	1,640.68
Deferred tax liabilities (net)	113.46	212.90	166.90	239.99	341.05
Other non-current liabilities	51.79	-	52.16	-	-
Total non-current liabilities	13,555.67	17,851.90	16,319.61	12,931.40	4,597.02
Current liabilities					
Financial liabilities					
(i) Lease liabilities	1,712.43	1,243.13	1,653.46	1,135.66	759.56
(ii) Trade payables					
a. Total outstanding dues of micro and small enterprises	101.82	88.65	2.95	70.13	33.11
b. Total outstanding dues of creditors other than micro and small enterprises	7,770.83	7,245.04	8,639.49	4,619.49	3,833.83
(iii) Other financial liabilities	44,367.31	6,545.34	51,979.61	6,985.83	28,428.08
Other current liabilities	65,979.00	6,149.52	7,015.78	5,667.61	4,820.97
Provisions	1,552.77	1,248.55	1,347.07	1,102.25	747.63
Current tax liabilities	0.38	1.63	3.25	-	-
Total current liabilities	121,484.54	22,521.86	70,641.61	19,580.97	38,623.18
Total equity and liabilities	231,789.54	132,233.45	182,052.34	127,064.77	118,402.82

RESTATED SUMMARY OF PROFIT AND LOSS

(₹ in million, unless otherwise stated)

Particulars	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the Fiscal Year ended March 31, 2025	For the Fiscal Year ended March 31, 2024	For the Fiscal Year ended March 31, 2023
Income					
Revenue from operations	39,184.69	32,075.16	71,148.58	50,641.33	29,142.87
Other income	2,560.38	2,521.92	5,165.24	6,580.67	1,691.47
Total income (i)	41,745.07	34,597.08	76,313.82	57,222.00	30,834.34
Expenses					
Payment processing charges	10,900.01	7,885.44	16,881.78	11,664.38	6,669.66
Employee benefits expense	28,691.09	21,496.63	40,967.05	36,039.76	30,965.74
Finance costs	240.99	158.58	382.58	323.07	225.88
Depreciation and amortisation expense	5,677.41	6,462.04	13,603.11	11,165.66	5,365.88
Other expenses	15,183.18	10,797.58	22,106.45	18,350.04	15,835.18
Total expenses (ii)	60,692.68	46,800.27	93,940.97	77,542.91	59,062.34
Restated profit/ (loss) before share of profit of associate, exceptional item and tax	(18,947.61)	(12,203.19)	(17,627.15)	(20,320.91)	(28,228.00)
Share of profit of associate, net of taxes (iii)	96.97	135.26	271.55	254.38	204.51
Restated profit/ (loss) before exceptional item and tax ((i)-(ii)+(iii))	(18,850.64)	(12,067.93)	(17,355.60)	(20,066.53)	(28,023.49)
Exceptional item (iv)	4,344.74	-	-	-	-
Restated profit/ (loss) before tax (v) ((i)-(ii)+(iii)+(iv))	(14,505.90)	(12,067.93)	(17,355.60)	(20,066.53)	(28,023.49)
Tax expense/ (credit)					
Current tax	0.78	1.63	3.25	-	-
Deferred tax	(62.46)	(37.51)	(84.75)	(104.82)	(62.80)
Total tax expense/(credit) (vi)	(61.68)	(35.88)	(81.50)	(104.82)	(62.80)
Restated profit/ (loss) (vii) ((v)-(vi))	(14,444.22)	(12,032.05)	(17,274.10)	(19,961.71)	(27,960.69)
Other Comprehensive Income/ (Loss)					
Items that will not be reclassified to Profit or Loss in subsequent periods					
- Remeasurement gains/ (losses) on defined benefit plan, net of taxes	(34.98)	(37.76)	(15.21)	(43.23)	21.36
- Changes in the fair value of equity investments at FVTOCI, net of taxes	58.18	50.37	50.37	29.14	35.14
- Share of other comprehensive income/ (loss) of associate, net of taxes	1.01	1.03	0.85	(3.23)	0.68
Net other comprehensive income/ (loss) not to be reclassified to profit or loss	24.21	13.64	36.01	(17.32)	57.18
Items that will be reclassified to Profit or Loss in subsequent periods					
- Exchange differences on translation of foreign operations	11.40	2.16	36.57	1.00	(23.56)
Total other comprehensive income/(loss), net of taxes	35.61	15.80	72.58	(16.32)	33.62
Restated total comprehensive income/ (loss), net of taxes	(14,408.61)	(12,016.25)	(17,201.52)	(19,978.03)	(27,927.07)
Restated earnings/ (loss) per equity share computed on the basis of loss for the period/ year attributable to owners of the Company (Rs. per share)*#					
Restated Basic (loss) per equity share of ₹1 each*	(30.61)	(26.41)	(37.46)	(45.17)	(68.40)
Restated Diluted (loss) per equity share of ₹1 each*	(30.61)	(26.41)	(37.46)	(45.17)	(68.40)

*Not annualised for September 30, 2025 and September 30, 2024.

Earnings / (loss) per equity share is computed after giving effect to stock split for all periods presented.

RESTATED SUMMARY OF CASH FLOWS

(All amounts in ₹ million)

Particulars	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the Fiscal Year ended March 31, 2025	For the Fiscal Year ended March 31, 2024	For the Fiscal Year ended March 31, 2023
Cash flows from operating activities					
Restated profit/ (loss) before tax	(14,505.90)	(12,067.93)	(17,355.60)	(20,066.53)	(28,023.49)
Adjustments to reconcile restated profit/ (loss) before tax to net cash flows:					
Depreciation and amortisation expense	5,677.41	6,462.04	13,603.11	11,165.66	5,365.88
Gain on sale/ fair valuation of investments	(942.73)	(171.57)	(692.10)	(661.84)	(435.35)
Interest income	(1,497.45)	(2,138.56)	(4,020.72)	(4,263.64)	(995.15)
Finance costs	240.99	158.58	382.58	314.78	225.88
Foreign exchange difference (net) (unrealised)	13.55	(0.21)	(59.66)	(1,507.82)	962.42
Impairment of non-financial assets	12.67	17.37	59.88	251.99	70.88
Impairment losses on financial instruments	838.82	286.83	565.94	78.53	80.91
Provision for impairment of property, plant and equipment	34.29	79.02	29.64	140.70	34.89
Liabilities no longer required, written back	(30.73)	(117.74)	(169.48)	(29.35)	(6.89)
Gain on sale of property, plant and equipment (net)	(13.42)	(7.14)	(11.76)	(5.91)	(8.63)
Share of profit of associate, net of taxes	(96.97)	(135.26)	(271.55)	(254.38)	(204.51)
Gain on sale of partial stake in associate	(4,344.74)	-	-	-	-
Gain/ (loss) on lease modification/ termination	2.39	(11.61)	(12.49)	-	-
Share-based payment expense	18,128.68	13,152.47	23,578.62	21,486.09	14,253.20
Operating profit/ (loss) before working capital changes	3,516.86	5,506.29	15,626.41	6,648.28	(8,679.96)
Changes in working capital:					
Trade payables	(783.27)	2,747.55	4,045.50	2,973.18	(349.15)
Other financial liabilities	(8,069.18)	921.31	16,515.53	(393.68)	6,838.65
Other liabilities	(587.41)	481.91	1,400.33	846.64	102.13
Provisions	305.68	216.48	375.90	462.39	306.26
Trade receivables	(493.45)	(336.34)	(1,210.54)	(3,715.70)	916.97
Other financial assets	4,602.42	(2,936.45)	(18,211.34)	(2,194.91)	(1,725.52)
Other assets	1,878.06	3,453.90	(1,455.78)	(885.23)	(2,177.25)
Cash-settled share based payment liabilities	(1,279.50)	(21.45)	(4,947.01)	(9,937.26)	(2,622.41)
Cash generated from/ (used in) operations	(909.79)	10,033.20	12,139.00	(6,196.29)	(7,390.28)
Income tax (paid)/ received (net of refund)	(262.92)	93.32	(119.16)	(95.23)	(292.22)
Net cash flows generated from/ (used in) operating activities (A)	(1,172.71)	10,126.52	12,019.84	(6,291.52)	(7,682.50)
Cash flows from investing activities					
Purchase of property, plant and equipment, including capital advances, capital work in progress and other intangible assets	(3,048.15)	(6,916.00)	(8,563.98)	(13,327.66)	(13,932.45)
Proceeds from sale of property, plant and equipment	13.61	7.20	11.76	5.91	61.83
Purchase of current investments	(100,036.37)	(51,378.23)	(98,997.87)	(105,699.78)	(77,284.88)
Sale of current investments	51,085.67	43,780.55	88,379.73	141,825.42	51,072.60
Investment in bank deposits (original maturity more than three months)	(25,100.44)	(38,259.00)	(47,565.09)	(35,878.15)	(4,107.50)
Redemption/ maturity of bank deposits (original maturity more than three months)	22,050.00	33,216.00	48,688.23	4,242.50	6,102.17
Dividend received from associate	26.17	35.69	35.69	30.59	-
Proceeds from sale of partial stake in associate	4,808.94	-	-	-	-
Loan given	-	-	-	-	(1,480.00)
Acquisition of entity under common control	-	-	-	-	(5,740.56)
Acquisition of subsidiaries (net of cash acquired)	-	-	-	-	(3,304.04)
Interest received	2,144.85	3,483.62	4,890.54	1,823.43	457.18
Net cash flows (used in) investing activities (B)	(48,055.72)	(16,030.17)	(13,120.99)	(6,977.74)	(48,155.65)
Cash flows from financing activities					
Proceeds from issue of equity share capital	63.86	-	-	16,387.74	61,248.16
Transaction cost on issue of shares	(0.01)	-	-	(0.82)	(31.80)
Payment of principal portion of lease liabilities	(771.54)	(560.18)	(1,183.18)	(933.81)	(556.85)
Interest on lease liabilities	(239.54)	(155.93)	(379.68)	(303.66)	(196.57)
Proceeds received to settle withholding tax on employees' ESOP exercise	55,487.00	-	-	-	-

(All amounts in ₹ million)

Particulars	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the Fiscal Year ended March 31, 2025	For the Fiscal Year ended March 31, 2024	For the Fiscal Year ended March 31, 2023
Interest paid	(1.11)	-	-	(11.12)	(8.95)
Proceeds from short term borrowings	887.37	-	-	8,300.45	6,993.39
Repayment of short term borrowings	(887.37)	-	-	(8,300.45)	(7,253.77)
Acquisition of non-controlling interest	-	-	-	-	(279.63)
Net cash flows generated from/ (used in) financing activities (C)	54,538.66	(716.11)	(1,562.86)	15,138.33	59,913.98
Net increase/ (decrease) in Cash and cash equivalents (A+B+C)	5,310.23	(6,619.76)	(2,664.01)	1,869.07	4,075.83
Cash and cash equivalents at the beginning of the period/ year	5,954.14	8,579.00	8,579.00	6,702.06	2,647.47
Exchange difference on translation of foreign currency cash and cash equivalents	11.40	2.16	36.57	5.70	(23.60)
Gain on fair valuation of overnight mutual funds	-	-	2.58	2.17	2.36
Cash and cash equivalents at the end of the period/ year	11,275.77	1,961.40	5,954.14	8,579.00	6,702.06

GENERAL INFORMATION

Registered and Corporate Office

PhonePe Limited (formerly known as PhonePe Private Limited)

Office-2, Floor 5, Wing A, Block A
Salarpuria Softzone, Bellandur Village
Varthur Hobli, Outer Ring Road
Bangalore South, Bangalore 560 103
Karnataka, India

Corporate Identity Number: U67190KA2012PLC176031

For details of our incorporation and changes to the name and registered office of our Company, see “*History and Certain Corporate Matters*” on page 252.

Address of the RoC

Our Company is registered with the RoC, situated at the following address:

Registrar of Companies, Karnataka at Bengaluru

‘E’ Wing, 2nd Floor
Kendriya Sadana, Koramangala
Bengaluru 560 034
Karnataka, India

Board of Directors

Details regarding our Board of Directors as on the date of this Updated Draft Red Herring Prospectus - I are set forth below:

Name	Designation	DIN	Address
Rohit Bhagat	Chairperson of the Board and Non-Executive Independent Director	02968574	925 Culebra Road, Hillsborough 94010, California, USA
Sameer Nigam	Whole-time Director and Chief Executive Officer	02292840	Villa No. 127 Adarsh Palm Retreat Villas, Devarabisanahalli, Bellandur, Bengaluru 560 103, Karnataka, India
Rahul Chari	Whole-time Director and Chief Technology Officer	03052804	Villa No. 455 Adarsh Palm Retreat Villas, Devarabisanahalli, Bellandur, Bengaluru 560 103, Karnataka, India
Donna Catherine Morris*	Non-Executive Nominee Director	07177193	5 S Queensborough Ln, Rogers, Arkansas, 72758-9533, USA
John David Rainey JR*	Non-Executive Nominee Director	10464085	604 NW, 2 nd Street, Bentonville, Arkansas, 72712-5115, USA
Rachel Lee Brand*	Non-Executive Nominee Director (Additional)	11378047	6718 Lucy LN, McLean, Virginia 22101-1516, USA
Leigh Douglas Hopkins*	Non-Executive Nominee Director	09002888	1255 W Lakeridge Drive, Fayetteville, Arkansas 72703-2031, USA
Manish Sabharwal	Non-Executive Independent Director	00969601	Dachigam, 11/2B Yemalur Kempapura Main Road, next to Neev Academy, Yemalur, Bengaluru 560 037, Karnataka, India
Tarun Bajaj	Non-Executive Independent Director	02026219	Bungalow No. 38, New Moti Bagh, New Delhi 110 021, India
Zarin Bomi Daruwala	Non-Executive Independent Director	00034655	Ashok Tower, B Wing, Flat 1907/1908, Dr. S. S. Rao Road, Parel, Mumbai 400 012, Maharashtra, India

*Nominee of WM Digital Commerce Holdings Pte. Ltd.

For further details of our Board of Directors, see “*Our Management*” on page 271.

Company Secretary and Compliance Officer

Ankit Gunvantrai Popat is our Company Secretary and Compliance Officer. His contact details are as set forth below:

Ankit Gunvantrai Popat

Office-2, Floor 5, Wing A, Block A
Salarpuria Softzone, Bellandur Village
Varthur Hobli, Outer Ring Road

Bangalore South, Bangalore 560 103
Karnataka, India
Tel: +91 80 6910 4700
E-mail: compliance.officer@phonepe.com

Filing of this Updated Draft Red Herring Prospectus - I

A copy of this Updated Draft Red Herring Prospectus - I has been uploaded on the SEBI intermediary portal at <https://siportal.sebi.gov.in> as specified in Regulation 59C(1) of the SEBI ICDR Regulations and pursuant to the SEBI ICDR Master Circular. A copy of the Pre-filed Draft Red Herring Prospectus has been filed and the Updated Draft Red Herring Prospectus – I will be filed with SEBI at:

Securities and Exchange Board of India

Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex
Bandra (E), Mumbai 400 051
Maharashtra, India

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 shall be filed with the RoC at its office and a copy of the Prospectus shall be filed under Section 26 of the Companies Act, 2013 with the RoC, and through the electronic portal of MCA at <https://www.mca.gov.in/content/mca/global/en/foportal/fologin.html>. Also see, “- Address of the RoC” on page 108.

Kotak Mahindra Capital Company Limited

27BKC, 1st Floor
Plot No. C-27, “G” Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051, Maharashtra, India
Tel: +91 22 4336 0000
E-mail: Phonepe.ipo@kotak.com
Website: <https://investmentbank.kotak.com>
Investor Grievance E-mail: kmccredressal@kotak.com
Contact Person: Ganesh Rane
SEBI Registration Number: INM000008704

J.P. Morgan India Private Limited

J.P. Morgan Towers, Off C.S.T Road
Kalina, Santacruz - East
Mumbai 400 098
Maharashtra, India
Tel: +91 22 6157 3000
E-mail: Phonepe_IPO@jpmorgan.com
Website: www.jpmpil.com
Investor Grievance E-mail:
investorsmb.jpmpil@jpmorgan.com
Contact Person: Vidit Jain / Rishank Chheda
SEBI Registration Number: INM000002970

Citigroup Global Markets India Private Limited

1202, 12th Floor
First International Financial Centre
G Block Bandra Kurla Complex
Bandra (East), Mumbai 400 098
Maharashtra, India
Tel: +91 22 6175 9999
E-mail: phonepe.ipo@citi.com
Website: <https://www.citigroup.com/global/about-us/global-presence/india/disclaimer>
Investor Grievance E-mail: investors.cgmib@citi.com
Contact Person: Jitesh Agarwal
SEBI Registration Number: INM000010718

Morgan Stanley India Company Private Limited

Altimus, Level 39 & 40
Pandurang Budhkar Marg, Worli
Mumbai 400 013
Maharashtra, India
Tel: +91 22 6118 1000
E-mail: phonepeipo@morganstanley.com
Website: www.morganstanley.com/india
Investor Grievance E-mail:
investors_india@morganstanley.com
Contact Person: Shantanu Tilak
SEBI Registration Number: INM000011203

Axis Capital Limited

1st Floor, Axis House
P.B. Marg Worli
Mumbai 400 025
Maharashtra, India
Tel: +91 22 4325 2183
E-mail: phonepe.ipo@axiscap.in
Website: www.axiscapital.co.in
Investor Grievance E-mail: complaints@axiscap.in
Contact Person: Sagar Jatakiya / Krish Jain

Goldman Sachs (India) Securities Private Limited

9th and 10th Floor, Ascent-Worli
Sudam Kalu Ahire Marg
Worli, Mumbai - 400 025, India
Tel: +91 22 6616 9000
E-mail: phonepeipo@gs.com
Website: www.goldmansachs.com
Investor Grievance E-mail: india-client-support@gs.com
Contact Person: Saurav S

SEBI Registration Number: INM000012029

Jefferies India Private Limited

Level 16, Express Towers, Nariman Point

Mumbai 400 021

Maharashtra, India

Tel: + 91 22 4356 6000

E-mail: phonepe.ipo@jefferies.com

Website: www.jefferies.com

Investor Grievance E-mail: jipl.grievance@jefferies.com

Contact Person: Akshat Shah / Sahil Aggarwal

SEBI Registration Number: INM000011443

SEBI Registration Number: INM000011054

JM Financial Limited

7th Floor, Cnergy

Appasaheb Marathe Marg, Prabhadevi

Mumbai 400 025

Maharashtra, India

Tel: + 91 22 6630 3030

E-mail: PhonePe.ipo@jmfl.com

Website: www.jmfl.com

Investor Grievance E-mail: grievance.ibd@jmfl.com

Contact Person: Prachee Dhuri

SEBI Registration Number: INM000010361

Syndicate Members

[•]

Legal Counsel to the Company as to Indian Law

Trilegal

7th Floor, Marks Square

61, St. Marks Road

Bangalore 560 001

Karnataka, India

Tel: +91 080 4343 4646

E-mail: Phonepe.ipo@Trilegal.com

Contact Person: Vijay Parthasarathi

Legal Counsel to the Promoters as to Indian law

Shardul Amarchand Mangaldas & Co

Amarchand Towers

216 Okhla Industrial Estate Phase III

New Delhi 110 020 India

Tel: +91 11 4159 0700

E-mail: cm.partners@amsshardul.com

Contact Person: Prashant Gupta

Registrar to the Offer

KFin Technologies Limited

Selenium Tower B, Plot No.31-32

Gachibowli, Financial District

Nanakramguda, Serilingampally

Hyderabad 500 032

Telangana, India

Tel: +91 40 6716 2222/180 0309 4001

E-mail: phonepe.ipo@kfintech.com

Website: www.kfintech.com

Investor Grievance E-mail: einward.ris@kfintech.com

Contact Person: M. Murali Krishna

SEBI Registration No.: INR000000221

Statutory Auditors to our Company

S.R. Batliboi & Associates LLP, Chartered Accountants

12th Floor, "UB City", Canberra Block

No. 24, Vittal Mallya Road

Bengaluru - 560 001, India

Tel: +91 80 6648 9000

E-mail: srba@srb.in

Firm registration number: 101049W/E300004

Peer review number: 017127

Changes in Auditors

There has been no change in the statutory auditor of our Company in the three years preceding the date of this Updated Draft Red Herring Prospectus - I.

Bankers to the Offer

Escrow Collection Bank(s), Refund Bank(s) and Public Offer Account Bank

[●]

Sponsor Banks

[●]

Bankers to our Company

The Hongkong and Shanghai Banking Corporation Limited

7, Mahatma Gandhi Road

Bengaluru 560 008

Karnataka, India

Tel: +91 80 4555 2002

E-mail: vishaliyer@hsbc.co.in

Website: www.hsbc.co.in

Contact Person: Vishal Iyer

Yes Bank Limited

Yes Bank House

Off Western Express Highway

Santacruz East, Mumbai 400 055

Maharashtra, India

Tel: +91 97 3093 1119

E-mail: anshuman.kumar@yesbank.in

Website: https://www.yesbank.in

Contact Person: Anshuman Kumar

Axis Bank Limited

Corporate Banking Branch,

Nitesh Timesquare, Level 3

No. 8, M. G. Road, Bengaluru 560 001

Karnataka, India

Tel: +91 80 68047352

Email: CBBBangalore.Branchhead@axisbank.com

Website: www.axisbank.com

Contact Person: B. Sreenivasa Babu

Designated Intermediaries

Self-Certified Syndicate Banks

The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and updated from time to time or at such other websites as may be prescribed by SEBI from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

Self-Certified Syndicate Banks and mobile applications enabled for UPI Mechanism

In accordance with the SEBI RTA Master Circular, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, read with other applicable UPI Circulars, UPI Bidders bidding through UPI Mechanism may apply through the SCSBs and mobile applications, using UPI handles, whose name appears on the SEBI website. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and is also available on the website of SEBI at

www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIBs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as updated from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stockbroker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the respective Stock Exchanges at <https://www.bseindia.com/> and <https://www.nseindia.com>, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/PublicIssues/RtaDp.aspx and www.nseindia.com/products-services/initial-public-offerings-asba-procedures, respectively, as updated from time to time and on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/PublicIssues/RtaDp.aspx and www.nseindia.com/products-services/initial-public-offerings-asba-procedures, respectively, as updated from time to time.

Experts to the Offer

Except as disclosed below, our Company has not obtained any expert opinions:

Our Company has received written consent dated January 21, 2026 from S.R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus - I, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of their (i) examination report, dated January 14, 2026 on our Restated Consolidated Financial Information; and (ii) their report dated September 23, 2025 on the Statement of Special Tax Benefits included in this Updated Draft Red Herring Prospectus - I and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has received written consent dated January 21, 2026 from Manian & Rao, Chartered Accountants, holding a valid peer review certificate from the ICAI, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus - I, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of various certificates issued by them in their capacity as the independent chartered accountant to our Company and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I.

Our Company has received written consent dated January 21, 2026 from K&S Partners, intellectual property consultant, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus - I and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the certificate dated January 21, 2026 in relation to the patent, design, trademark and copyright registrations and applications filed by our Company and the Subsidiaries in India and outside India and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I.

Our Company has received written consent dated January 21, 2026 from Sai Krishna and Associates, intellectual property consultant, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus - I and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the certificate dated January 21, 2026 in relation to the patent, design, trademark and copyright registrations and applications filed by our Company in India and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I.

It is clarified that the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

IPO Grading

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

Monitoring agency

As the Offer is an offer for sale of Equity Shares by the Selling Shareholders, our Company is not required to appoint a monitoring agency in relation to the Offer. For further details, see “*Objects of the Offer*” on page 138.

Appraising Entity

As the Offer is an offer for sale of Equity Shares by the Selling Shareholders, our Company will not receive any proceeds from the Offer. Accordingly, no appraising entity has been appointed for the Offer.

Credit Rating

As this is an Offer of Equity Shares, credit rating is not required for the Offer.

Debenture Trustees

As this is an Offer of Equity Shares, the appointment of debenture trustees is not required for the Offer.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Inter-se allocation of responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities among the Book Running Lead Managers:

Sr. No	Activity	Responsibility	Co-ordinator (s)
1.	Capital structuring with the relative components and formalities such as type of instruments, size of issue, allocation between primary and secondary, etc.	BRLMs	JPM
2.	Due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Pre-filed Draft Red Herring Prospectus, Updated Draft Red Herring Prospectus - I, Updated Draft Red Herring Prospectus - II, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	BRLMs	Kotak
3.	Positioning strategy, drafting of business section of the Pre-filed Draft Red Herring Prospectus, Updated Draft Red Herring Prospectus - I, Updated Draft Red Herring Prospectus - II, Red Herring Prospectus and Prospectus	BRLMs	JPM
4.	Drafting and approval of all statutory advertisements	BRLMs	Citi
5.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report	BRLMs	MS
6.	Appointment of intermediaries - Registrar to the Offer, advertising agency, Banker(s) to the Offer, Sponsor Bank, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	BRLMs	MS
7.	Preparation of road show presentation	BRLMs	Citi
8.	Preparation of frequently asked questions	BRLMs	JPM

Sr. No	Activity	Responsibility	Co-ordinator (s)
9.	International institutional marketing of the Offer, which will cover, <i>inter alia</i> : • Institutional marketing strategy; • Finalising the list and division of investors for one-to-one meetings; and • Finalising road show and investor meeting schedule	BRLMs	JPM
10.	Domestic institutional marketing of the Offer, which will cover, <i>inter alia</i> : • Institutional marketing strategy; • Finalising the list and division of investors for one-to-one meetings; and • Finalising road show and investor meeting schedule	BRLMs	Citi
11.	Retail and non-institutional marketing of the Offer, which will cover, <i>inter alia</i> , • Finalising media, marketing and public relations strategy including list of frequently asked questions at road shows; • Finalising centres for holding conferences for brokers, etc.; • Follow-up on distribution of publicity and Offer material including application form, the Prospectus and deciding on the quantum of the Offer material; and • Finalising collection centres	BRLMs	Kotak
12.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, anchor coordination, anchor CAN and intimation of anchor allocation	BRLMs	Citi
13.	Managing the book and finalisation of pricing in consultation with the Company	BRLMs	JPM
14.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs, Sponsor Banks and other Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Other post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising Company about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of securities transaction tax on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, Sponsor Banks, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for submission of all post-Offer reports including the final post-Offer report to SEBI.	BRLMs	Kotak

Book Building Process

The Book Building Process, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus, the Bid Cum Application Forms and the Revision Forms within the Price Band, which will be decided by our Company, in consultation with the Book Running Lead Managers, and which will either be included in the Red Herring Prospectus or will be advertised in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Bengaluru edition of Kannada Prabha, a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company and the Book Running Lead Managers after the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. For details, see “*Offer Procedure*” on page 493.

All Bidders (other than Anchor Investors) shall participate in this Offer mandatorily through the ASBA process by providing the details of their respective ASBA accounts in which the corresponding Bid Amount will be blocked by the SCSBs and Sponsor Banks, as the case may be. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Pursuant to SEBI ICDR Master Circular, all individual bidders in initial public offerings whose application sizes are up to ₹0.50 million shall use the UPI Mechanism.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of the number of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to RIBs, NIBs and the Anchor Investors, allocation in the Offer will be on a proportionate basis. Further, allocation to Anchor Investors will be on a discretionary basis and allocation to the Non-Institutional Bidders will be in a manner as may be introduced under applicable laws.

Each Bidder will be deemed to have acknowledged the above restrictions and the terms of the Offer, by submitting their Bid in the Offer.

The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

Bidders should note that, the Offer is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment as per the prescribed timelines in compliance with the SEBI ICDR Regulations.

For further details, see “*Terms of the Offer*”, “*Offer Structure*” and “*Offer Procedure*” on pages 484, 490 and 493, respectively. For details in relation to filing of this Updated Draft Red Herring Prospectus - I see “*-Filing of this Updated Draft Red Herring Prospectus - I*” on page 109.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see “*Offer Procedure*” on page 493.

Underwriting Agreement

After determination of the Offer Price and allocation of Equity Shares, our Company and the Selling Shareholders intend to, prior to the filing of the Prospectus with the RoC, enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares which they shall subscribe to on account of rejection of bids, either by themselves or by procuring subscription, at a price which shall not be less than the Offer Price.

(The Underwriting Agreement has not been executed as on the date of this Updated Draft Red Herring Prospectus - I. This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.)

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (in ₹ million)
[●]	[●]	[●]

The aforementioned underwriting commitments are indicative and will be finalised after pricing of the Offer, the Basis of Allotment and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board, at its meeting held on [●], approved the acceptance and entering into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchasers for or purchase the Equity Shares to the extent of the defaulted amount and the Bids to be underwritten in the Offer by each Book Running Lead Manager shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

Details of our Company's share capital, as on the date of this Updated Draft Red Herring Prospectus - I, is disclosed below:

(in ₹, except share data)			
Sr. No.	Particulars	Aggregate value at face value (₹)	Aggregate value at Offer Price*
A	AUTHORISED SHARE CAPITAL⁽¹⁾		
	1,000,000,000 Equity Shares of face value of ₹1 each	1,000,000,000	-
B	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER		
	506,604,456 Equity Shares of face value of ₹1 each	506,604,456	-
C	PRESENT OFFER⁽²⁾⁽³⁾⁽⁴⁾		
	Offer for Sale of up to 50,660,446 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	[●]	[●]
D	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER		
	506,604,456 Equity Shares of face value of ₹1 each	506,604,456	-
E	SECURITIES PREMIUM ACCOUNT		
	Before and after the Offer		247,982,308,270.12

⁽¹⁾ For details of the changes in the authorised share capital of our Company in last 10 years, see "History and Certain Corporate Matters – Amendment to our Memorandum of Association" on page 253.

⁽²⁾ The Offer has been authorised by our Board pursuant to the resolution passed at its meeting dated September 23, 2025.

⁽³⁾ Our Board has taken on record the consent by each of the Selling Shareholders to, severally and not jointly, participate in the Offer for Sale, pursuant to its resolution dated September 23, 2025. Each of the Selling Shareholders has, severally and not jointly, approved its respective participation in the Offer for Sale pursuant to its respective consent letter. For details on the authorisation and consent of each of the Selling Shareholders in relation to their respective Offered Shares, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 101 and 454, respectively.

⁽⁴⁾ Each of the Selling Shareholders, severally and not jointly, confirmed that its respective portion of the Offered Shares is eligible for being offered for sale, in accordance with Regulation 8 and 8A of the SEBI ICDR Regulations respectively.

Notes to Capital Structure

1. Share capital history of our Company

(a) Equity share capital

The history of the equity share capital of our Company is set out in the table below:

Date of allotment of equity shares	Number of equity shares allotted	Name of allottees	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of allotment	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
December 18, 2012	10,000	Allotment of 5,000 equity shares of face value of ₹10 each to Amit Narang and 5,000 equity shares of face value of ₹10 each to Jyoti Narang	10	10	Initial subscription to the Memorandum of Association	Cash	10,000	100,000
February 19, 2013	600,700	Allotment of 350,000 equity shares of face value of ₹10 each to Amit Narang, 100,000 equity shares of face value of ₹10 each to Jyoti Narang, 50,000 equity shares of face value of ₹10 each to Vijay Kumar Bhatti, 100,000 equity shares of face value of ₹10 each to Adarsh Kumar Bhatti, 500 equity shares of face value of ₹10 each to Raj Kumar Bhatti, 100 equity shares of face value of ₹10 each to Namrata Gupta and 100 equity shares of face value of ₹10 each to Rajiv K Angra	10	10	Further issue	Cash	610,700	6,107,000
February 27, 2013	100,000	Allotment of 100,000 equity shares of face value of ₹10 each to Amit Narang	10	10	Further issue	Cash	710,700	7,107,000
May 15, 2013	25,000	Allotment of 25,000 equity shares of face value of ₹10 each to Amit Narang	10	10	Further issue	Cash	735,700	7,357,000
July 31, 2013	120,000	Allotment of 120,000 equity shares of face value of ₹10 each to Kiran Shetty	10	10	Further issue	Cash	855,700	8,557,000
September 30, 2013	165,000	Allotment of 85,000 equity shares of face value of ₹10 each to Amit Narang and 80,000 equity shares of face value of ₹10 each to Kiran Shetty	10	10	Further issue	Cash	1,020,700	10,207,000
October 8, 2013	20	Allotment of 10 equity shares of face value of ₹10 each to Pushpa Rajput and 10 equity shares of face value of ₹10 each to Kavinder Nath Rajput	10	10	Further issue	Cash	1,020,720	10,207,200
November 25, 2013	20	Allotment of 20 equity shares of face value of ₹10 each to Lakhwinder Singh	10	10	Further issue	Cash	1,020,740	10,207,400
June 4, 2014	51,000	Allotment of 50,000 equity shares of face value of ₹10 each to Namrata Gupta, 990 equity shares of face value of ₹10 each to Jyoti Narang and 10 equity shares of face value of ₹10 each to Vanita Awasthi	10	10	Further issue	Cash	1,071,740	10,717,400
August 22, 2014	10,700	Allotment of 5,350 equity shares of face value of ₹10 each to Suresh Kumar and 5,350 equity shares of face value of ₹10 each to Saurabh Singla	10	46.73	Preferential issue ⁽³⁾⁽⁴⁾	Cash	1,082,440	10,824,400
September 25, 2014	21,400	Allotment of 10,700 equity shares of face value of ₹10 each to Suresh Kumar and 10,700 equity shares of face value of ₹10 each to Saurabh Singla	10	46.73	Preferential issue ⁽³⁾⁽⁴⁾	Cash	1,103,840	11,038,400
October 15, 2014	25,000	Allotment of 25,000 equity shares of face value of ₹10 each to Amit Narang	10	10	Preferential issue ⁽⁴⁾	Cash	1,128,840	11,288,400
December 4, 2014	10,700	Allotment of 5,350 equity shares of face value of ₹10 each to Suresh Kumar and 5,350 equity shares of face value of ₹10 each to Saurabh Singla	10	46.73	Preferential issue ⁽³⁾⁽⁴⁾	Cash	1,139,540	11,395,400
December 27, 2014	21,400	Allotment of 10,700 equity shares of face value of ₹10 each to Suresh Kumar and 10,700 equity shares of face value of ₹10 each to Saurabh Singla	10	46.73	Preferential issue ⁽³⁾⁽⁴⁾	Cash	1,160,940	11,609,400
March 2, 2015	8,560	Allotment of 8,560 equity shares of face value of ₹10 each to Suresh Kumar	10	46.73	Preferential issue ⁽³⁾⁽⁴⁾	Cash	1,169,500	11,695,000

Date of allotment of equity shares	Number of equity shares allotted	Name of allottees	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of allotment	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
March 10, 2015	100,000	Allotment of 50,000 equity shares of face value of ₹10 each to Amit Narang and 50,000 equity shares of face value of ₹10 each to Jyoti Narang	10	10	Preferential issue ⁽⁴⁾	Cash	1,269,500	12,695,000
March 26, 2015	34,240	Allotment of 12,840 equity shares of face value of ₹10 each to Suresh Kumar and 21,400 equity shares of face value of ₹10 each to Saurabh Singla	10	46.73	Preferential issue ⁽³⁾⁽⁴⁾	Cash	1,303,740	13,037,400
July 3, 2015	168,954	Allotment of 168,954 equity shares of face value of ₹10 each to Flipkart Payments Private Limited (<i>now known as Headstand Pte. Ltd.</i>)	10	187.92	Rights issue ⁽¹⁾⁽²⁾	Cash	1,472,694	14,726,940
August 26, 2015	2,417,146	Allotment of 2,417,146 equity shares of face value of ₹10 each to Flipkart Payments Private Limited (<i>now known as Headstand Pte. Ltd.</i>)	10	187.92	Rights issue ⁽²⁾⁽⁵⁾	Cash	3,889,840	38,898,400
April 11, 2016	5,417,897	Allotment of 5,417,897 equity shares of face value of ₹10 each to Flipkart Payments Private Limited (<i>now known as Headstand Pte. Ltd.</i>)	10	190.00	Rights issue ⁽²⁾	Cash	9,307,737	93,077,370
October 27, 2016	4,184,375	Allotment of 4,184,375 equity shares of face value of ₹10 each to Flipkart Payments Private Limited (<i>now known as Headstand Pte. Ltd.</i>)	10	200.00	Rights issue ⁽²⁾	Cash	13,492,112	134,921,120
August 30, 2017	1,760,477	Allotment of 1,760,477 equity shares of face value of ₹10 each to Flipkart Payments Private Limited (<i>now known as Headstand Pte. Ltd.</i>)	10	1,445.29	Rights issue ⁽²⁾	Cash	15,252,589	152,525,890
March 19, 2018	2,456,066	Allotment of 2,456,066 equity shares of face value of ₹10 each to Flipkart Payments Private Limited (<i>now known as Headstand Pte. Ltd.</i>)	10	2,110.00	Rights issue ⁽²⁾	Cash	17,708,655	177,086,550
April 27, 2018	1,539,817	Allotment of 1,539,817 equity shares of face value of ₹10 each to Flipkart Payments Private Limited (<i>now known as Headstand Pte. Ltd.</i>)	10	2,110.00	Rights issue ⁽²⁾	Cash	19,248,472	192,484,720
July 20, 2018	2,140,602	Allotment of 2,140,602 equity shares of face value of ₹10 each to Flipkart Payments Private Limited (<i>now known as Headstand Pte. Ltd.</i>)	10	2,110.00	Rights issue ⁽²⁾	Cash	21,389,074	213,890,740
September 30, 2018	4,871,863	Allotment of 4,871,863 equity shares of face value of ₹10 each to Flipkart Payments Private Limited (<i>now known as Headstand Pte. Ltd.</i>)	10	2,550.00	Rights issue ⁽²⁾	Cash	26,260,937	262,609,370
February 28, 2019	2,915,964	Allotment of 2,915,964 equity shares of face value of ₹10 each to PhonePe Private Limited, Singapore (<i>now known as Headstand Pte. Ltd.</i>)	10	2,550.00	Rights issue ⁽²⁾	Cash	29,176,901	291,769,010
July 5, 2019	2,022,946	Allotment of 2,022,946 equity shares of face value of ₹10 each to PhonePe Private Limited, Singapore (<i>now known as Headstand Pte. Ltd.</i>)	10	3,450.00	Rights issue ⁽²⁾	Cash	31,199,847	311,998,470
September 27, 2019	1,174,041	Allotment of 1,174,041 equity shares of face value of ₹10 each to PhonePe Private Limited, Singapore (<i>now known as Headstand Pte. Ltd.</i>)	10	3,450.00	Rights issue ⁽²⁾	Cash	32,373,888	323,738,880
November 26, 2019	1,381,278	Allotment of 1,381,278 equity shares of face value of ₹10 each to PhonePe Private Limited, Singapore (<i>now known as Headstand Pte. Ltd.</i>)	10	4,240.00	Rights issue ⁽²⁾	Cash	33,755,166	337,551,660
February 12, 2020	1,007,670	Allotment of 1,007,670 equity shares of face value of ₹10 each to PhonePe Private Limited, Singapore (<i>now known as Headstand Pte. Ltd.</i>)	10	4,240.00	Rights issue ⁽²⁾	Cash	34,762,836	347,628,360
December 2, 2020	198,755	Allotment of 198,755 equity shares of face value of ₹10 each to PhonePe Private Limited, Singapore (<i>now known as Headstand Pte. Ltd.</i>)	10	7,547.00	Rights issue	Cash	34,961,591	349,615,910
December 22, 2020	1,470,783	Allotment of 1,470,783 equity shares of face value of ₹10 each to PhonePe Private Limited, Singapore (<i>now known as Headstand Pte. Ltd.</i>)	10	7,547.00	Rights issue	Cash	36,432,374	364,323,740
July 13, 2021	934,042	Allotment of 934,042 equity shares of face value of ₹10 each to PhonePe Private Limited, Singapore (<i>now known as Headstand Pte. Ltd.</i>)	10	7,547.00	Rights issue	Cash	37,366,416	373,664,160
December 24, 2021	463,761	Allotment of 463,761 equity shares of face value of ₹10 each to PhonePe Private Limited, Singapore (<i>now known as Headstand Pte. Ltd.</i>)	10	7,547.00	Rights issue	Cash	37,830,177	378,301,770
March 23, 2022	1,701,865	Allotment of 1,701,865 equity shares of face value of ₹10 each to PhonePe Private Limited, Singapore (<i>now known as Headstand Pte. Ltd.</i>)	10	8,901.00	Rights issue	Cash	39,532,042	395,320,420

Date of allotment of equity shares	Number of equity shares allotted	Name of allottees	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of allotment	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
March 24, 2022	854,303	Allotment of 854,303 equity shares of face value of ₹10 each to PhonePe Private Limited, Singapore (now known as Headstand Pte. Ltd.)	10	8,901.00	Rights issue	Cash	40,386,345	403,863,450
November 15, 2022	371,753	Allotment of 371,753 equity shares of face value of ₹10 each to PhonePe Private Limited, Singapore (now known as Headstand Pte. Ltd.)	10	19,968.00	Rights issue	Cash	40,758,098	407,580,980
January 19, 2023	1,454,828	Allotment of 1,454,828 equity shares of face value of ₹10 each to General Atlantic Singapore PPIL Pte. Ltd.	10	19,968.00	Preferential issue	Cash	42,212,926	422,129,260
February 23, 2023	311,749	Allotment of 207,833 equity shares of face value of ₹10 each to Ribbit Bullfrog II Cayman IN Holdings, Ltd. and 103,916 equity shares of face value of ₹10 each to Tiger Global PIP 9-1 Ltd.	10	19,968.00	Preferential issue	Cash	42,524,675	425,246,750
March 17, 2023	831,330	Allotment of 831,330 equity shares of face value of ₹10 each to Fit Holdings SARM (now known as WM Digital Commerce Holdings Pte. Ltd.)	10	19,968.00	Preferential issue	Cash	43,356,005	433,560,050
March 30, 2023	97,656	Allotment of 97,656 equity shares of face value of ₹10 each to TVS Shriram Growth Fund 3	10	19,968.00	Preferential issue	Cash	43,453,661	434,536,610
April 12, 2023	410,000	Allotment of 410,000 equity shares of face value of ₹10 each to General Atlantic Singapore PPIL Pte. Ltd.	10	19,968.00	Preferential issue	Cash	43,863,661	438,636,610
May 31, 2023	410,700	Allotment of 410,700 equity shares of face value of ₹10 each to General Atlantic Singapore PPIL Pte. Ltd.	10	19,968.00	Preferential issue	Cash	44,274,361	442,743,610
Pursuant to the Board and Shareholder's resolution dated March 11, 2025 and March 31, 2025, respectively, the face value of the equity shares was sub-divided from ₹10 per equity share to ₹1 per Equity Share. Accordingly, the issued, subscribed and paid-up equity share capital of our Company was sub-divided from 44,274,361 equity shares of face value of ₹10 each to 442,743,610 Equity Shares of face value of ₹1 each								
September 12, 2025	43,206,820 ⁽⁷⁾	Allotment of 21,603,410 Equity Shares of face value of ₹1 each to Sameer Nigam and 21,603,410 Equity Shares of face value of ₹1 each to Rahul Chari	1	1.00	Allotment pursuant to exercise under PhonePe Award Schemes	Cash	485,950,430	485,950,430
September 13, 2025	17,682,908 ⁽⁸⁾	Allotment of 17,682,908 Equity Shares of face value of ₹1 each to 100 employees ⁽⁶⁾ of PhonePe Group	1	1.00	Allotment pursuant to exercise under PSOP ⁽⁹⁾	Cash	503,633,338	503,633,338
	2,971,118 ⁽⁸⁾	Allotment of 2,971,118 Equity Shares of face value of ₹1 each to 1,594 employees ⁽⁶⁾ of PhonePe Group	1	1.00	Allotment pursuant to exercise under PSOP ⁽⁹⁾	Cash	506,604,456	506,604,456

⁽¹⁾ Acquired by way of a renunciation in favour of Flipkart Payments Private Limited (now known as Headstand Pte. Ltd.) from Amit Narang, Jyoti Narang, Vijay Kumar Bhatti, Adarsh Kumar Bhatti, Namrata Gupta, Kiran Shetty, Suresh Kumar and Saurabh Singla.

⁽²⁾ In relation to the rights issues undertaken by our Company during the period from July 3, 2015 to February 12, 2020, we have not been able to trace certain letters of offer, letters of acceptance and letters of non-participation by the relevant Shareholders during such periods. Accordingly, reliance has been placed on copies of the board resolutions authorizing the rights issues and allotting equity shares. For further details, see "Risk Factors – We are unable to trace some of our corporate records relating to allotments made by our Company pursuant to certain allotments. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters or there will be any other non-compliances in the future, which may impact our financial condition and reputation." on page 67.

⁽³⁾ The issue price for such allotments was ₹46.73 per equity share (comprising ₹10 as face value and ₹36.73 as securities premium amount), as per the resolution annexed to the Form PAS-3 filed with the RoC for such allotments. However, as per the 'list of allottees' / 'Table A and B' annexed to the Form PAS-3, the securities premium amount was erroneously recorded as 'Nil'. For further details, see "Risk Factors – Certain of our corporate filings with the RoC have discrepancies and instances of non-conformance with the Companies Act, 2013 relating to share allotments. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future, and we will not be subject to any penalty imposed by the competent regulatory authority in this regard" on page 66.

⁽⁴⁾ Our Company has filed an adjudication application dated July 14, 2025 before the Registrar of Companies, Karnataka on July 16, 2025, for adjudication of penalties under Section 450 of the Companies Act, 2013 in relation to non-conformance with the provisions of Section 62(1)(c) of the Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014, as amended, on allotments of equity shares at a price lower than the price determined in the valuation reports. For further details, see "Risk Factors – Certain of our corporate filings with the RoC have discrepancies and instances of non-conformance with the Companies Act, 2013 relating to share allotments. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future, and we will not be subject to any penalty imposed by the competent regulatory authority in this regard" on page 66.

⁽⁵⁾ While we have the board resolution authorising the rights issue and allotting Equity Shares pursuant to the rights issue undertaken by our Company, we have not been able to trace the RBI acknowledgement email for filing of the Form FC-GPR in relation to the allotment undertaken by our Company. For further details, see “Risk Factors – We are unable to trace some of our corporate records relating to allotments made by our Company pursuant to certain allotments. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters or there will be any other non-compliances in the future, which may impact our financial condition and reputation.”

⁽⁶⁾ For details of allottees, please see <https://www.phonepe.com/regdocs/12b79a93-a67a-4e8d-85d7-bfb36eda54ms>.

⁽⁷⁾ Out of 43,206,820 Equity Shares allotted to Founders of our Company pursuant to the allotment dated September 12, 2025, 13,486,577 Equity Shares are subject to a lock-up in terms of the PhonePe Award Schemes, and such lock-up shall be released in terms of the PhonePe Award Schemes. For details see “– Notes to Capital Structure – Share capital history of our Company – Equity share capital” on page 117.

⁽⁸⁾ Out of 20,654,026 Equity Shares allotted to employees of our Company pursuant to the allotment dated September 13, 2025, 13,760,738 Equity Shares which are currently held by employees are subject to a lock-in until the consummation of the Offer, in terms of the PSOP. For details see “– Notes to Capital Structure – Share capital history of our Company – Equity share capital” on page 117.

⁽⁹⁾ For details see “- Employee stock option plans - PhonePe Stock Option Scheme (“**PSOP**”)” on page 135.

Except as disclosed in “*Risk Factors – Certain of our corporate filings with the RoC have discrepancies and instances of non-conformance with the Companies Act, 2013 relating to share allotments. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future, and we will not be subject to any penalty imposed by the competent regulatory authority in this regard*” on page 66, our Company has made the above mentioned issuances and allotments of equity shares from the date of incorporation of our Company till the date of filing of this Updated Draft Red Herring Prospectus - I in compliance with the relevant provisions of the Companies Act, 1956 and the Companies Act, 2013, as applicable.

Secondary transactions

Except as disclosed below and in “– *History of Equity Share capital held by our Promoters and Promoter Group*” on page 124, there has been no acquisition or transfer of securities through secondary transactions by our Promoters and Selling Shareholders. Further, as on the date of this Updated Draft Red Herring Prospectus - I, the members of the Promoter Group (other than one of our Promoters, WM Digital Commerce Holdings Pte. Ltd.) do not hold any Equity Shares in our Company and there have been no acquisition or transfer of securities through secondary transactions by the members of the Promoter Group.

Date of transfer of equity shares	Number of equity shares transferred	Name of transferor	Name of transferee	Face value per equity share (₹)	Transfer price per equity share (₹)	Nature of consideration
December 23, 2022	367,879	PhonePe Private Limited, Singapore (now known as Headstand Pte. Ltd.)	Microsoft Global Finance Unlimited Company	10.00	19,968.00	Cash

(b) Preference share capital

Our Company does not have any preference share capital as on the date of this Updated Draft Red Herring Prospectus - I.

2. Shares issued for consideration other than cash or out of revaluation reserves

Our Company has not issued any equity shares for consideration other than cash or out of the revaluation reserves since its incorporation as on the date of this Updated Draft Red Herring Prospectus - I.

3. Specified securities issued at a price lower than the Offer Price in the last one year

The Offer price is ₹ [●]. For further details in relation to the issuances in the preceding one year, see “– *Notes to Capital Structure – Share capital history of our Company – (a) Equity share capital*” on page 117.

4. Shares issued under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013

Our Company has not allotted any equity shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013, as applicable.

5. Shareholding pattern of our Company

The table below presents the Equity Shareholding pattern of our Company, as on the date of this Updated Draft Red Herring Prospectus - I:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying depository receipts (VI)	Total number of shares held (VII)=(IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)				Number of shares underlying outstanding convertible securities (including warrants and vested employee stock options) (X)	Total no. of shares on a fully diluted basis (including warrants, employee stock options, convertible securities etc. (XI) = (VII)+X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XII)=(VII)+(X) As a % of (A+B+C2)*	Number of locked in shares (XIII)		Number of shares pledged or otherwise encumbered (XIV)		Non-disposal undertaken (XV)		Other encumbrances, if any (XVI)		Total number of shares encumbered (XVII) = (XIII+XIV+XV+XVI)		Number of Equity Shares held in dematerialised form (XVIII)	
								Number of voting rights			Total as a % of (A+B+C)				No. (a)	As a % of total shares held (b)	Number (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)		
								Class e.g.: Equity Shares	Class e.g.: Others	Total																
(A)	Promoter and Promoter Group	1	371,517,890	-	-	371,517,890	73.33	371,517,890	-	371,517,890	73.33	-	371,517,890	71.77	-	-	-	-	-	-	-	-	-	-	371,517,890	
(B)	Public	1,706 ^{&}	135,086,566 [^]	-	-	135,086,566	26.67	135,086,566	-	135,086,566	26.67	11,078,945	146,165,511	28.23	13,760,738 [#]	2.66	-	-	-	-	-	-	-	-	-	135,086,566
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	1,707	506,604,456			506,604,456	100.00	506,604,456		506,604,456	100.00	11,078,945	517,683,401	100.00	13,760,738	2.66	-	-	-	-	-	-	-	-	-	506,604,456

* Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon exercise of vested options under the PSOP.

[^] Out of 43,206,820 Equity Shares allotted to Founders of our Company pursuant to the allotment dated September 12, 2025, 13,486,577 Equity Shares are subject to a lock-up in terms of the PhonePe Award Schemes, and such lock-up shall be released in terms of the PhonePe Award Schemes. For details see “– Notes to Capital Structure – Share capital history of our Company – Equity share capital” on page 117.

[#] Out of 20,654,026 Equity Shares allotted to employees of our Company pursuant to the allotment dated September 13, 2025, 13,760,738 Equity Shares which are currently held by employees are subject to a lock-in until the consummation of the Offer, in terms of the PSOP. For details see “– Notes to Capital Structure – Share capital history of our Company – Equity share capital” on page 117.

[&] Our Company has made allotment on September 13, 2025 of (i) 17,682,908 Equity Shares of face value ₹1 each to 100 employees of PhonePe Group; and (ii) 2,971,118 Equity Shares of face value ₹1 each to 1,594 employees of PhonePe Group. For further details please refer to the “Capital Structure - Notes to Capital Structure – 1. Share capital history of our Company – (a) Equity share capital” on page 117.

6. Details of equity shareholding of the major Shareholders of our Company

- a) Set out below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as on the date of this Updated Draft Red Herring Prospectus - I:

Sr. No.	Name of the Shareholder	Number of Equity Shares of face value of ₹1 each on a fully diluted basis*	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)
1.	WM Digital Commerce Holdings Pte. Ltd.	371,517,890	71.77
2.	General Atlantic Singapore PPIL Pte. Ltd.	46,492,018	8.98
3.	Headstand Pte. Ltd. (formerly known as Flipkart Payments Private Limited and PhonePe Private Limited, Singapore)	29,666,640	5.73
4.	Sameer Nigam	13,181,685	2.55
5.	Rahul Chari	13,181,685	2.55
6.	3State Ventures Pte. Ltd.	5,346,360	1.03

*Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon exercise of vested options under the PSOP.

- b) Set out below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as of 10 days prior to the date of this Updated Draft Red Herring Prospectus - I:

Sr. No.	Name of the Shareholder	Number of Equity Shares of face value of ₹1 each on a fully diluted basis*	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)
1.	WM Digital Commerce Holdings Pte. Ltd.	371,517,890	71.77
2.	General Atlantic Singapore PPIL Pte. Ltd.	46,492,018	8.98
3.	Headstand Pte. Ltd. (formerly known as Flipkart Payments Private Limited and PhonePe Private Limited, Singapore)	29,666,640	5.73
4.	Sameer Nigam	13,181,685	2.55
5.	Rahul Chari	13,181,685	2.55
6.	3State Ventures Pte. Ltd.	5,346,360	1.03

*Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon exercise of vested options under the PSOP.

- c) Set out below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as of one year prior to the date of this Updated Draft Red Herring Prospectus - I:

Sr. No.	Name of the Shareholder	Number of equity shares of face value of ₹10 each on a fully diluted basis*	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)
1.	WM Digital Commerce Holdings Pte. Ltd.	37,151,789	73.82
2.	Headstand Pte. Ltd. (formerly known as Flipkart Payments Private Limited and PhonePe Private Limited, Singapore)	2,966,664	5.89
3.	General Atlantic Singapore PPIL Pte. Ltd.	2,275,528	4.52
4.	Sameer Nigam	1,739,321	3.46
5.	Rahul Chari	1,739,321	3.46
6.	3State Ventures Pte. Ltd.	534,636	1.06
7.	INQ Holding LLC	506,875	1.01

*Calculated on the basis of total equity shares of face value of ₹10 each held and such number of Equity Shares which will result upon exercise of vested options under the PSOP and PhonePe Award Schemes.

- d) Set out below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as of two years prior to the date of this Updated Draft Red Herring Prospectus - I:

Sr. No.	Name of the Shareholder	Number of equity shares of face value of ₹10 each*	Percentage of the pre-Offer Equity Share capital (%)
1.	WM Digital Commerce Holdings Pte. Ltd.	37,151,789	80.39
2.	Headstand Pte. Ltd. (formerly known as Flipkart Payments Private Limited and PhonePe Private Limited, Singapore)	2,966,664	6.42
3.	General Atlantic Singapore PPIL Pte. Ltd.	2,275,528	4.92
4.	3State Ventures Pte. Ltd.	534,636	1.16
5.	INQ Holding LLC	506,875	1.10

*Calculated on the basis of total equity shares of face value of ₹10 each held and such number of Equity Shares which will result upon exercise of vested options under the PSOP.

7. History of Equity Share capital held by our Promoters and Promoter Group

As on the date of this Updated Draft Red Herring Prospectus - I, one of our Promoters, WM Digital Commerce Holdings Pte. Ltd. holds 371,517,890 Equity Shares of face value of ₹1 each, representing 71.77% of the issued, subscribed and paid-up Equity share capital of our Company, calculated on a fully diluted basis*.

*Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon exercise of vested options under the PSOP.

Further, as on the date of this Updated Draft Red Herring Prospectus - I, our other Promoter, Wal-Mart International Holdings, Inc. does not hold any Equity Shares in our Company. For further details in relation to shareholding pattern of Wal-Mart International Holdings, Inc., see “Our Promoters and Promoter Group - Wal-Mart International Holdings, Inc.” on page 294.

As on the date of this Updated Draft Red Herring Prospectus - I, the members of the Promoter Group do not hold any Equity Shares in our Company. As on the date of this Updated Draft Red Herring Prospectus - I, the directors of our Promoters do not hold any Equity Shares in our Company.

The details regarding our Promoters’ shareholding are set forth below:

(a) Build-up of equity shareholding of Promoters in our Company

The build-up of the equity shareholding of one of our Promoters, WM Digital Commerce Holdings Pte. Ltd. (previously known as Fit Parent Pte. Ltd. and FIT Holdings SARM) since incorporation of our Company is set out below:

Date of allotment/ transfer	Nature of transaction	Number of equity shares allotted/ transferred	Nature of consideration	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Percentage of the pre- Offer capital on a fully diluted basis^* (%)	Percentage of the post- Offer capital on a fully diluted^* (%)
December 23, 2022	Transfer of equity shares from PhonePe Private Limited, Singapore (now known as Headstand Pte. Ltd.)	36,320,459	Cash	10	19,968.00	70.16	[●]
March 17, 2023	Preferential issue	831,330	Cash	10	19,968.00	1.61	[●]
Pursuant to the Board and Shareholder’s resolution dated March 11, 2025 and March 31, 2025, respectively, the face value of the equity shares was sub-divided from ₹10 per equity share to ₹1 per Equity Share. Accordingly, by virtue of sub-division, with effect from March 31, 2025, WM Digital Commerce Holdings Pte. Ltd. is currently holding 371,517,890 Equity Shares of face value of ₹1 each							
Total		371,517,890	-	-	-	71.77	[●]

^Adjusted for split, as applicable.

*Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon exercise of vested options under the PSOP.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment of such Equity Shares.

(b) Shareholding of our Promoters and Promoter Group

As on the date of this Updated Draft Red Herring Prospectus - I, except as disclosed below, our Promoters and the members of the Promoter Group do not hold any Equity Shares in our Company.

Sr. No.	Name of the Shareholder	Pre-Offer number of Equity Shares of face value of ₹1 each	Percentage of the pre-Offer Equity capital on a fully diluted basis* (%)	Post-Offer number of Equity Shares of face value of ₹1 each	Percentage of the post-Offer Equity Share capital on a fully diluted basis* (%)
1.	WM Digital Commerce Holdings Pte. Ltd.	371,517,890	71.77	[●]	[●]
Total		371,517,890	71.77	[●]	[●]

*Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon exercise of vested options under the PSOP.

8. Details of Promoters' Contribution and lock-in

In accordance with Regulations 14 and 16 (1)(a) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoter, WM Digital Commerce Holdings Pte. Ltd., shall be considered as the minimum Promoters' Contribution and is required to be locked-in for a period of 18 months from the date of Allotment or such other period as prescribed under the SEBI ICDR Regulations ("Promoters' Contribution"). Our Promoter, WM Digital Commerce Holdings Pte. Ltd.'s shareholding in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment or such other period as may be prescribed under the SEBI ICDR Regulations.

The details of the Equity Shares held by our Promoter, WM Digital Commerce Holdings Pte. Ltd., which shall be locked-in for Promoters' Contribution for a period of 18 months, or such other period as prescribed under the SEBI ICDR Regulations from the date of Allotment as Promoters' Contribution are as set out below:*

Name of the Promoter	Number of Equity Shares locked-in	Date up to which Equity Shares are subject to lock-in	Date of allotment/transfer of Equity Shares	Nature of transaction	Face value per Equity Share (₹)	Issue/Acquisition price per Equity Share (₹)	Percentage of pre- Offer paid-up Equity Share capital on a fully diluted basis**^	Percentage of post- Offer paid-up Equity Share capital on a fully diluted basis**^
WM Digital Commerce Holdings Pte. Ltd.	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

*To be completed prior to filing of the Prospectus with the RoC.

**Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon exercise of vested options under the PSOP.

^ Adjusted for split, as applicable.

Our Promoter, WM Digital Commerce Holdings Pte. Ltd., has given consent to include such number of Equity Shares held by it as disclosed above, constituting 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoter's Contribution and have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of filing this Updated Draft Red Herring Prospectus - I, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

Our Company undertakes that the Equity Shares that are being locked-in will not be ineligible for computation of Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoters, see " – History of Equity Share capital held by our Promoters and Promoter Group – (a) Build-up of Equity shareholding of Promoters in our Company" on page 124.

In this connection, we confirm the following:

- The Equity Shares offered towards minimum Promoters' Contribution do not include Equity Shares acquired during the three immediately preceding years (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets, or (b) arising from bonus issue by utilization of revaluation reserves or unrealised profits of our Company or from a bonus issue against equity shares of face value of ₹1, which are otherwise ineligible for computation of Promoters' Contribution;
- The Equity Shares offered towards minimum Promoters' Contribution have not been acquired by our Promoters during the year immediately preceding the date of this Updated Draft Red Herring Prospectus - I at a price lower than the Offer Price;
- Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm into a company in the preceding one year and hence, no equity shares have been issued in the one year immediately preceding the date of this Updated Draft Red Herring Prospectus - I pursuant to conversion from a partnership firm or a limited liability partnership firm;
- The Equity Shares forming part of the Promoters' Contribution are not subject to any pledge or any other encumbrance as on the date of this Updated Draft Red Herring Prospectus - I; and

- (v) The Equity Shares of our Company held by one of our Promoters, WM Digital Commerce Holdings Pte. Ltd., are in dematerialized form. Further, our other Promoter, Wal-Mart International Holdings, Inc. does not hold any Equity Shares in our Company as on the date of this Updated Draft Red Herring Prospectus - I.

9. Details of Equity Shares locked-in for six months

In terms of Regulation 17 of the SEBI ICDR Regulations, except for the Promoters' Contribution which shall be locked-in as stated above, as prescribed under the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company (including any unsubscribed portion of the Offered Shares) will be locked-in for a period of six months from the date of Allotment or any other period as may be prescribed under applicable law, except for:

- (i) the Equity Shares Allotted pursuant to the Offer for Sale;
- (ii) any Equity Shares held by the employees (whether currently employees or not) of our Company which are and will be allotted to them under the PSOP, PhonePe Award Schemes and PFSOP 2025; and
- (iii) the Equity Shares held by TVS Shriram Growth Fund 3, who is a Category II AIF or other Shareholders who are VCFs, Category I AIFs, Category II AIFs or FVCIs, as applicable, provided that such Equity Shares will be locked-in for a period of at least six months from the date of purchase by TVS Shriram Growth Fund 3 or other Shareholders who are VCFs, Category I AIFs, Category II AIFs or FVCIs, as applicable, subject to the provisions of Regulation 8A(c) of the SEBI ICDR Regulations.

In accordance with Regulation 8A(c) of the SEBI ICDR Regulations, for Shareholders holding (individually or with persons acting in concert) more than 20% of pre-Offer shareholding of our Company on a fully diluted basis, the provisions of lock-in as specified under Regulation 17 of the SEBI ICDR Regulations shall be applicable, and relaxation from lock-in as provided under Regulation 17(c) of the SEBI ICDR Regulations is not applicable.

10. Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors

50% of the Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment, and the remaining 50% of the Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

11. Other requirements in respect of lock-in

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

Pursuant to Regulation 21(a) of the SEBI ICDR Regulations, the Equity Shares held by our Promoter, WM Digital Commerce Holdings Pte. Ltd., which are locked-in for a period of 18 months from the date of Allotment may be pledged as collateral security for loans granted by scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies, provided that such loans have been granted by such bank or institution for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares is a term of sanction of such loans.

Pursuant to Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoter, WM Digital Commerce Holdings Pte. Ltd., which are locked-in for a period of six months from the date of Allotment may be pledged as collateral security for loans granted by scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies, provided that pledge of the Equity Shares is one of the terms of sanction of such loans.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoter, WM Digital Commerce Holdings Pte. Ltd., which are locked-in, may be transferred to any member of the Promoter Group or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with provisions of the SEBI Takeover Regulations, as applicable.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons (other than our Promoter) prior to the Offer and locked-in for a period of six months, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in with the transferee for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the provisions of the SEBI Takeover Regulations.

12. Details of the Shareholding of our Directors, Key Managerial Personnel and Senior Management

Except as disclosed below, as on the date of this Updated Draft Red Herring Prospectus - I our Directors, Key Managerial Personnel and Senior Management do not hold any Equity Shares or employee stock options in our Company in our Company:

Sr. No.	Name of the Shareholder	Number of Equity Shares of face value of ₹1 each	Number of Equity Shares of face value of ₹1 each on a fully diluted basis*	Number of employee stock options vested (Net of options exercised)	Number of employee stock options not vested	Percentage of the pre- Offer Equity Share capital on a fully diluted basis* (%)	Percentage of the post- Offer Equity Share capital on a fully diluted basis**^ (%)
Directors							
1.	Sameer Nigam [§]	13,181,685	13,181,685	-	1,048,500	2.55	[●]
2.	Rahul Chari [§]	13,181,685	13,181,685	-	1,048,500	2.55	[●]
Total (A)		26,363,370	26,363,370	-	2,097,000	5.10	[●]
Key Managerial Personnel							
1.	Adarsh Nahata	726,306	828,676	102,370	161,336	0.16	[●]
2.	Ankit Gunvantrai Popat	28,337	36,047	7,710	50,132	0.01	[●]
Total (B)		754,643	864,723	110,080	211,468	0.17	[●]
Senior Management							
1.	Hemant Gala	722,847	830,797	107,950	166,906	0.16	[●]
2.	Karthik Raghupathy	622,218	696,668	74,450	124,870	0.13	[●]
3.	Sonika Chandra	-	308,230	308,230	88,300	0.06	[●]
4.	Vivek Lohcheb	441,121	510,641	69,520	131,036	0.10	[●]
5.	Yuvraj Singh Shekhawat	234,225	277,875	43,650	135,716	0.05	[●]
Total (C)		2,020,411	2,624,211	603,800	646,828	0.50	[●]
Total (A+B+C)		29,138,424	29,852,304	713,880	2,955,296	5.77	[●]

[§] Also our Key Managerial Personnel.

* Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon exercise of vested options under the PSOP.

^ To be updated in the Prospectus to be filed with the RoC.

13. As on the date of this Updated Draft Red Herring Prospectus - I, the BRLMs and their respective associates (as defined in the SEBI Merchant Bankers Regulations) do not hold any Equity Shares of our Company. The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company and its respective directors and officers, partners, trustees, affiliates, associates or third parties in the ordinary course of business and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company and each of its respective directors and officers, partners, trustees, affiliates, associates or third parties, for which they have received, and may in the future receive compensation.
14. We confirm that the BRLMs are not associates of our Company as per Regulation 21A of the SEBI Merchant Bankers Regulations.
15. Our Company, our Directors and the BRLMs have not entered into any buy-back arrangements for purchase of Equity Shares from any person.
16. The Equity Shares to be transferred pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Updated Draft Red Herring Prospectus - I.
17. Except for the issue of Equity Shares pursuant to the exercise of vested options under the PSOP, there will be no further issue of Equity Shares whether by way of issue of bonus shares, rights issue, preferential issue or in any other manner during the period commencing from the date of filing of this Updated Draft Red Herring Prospectus - I with SEBI until the listing of the Equity Shares on the Stock Exchanges pursuant to the Offer.
18. There have been no financing arrangements whereby our Promoters, members of the Promoter Group, directors of our Promoters, our Directors and their relatives, have financed the purchase by any other person of securities of our Company, during a period of six months immediately preceding the date of filing of this Updated Draft Red Herring Prospectus - I.
19. Except as disclosed below and under “Notes to Capital Structure – Share capital history of our Company – (a) Equity share capital” and “– History of Equity Share capital held by our Promoters – (a) Build-up of Equity shareholding of Promoters in our Company” on pages 117 and 124, respectively, none of our Promoters, directors of our Promoters, the members of the Promoter Group nor our Directors, or any of their relatives, as applicable, have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Updated Draft Red Herring Prospectus - I.

Date of transfer of equity shares	Number of equity shares transferred	Name of transferor	Name of transferee	Face value per equity share (₹)	Transfer price per equity share (₹)	Nature of consideration
September 17, 2025	8,421,725	Sameer Nigam	General Atlantic Singapore PPIL Pte. Ltd.	1.00	2,337.60	Cash
September 17, 2025	8,421,725	Rahul Chari	General Atlantic Singapore PPIL Pte. Ltd.	1.00	2,337.60	Cash

20. Except for the issue of Equity Shares pursuant to the exercise of vested options under the PSOP, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or otherwise.
21. As of the date of filing of this Updated Draft Red Herring Prospectus - I, the total number of Shareholders of our Company is 1,707.
22. Our Company shall ensure that any transactions in the Equity Shares held by our Promoter and members of the Promoter Group during the period between the date of this Updated Draft Red Herring Prospectus - I and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.
23. Except for the employee stock options issued pursuant to the PSOP and PFSOP 2025, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares as on the date of this Updated Draft Red Herring Prospectus - I.
24. All grants of options made under the PhonePe Award Schemes, PFSOP 2025 and PSOP are to employees of our Company and its Subsidiaries, as applicable, and are in compliance with the Companies Act, 2013.
25. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
26. As on the date of this Updated Draft Red Herring Prospectus - I, none of the Equity Shares held by our Promoters are pledged or otherwise encumbered.
27. Further, the Equity Shares of our Company held by our Key Managerial Personnel, Senior Management, employees, and entities regulated by the financial sector regulators (as defined under the SEBI ICDR Regulations), to the extent applicable, are in dematerialized form.
28. Our Promoters and members of the Promoter Group shall not participate in the Offer, except to the extent of participation by Promoter Selling Shareholder, as applicable, in the Offer for Sale.
29. **Employee stock option plans**
- (i) ***PhonePe Founder Award Stock Option Scheme A – 2022 (“Founder Award Scheme A”)***

Our Company, pursuant to resolutions passed by our Board and Shareholders each dated March 24, 2022, approved to create employee stock options to be issued to one of the Founders under the founder award agreement dated June 5, 2023 (“**Founder Agreement I**”). The Founder Agreement I was subsequently reclassified as PhonePe Founder Award Stock Option Scheme A – 2022, pursuant to resolutions passed by our Board and Shareholders on September 12, 2025 and September 19, 2025, respectively. The object of Founder Award Scheme A is to offer such stock options to retain and motivate one of our Founders, Sameer Nigam, who is expected to continue making important contributions to our Company and its Subsidiaries and by providing the Founder with equity ownership opportunities and performance-based incentives that are intended to align his interests with those of our Company and its Subsidiaries’ other stakeholders. The Founder Award Scheme A is in compliance with the SEBI SBEB & SE Regulations.

As on the date of this Updated Draft Red Herring Prospectus - I, an aggregate of 21,603,410 options have been granted, vested and exercised under the Founder Award Scheme A. Out of 21,603,410 Equity Shares allotted to one of the Founders pursuant to the allotment dated September 12, 2025, 6,743,289 Equity Shares (out of the 13,181,685 Equity Shares currently held by Sameer Nigam), are subject to a lock-up in terms of the Founder Award Scheme A, and such lock-up shall be released in terms of the Founder Award Scheme A.

Except, as disclosed below, no Equity Shares have been issued under the Founder Award Scheme A on a quarterly basis:

Quarter ended	Aggregate number of Equity Shares issued pursuant to exercise of vested employee stock options granted under Founder Award Scheme A	Price range at which Equity Share was issued (₹)
June 30, 2023	N.A.	N.A.
September 30, 2023	N.A.	N.A.
December 31, 2023	N.A.	N.A.
March 31, 2024	N.A.	N.A.
June 30, 2024	N.A.	N.A.
September 30, 2024	N.A.	N.A.
December 31, 2024	N.A.	N.A.
March 31, 2025	N.A.	N.A.
June 30, 2025	N.A.	N.A.
September 30, 2025	21,603,410	1
December 31, 2025	N.A.	N.A.
From January 1, 2026 till the date of this UDRHP-I	N.A.	N.A.

The details Founder Award Scheme A, as certified by Manian & Rao, Chartered Accountants, by their certificate dated January 21, 2026 are as follows:

Particulars	Details				
	Fiscal 2023	Fiscal 2024	Fiscal 2025	Six months period ended September 30, 2025	From October 1, 2025, till the date of this Updated Draft Red Herring Prospectus - I
Options granted*	N.A.	21,603,410	-	-	-
Options vested (Cumulative)*	N.A.	-	21,603,410	-	-
Vesting period (in years)	N.A.	As per the terms of Founder Award Scheme A, 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.		N.A.	N.A.
Options exercised*	N.A.	-	-	21,603,410	-
Exercise price of options (in ₹)*	N.A.	1	1	N.A.	N.A.
Total number of equity shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)*	N.A.	21,603,410	21,603,410	-	-
Options forfeited/lapsed/cancelled**&	N.A.	-	-	-	-
Options outstanding (including vested and unvested options)*	N.A.	21,603,410	21,603,410	-	-
Variation of terms of options	-				
Money realized by exercise of options during the year/ period (₹ in million)	NA	-	-	21.60	-
Total number of options in force*	NA	21,603,410	21,603,410	-	-
Employee wise details of options granted to:					
Key Managerial Personnel and Senior Management*					
(a) Sameer Nigam	21,603,410				
Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	N.A.	N.A.	N.A.	N.A.	N.A.
Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	N.A.	Sameer Nigam – 21,603,410 options	N.A.	N.A.	N.A.
Diluted EPS pursuant to the issue of Equity Shares on exercise of options calculated in accordance	N.A.	(45.17)	(37.46)	N.A.	N.A.

Particulars	Details																
	Fiscal 2023	Fiscal 2024	Fiscal 2025	Six months period ended September 30, 2025	From October 1, 2025, till the date of this Updated Draft Red Herring Prospectus - I												
with the applicable accounting standard on ‘Earnings Per Share’																	
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and EPS of the Company	Not applicable since our Company follows fair value method of accounting.																
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Method of valuation: Discounted cash flow model <table><tr><th>Particulars</th><th>Fiscal 2024</th></tr><tr><td>Share Price*</td><td>1,996.80</td></tr><tr><td>Expected Life (Years)</td><td>1 year</td></tr><tr><td>Risk Free Interest Rate</td><td>7.40%</td></tr><tr><td>Weighted Average Cost of Capital</td><td>18.80%</td></tr><tr><td>Terminal Growth Rate</td><td>5.00%</td></tr></table>					Particulars	Fiscal 2024	Share Price*	1,996.80	Expected Life (Years)	1 year	Risk Free Interest Rate	7.40%	Weighted Average Cost of Capital	18.80%	Terminal Growth Rate	5.00%
Particulars	Fiscal 2024																
Share Price*	1,996.80																
Expected Life (Years)	1 year																
Risk Free Interest Rate	7.40%																
Weighted Average Cost of Capital	18.80%																
Terminal Growth Rate	5.00%																
Impact on profits and EPS of the last three years if the accounting policies prescribed in the SEBI SBEB & SE Regulations had been followed in respect of options granted in the last three years	Not applicable since our Company follows accounting policies as prescribed by the SEBI SBEB & SE Regulations.																
Intention of the Key Managerial Personnel and Senior Management and whole-time Directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares pursuant to the Offer	Nil																
Intention to sell Equity Shares arising out of an employee stock option scheme within three months after the date of listing of Equity Shares, by Directors, Key Managerial Personnel, Senior Management and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil																

*Considering the impact of sub-division in the face value of equity shares from one equity share of ₹10 each to 10 Equity Shares of ₹1 each.

(ii) **PhonePe Founder Award Stock Option Scheme B – 2022 (“Founder Award Scheme B”)**

Our Company, pursuant to resolutions passed by our Board and Shareholders each dated March 24, 2022, approved to create employee stock options to be issued to one of the Founders of our Company under the founder award agreement dated June 5, 2023 (“**Founder Agreement II**”). The Founder Agreement II was subsequently reclassified as PhonePe Founder Award Stock Option Scheme B – 2022, pursuant to resolutions passed by our Board and Shareholders on September 12, 2025 and September 19, 2025, respectively. The object of Founder Award Scheme B is to offer such stock options to retain and motivate one of our Founders, Rahul Chari, who is expected to continue making important contributions to our Company and its Subsidiaries and by providing the Founder with equity ownership opportunities and performance-based incentives that are intended to align his interests with those of our Company and its Subsidiaries’ other stakeholders. The Founder Award Scheme B is in compliance with the SEBI SBEB & SE Regulations.

As on the date of this Updated Draft Red Herring Prospectus - I, an aggregate of 21,603,410 options have been granted, vested and exercised under the Founder Award Scheme B. Out of 21,603,410 Equity Shares allotted to one of the Founders pursuant to the allotment dated September 12, 2025, 6,743,288 Equity Shares (out of the 13,181,685 Equity Shares currently held by Rahul Chari) are subject to a lock-up in terms of the Founder Award Scheme B, and such lock-up shall be released in terms of the Founder Award Scheme B.

Except, as disclosed below, no Equity Shares have been issued under the Founder Award Scheme B on a quarterly basis:

Quarter ended	Aggregate number of Equity Shares issued pursuant to exercise of vested employee stock options granted under Founder Award Scheme B	Price range at which Equity Share was issued (₹)
June 30, 2023	N.A.	N.A.
September 30, 2023	N.A.	N.A.
December 31, 2023	N.A.	N.A.
March 31, 2024	N.A.	N.A.
June 30, 2024	N.A.	N.A.
September 30, 2024	N.A.	N.A.
December 31, 2024	N.A.	N.A.
March 31, 2025	N.A.	N.A.
June 30, 2025	N.A.	N.A.
September 30, 2025	21,603,410	1
December 31, 2025	N.A.	N.A.
From January 1, 2026 till the date of this UDRHP-I	N.A.	N.A.

The details of Founder Award Scheme B, as certified by Manian & Rao, Chartered Accountants, by their certificate dated January 21, 2026 are as follows:

Particulars	Details				
	Fiscal 2023	Fiscal 2024	Fiscal 2025	Six months period ended September 30, 2025	From October 1, 2025, till the date of this Updated Draft Red Herring Prospectus - I
Options granted*	N.A.	21,603,410	-	-	-
Options vested (Cumulative)*	N.A.	-	21,603,410	-	-
Vesting period (in years)	N.A.	As per the terms of Founder Award Scheme B, 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.		N.A.	N.A.
Options exercised*	N.A.	-	-	21,603,410	-
Exercise price of options (in ₹)*	N.A.	1	1	N.A.	N.A.
Total number of equity shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)*	N.A.	21,603,410	21,603,410	-	-
Options forfeited/lapsed/cancelled**&	N.A.	-	-	-	-
Options outstanding (including vested and unvested options)*	N.A.	21,603,410	21,603,410	-	-
Variation of terms of options			-		
Money realized by exercise of options during the year/ period (₹ in million)	N.A.	-	-	21.60	-
Total number of options in force*	N.A.	21,603,410	21,603,410	-	-
Employee wise details of options granted to:					
Key Managerial Personnel and Senior Management*					
(a) Rahul Chari					21,603,410
Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	N.A.	N.A.	N.A.	N.A.	N.A.
Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	N.A.	Rahul Chari – 21,603,410 options	N.A.	N.A.	N.A.

Particulars	Details																
	Fiscal 2023	Fiscal 2024	Fiscal 2025	Six months period ended September 30, 2025	From October 1, 2025, till the date of this Updated Draft Red Herring Prospectus - I												
Diluted EPS pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard on ‘Earnings Per Share’	N.A.	(45.17)	(37.46)	N.A.	N.A.												
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and EPS of the Company	Not applicable since our Company follows fair value method of accounting.																
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Method of valuation: Discounted cash flow model <table><tr><th>Particulars</th><th>Fiscal 2024</th></tr><tr><td>Share Price*</td><td>1,996.80</td></tr><tr><td>Expected Life (Years)</td><td>1 year</td></tr><tr><td>Risk Free Interest Rate</td><td>7.40%</td></tr><tr><td>Weighted Average Cost of Capital</td><td>18.80%</td></tr><tr><td>Terminal Growth Rate</td><td>5.00%</td></tr></table>					Particulars	Fiscal 2024	Share Price*	1,996.80	Expected Life (Years)	1 year	Risk Free Interest Rate	7.40%	Weighted Average Cost of Capital	18.80%	Terminal Growth Rate	5.00%
Particulars	Fiscal 2024																
Share Price*	1,996.80																
Expected Life (Years)	1 year																
Risk Free Interest Rate	7.40%																
Weighted Average Cost of Capital	18.80%																
Terminal Growth Rate	5.00%																
Impact on profits and EPS of the last three years if the accounting policies prescribed in the SEBI SBEB & SE Regulations had been followed in respect of options granted in the last three years	Not applicable since our Company follows accounting policies as prescribed by the SEBI SBEB & SE Regulations.																
Intention of the Key Managerial Personnel and Senior Management and whole-time Directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares pursuant to the Offer	Nil																
Intention to sell Equity Shares arising out of an employee stock option scheme within three months after the date of listing of Equity Shares, by Directors, Key Managerial Personnel, Senior Management and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil																

*Considering the impact of sub-division in the face value of equity shares from one equity share of ₹10 each to 10 Equity Shares of ₹1 each.

(iii) **PhonePe Founder Stock Option Plan ("PFSOP 2025")**

Our Company, pursuant to the resolutions passed by our Board on August 26, 2025, and our Shareholders on August 29, 2025 adopted the PFSOP 2025. The object of PFSOP 2025 is to ensure that Founders have a compensation structure that aligns their interests with the long-term success of our Company and provides opportunities that would enable the Founders to share in the value they create for our Company and its Subsidiaries in the years to come. The PFSOP 2025 is in compliance with the SEBI SBEB & SE Regulations.

As on the date of this Updated Draft Red Herring Prospectus - I, an aggregate of 2,097,000 options have been granted and no options have been vested and exercised under PFSOP 2025. Further, as on the date of this Updated Draft Red Herring Prospectus - I, no Equity Shares have been issued under the PFSOP 2025.

The details of PFSOP 2025, as certified by Manian & Rao, Chartered Accountants, by their certificate dated January 21, 2026 are as follows:

Particulars	Details				
	Fiscal 2023	Fiscal 2024	Fiscal 2025	Six months period ended September 30, 2025	From October 1, 2025, till the date of this Updated Draft Red Herring Prospectus - I
Options granted	N.A.	N.A.	N.A.	2,097,000	-
Options vested (Cumulative)	N.A.	N.A.	N.A.	-	-
Vesting period (in years)	N.A.	N.A.	N.A.	- The time-based options will vest over a period of five years starting from April 1, 2027. - The performance-based options will vest over a period of three years starting from April 1, 2029. - The one-time options will vest over a period of three years starting from the first anniversary from the date of listing.	-
Options exercised	N.A.	N.A.	N.A.	-	-
Exercise price of options (in ₹)	N.A.	N.A.	N.A.	1	N.A.
Total number of equity shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)	N.A.	N.A.	N.A.	2,097,000	2,097,000
Options forfeited/lapsed/cancelled	N.A.	N.A.	N.A.	-	-
Options outstanding (including vested and unvested options)	N.A.	N.A.	N.A.	2,097,000	2,097,000
Variation of terms of options	N.A.	N.A.	N.A.	Nil	Nil
Money realized by exercise of options during the year/ period (in ₹)	N.A.	N.A.	N.A.	-	-
Total number of options in force	N.A.	N.A.	N.A.	2,097,000	2,097,000
Employee wise details of options granted to:					
Key Managerial Personnel and Senior Management					
(b) Sameer Nigam					1,048,500
(c) Rahul Chari					1,048,500
Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	N.A.	N.A.	N.A.	-	-
Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding	N.A.	N.A.	N.A.	-	-

Particulars	Details				
	Fiscal 2023	Fiscal 2024	Fiscal 2025	Six months period ended September 30, 2025	From October 1, 2025, till the date of this Updated Draft Red Herring Prospectus - I
outstanding warrants and conversions) of our Company at the time of grant					
Diluted EPS pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share'	N.A.	N.A.	N.A.	N.A.	N.A.
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and EPS of the Company	N.A.				
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	N.A.				
Impact on profits and EPS of the last three years if the accounting policies prescribed in the SEBI SBEB & SE Regulations had been followed in respect of options granted in the last three years	Not applicable since our Company follows accounting policies as prescribed by the SEBI SBEB & SE Regulations.				
Intention of the Key Managerial Personnel and Senior Management and whole-time Directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares pursuant to the Offer	N.A.				
Intention to sell Equity Shares arising out of an employee stock option scheme within three months after the date of listing of Equity Shares, by Directors, Key Managerial Personnel, Senior Management and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	N.A.				

(iv) **PhonePe Stock Option Scheme (“PSOP”)**

Our Company, pursuant to the resolutions passed by our Board and the Shareholders each dated March 24, 2022, adopted the PSOP. The PSOP was last amended pursuant to the resolutions passed by the Board on August 7, 2025 and the Shareholders on August 18, 2025. The object of PSOP is to provide employees of our Company and its Subsidiaries, at defined levels and roles, a compensation structure that aligns their interests with long-term success of our Company and provide opportunities for equity ownership. The PSOP is in compliance with the SEBI SBEB & SE Regulations.

As on the date of this Updated Draft Red Herring Prospectus - I, an aggregate of 58,324,513 options have been granted, out of which 11,078,945 are outstanding vested options and an aggregate of 20,654,026 options have been exercised under PSOP.

Except, as disclosed below, no Equity Shares have been issued under the PSOP on a quarterly basis:

Quarter ended	Aggregate number of Equity Shares issued pursuant to exercise of vested employee stock options granted under PSOP	Price range at which Equity Share was issued (₹)
June 30, 2023	N.A.	N.A.
September 30, 2023	N.A.	N.A.
December 31, 2023	N.A.	N.A.
March 31, 2024	N.A.	N.A.
June 30, 2024	N.A.	N.A.
September 30, 2024	N.A.	N.A.
December 31, 2024	N.A.	N.A.
March 31, 2025	N.A.	N.A.
June 30, 2025	N.A.	N.A.
September 30, 2025	20,654,026	1
December 31, 2025	N.A.	N.A.
January 01, 2026 till the date of this UDRHP - I	N.A.	N.A.

The details of PSOP, as certified by Manian & Rao, Chartered Accountants, by their certificate dated January 21, 2026 are as follows:

Particulars	Details				
	Fiscal 2023	Fiscal 2024	Fiscal 2025	Six months period ended September 30, 2025	From October 1, 2025, till the date of this Updated Draft Red Herring Prospectus - I
Options granted*	40,851,230	4,139,260	5,841,480	7,219,619	272,924
Options vested (Cumulative)*	-	24,977,960	26,909,710	8,783,525	11,078,945
Vesting period (in years)	Time-based stock options granted under PSOP would vest from one year and not more than four years from the date of grant of such options				
Options exercised*	-	-	-	20,654,026	-
Exercise price of options (in ₹)*	1	1	1	1	1
Total number of equity shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options)*	40,552,700	39,112,430	41,662,640	25,334,568	24,901,948
Options forfeited/lapsed/cancelled**&	298,530	5,579,530	3,291,270	2,893,665	705,544
Options outstanding (including vested and unvested options)*	40,552,700	39,112,430	41,662,640	25,334,568	24,901,948
Variation of terms of options	Nil				
Money realized by exercise of options during the year/ period (₹ in million)	-	-	-	20.65	Nil
Total number of options in force*	40,552,700	39,112,430	41,662,640	25,334,568	24,925,436
Employee wise details of options granted to:					
Key Managerial Personnel and Senior Management*					
(a) Adarsh Nahata	1,791,396				
(b) Ankit Gunvantrai Popat	111,982				
(c) Hemant Gala	1,794,846				
(d) Karthik Raghupathy	1,516,160				

Particulars	Details				
	Fiscal 2023	Fiscal 2024	Fiscal 2025	Six months period ended September 30, 2025	From October 1, 2025, till the date of this Updated Draft Red Herring Prospectus - I
(e) Sonika Chandra					413,040
(f) Vivek Locheb					1,125,336
(g) Yuvraj Singh Shekhawat					666,066
Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	-	-	-	-	-
Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	-				
Diluted EPS pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share'	(68.40)	(45.17)	(37.46)	(30.61)	N.A.
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and EPS of the Company	Not applicable since our Company follows fair value method of accounting.				
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Particulars	Fiscal 2023	Fiscal 2024	Fiscal 2025	Six months period ended September 30, 2025
	Risk free interest rate (% p.a.)	7.40%	7.40%	6.30% - 7.00%	6.30%
	Weighted average exercise price (in ₹)	1	1	1	1
	Dividend yield (% p.a.)	0%	0%	0%	N.A.
	Expected volatility (% p.a.)	50.60%	50.6% - 53.9%	53.90%	N.A.
	Expected life of option (years)	3.0 years	2.7 years - 3.0 years	2.7 years	N.A.
Impact on profits and EPS of the last three years if the accounting policies prescribed in the SEBI SBEB & SE Regulations had been followed in respect of options granted in the last three years	Not applicable since our Company follows accounting policies as prescribed by the SEBI SBEB & SE Regulations.				
Intention of the Key Managerial Personnel and Senior Management and whole-time Directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares pursuant to the Offer	The Key Managerial Personnel and Senior Management intend to sell some Equity Shares allotted on exercise of their options post-listing of the Equity Shares of our Company.				
Intention to sell Equity Shares arising out of an employee stock option scheme within three months after the date of listing of Equity Shares, by Directors, Key Managerial Personnel, Senior	Not Applicable				

Particulars	Details				
	Fiscal 2023	Fiscal 2024	Fiscal 2025	Six months period ended September 30, 2025	From October 1, 2025, till the date of this Updated Draft Red Herring Prospectus - I
Management and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)					

*Considering the impact of sub-division in the face value of equity shares from one equity share of ₹10 each to 10 Equity Shares of ₹ 1 each.

^Includes options repurchased from the employees to the tune of 4,084,260 options during the Fiscal 2024, 2,038,190 options during Fiscal 2025 and 547,360 options during the six months period ended September 30, 2025.

&Includes options replaced with stock appreciation rights to the tune of 8,760 options during Fiscal 2023 and 97,180 options during Fiscal 2024.

OBJECTS OF THE OFFER

The objects of the Offer are to (i) achieve the benefits of listing the Equity Shares on the Stock Exchanges; and (ii) carry out the Offer for Sale of up to 50,660,446 Equity Shares of face value of ₹1 each aggregating to ₹[●] million by the Selling Shareholders.

Further, our Company expects that the proposed listing of its Equity Shares will enhance our visibility and brand image as well as provide a public market for the Equity Shares in India. Our Company will not receive any proceeds from the Offer. For details of Offered Shares, see “Offer Document Summary – Offer size” and “The Offer” on pages 15 and 101, respectively.

Utilisation of the Offer proceeds by Selling Shareholders

Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholders. Each of the Selling Shareholders will be entitled to their respective proportion of the proceeds of the Offer for Sale after deducting their portion of the Offer related expenses and the relevant taxes thereon. For details of Offered Shares from the Selling Shareholders, see “The Offer” on page 101.

Offer Expenses

The Offer expenses are estimated to be approximately ₹[●] million.

Other than (i) listing fees which will be solely borne by our Company; and (ii) fees and expenses in relation to the legal counsel to the Selling Shareholders in relation to the Offer, which shall be borne by the respective Selling Shareholders, all costs, charges, fees and expenses associated with and incurred with respect to the Offer, (including all applicable taxes) and directly attributable to the Offer, the Selling Shareholders agree, severally and not jointly, to share the costs and expenses, on a pro rata basis, in proportion to their respective portions of the Offered Shares actually sold pursuant to the Offer, by each of them respectively. However, certain costs, charges, fees and expenses associated with and incurred with respect to the Offer, (including all applicable taxes except securities transaction taxes) relating to the Offer may be paid by our Company on behalf of the Selling Shareholders for administrative convenience if our Company and the Selling Shareholders mutually agree for our Company to pay on its behalf such costs, charges, fees and expenses associated with and incurred with respect to the Offer, (including all applicable taxes except securities transaction taxes) (collectively the “IPO Expenses”). Each Selling Shareholder shall, severally and not jointly, reimburse our Company for the IPO Expenses paid by our Company on behalf of such Selling Shareholder, in proportion of their respective portion of the Offered Shares actually sold pursuant to the Offer, directly from the Public Offer Account in accordance with Applicable Law including section 28(3) of the Companies Act, 2013. In case the Offer is withdrawn, abandoned, postponed or not successful or consummated or completed for any reason whatsoever, the entire cost and expenses which may have accrued up to the date of such withdrawal, abandonment, postponement or failure of the Offer shall be borne by the Selling Shareholders on a pro rata basis, in proportion to their respective portion of the Offered Shares.

The break-down for the Offer expenses is as follows:

Activity	Estimated expenses ⁽¹⁾ (in ₹million)	As a % of the total estimated Offer expenses ⁽¹⁾	As a % of the total Offer size ⁽¹⁾
Book Running Lead Managers’ fees including underwriting commission, brokerage and selling commission, as applicable	[●]	[●]	[●]
Brokerage, selling commission, bidding charges, processing fees and bidding charges for the Members of the Syndicate, Registered Brokers, SCSBs, RTAs and CDPs ⁽²⁾⁽³⁾⁽⁴⁾	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to other parties to the Offer [^]			
Other expenses:			
Listing fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
Printing and distribution of issue stationery	[●]	[●]	[●]
Fees payable to the legal counsel	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

[^] Other parties to the Offer include Statutory Auditors, Manian & Rao, Chartered Accountants, Redseer, etc. for the services rendered by them for the Offer.

⁽¹⁾ Offer expenses include goods and services tax, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.

⁽²⁾ Selling commission payable to the SCSBs on the portion for RIBs and Non-Institutional Bidders which are directly procured by the SCSBs, would be as follows:

Portion for RIBs*	[●]% of the Amount Allotted (plus applicable taxes)

	Portion for Non-Institutional Bidders*	[●]% of the Amount Allotted (plus applicable taxes)
*	Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.	
	Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE or NSE.	
(3)	No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.	
	Processing fees payable to the SCSBs on the portion for RIBs and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:	
	Portion for RIBs*	[●]% per valid application (plus applicable taxes)
	Portion for Non-Institutional Bidders*	[●]% per valid application (plus applicable taxes)
*	The processing fees for applications made by the UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such SCSBs provide a written confirmation on compliance with SEBI ICDR Master Circular.	
(4)	Selling commission on the portion for RIBs and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:	
	Portion for RIBs*	[●]% of the Amount Allotted (plus applicable taxes)
	Portion for Non-Institutional Bidders*	[●]% of the Amount Allotted (plus applicable taxes)
*	Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.	
	The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.	
	Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the portion for RIBs and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹[●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.	
	The selling commission and bidding charges payable to Registered Brokers, RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE or NSE.	
	Bidding charges payable to the Registered Brokers, RTAs/CDPs on the portion for RIBs and Non-Institutional Bidders which are directly procured by the Registered Broker or RTAs or CDPs and submitted to SCSB for processing, would be as follows:	
	Portion for RIBs*	[●]% per valid application (plus applicable taxes)
	Portion for Non-Institutional Bidders*	[●]% per valid application (plus applicable taxes)
*	Based on valid applications	
	Processing fees for applications made by RIBs using the UPI Mechanism would be as under:	
	Members of the Syndicate / RTAs / CDPs	₹[●] per valid application (plus applicable taxes)
	Sponsor Banks	₹[●] per valid application (plus applicable taxes) The Sponsor Bank(s) shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of their duties under applicable SEBI circulars, agreements and other Applicable Laws
	All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement.	

Monitoring Utilization of Funds

As the Offer is an Offer for Sale, our Company will not receive any proceeds from the Offer. Accordingly, our Company is not required to appoint a monitoring agency for the Offer.

Other confirmations

Except to the extent of any proceeds received pursuant to the sale of the Offered Shares proposed to be sold in the Offer by the Promoter Selling Shareholder, there is no arrangement whereby any portion of the Offer proceeds will be paid to our Promoters, Promoter Group, Directors, Key Managerial Personnel, Senior Management, directly or indirectly, and there are no material existing or anticipated transactions in relation to utilization of the Offer proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors, Key Managerial Personnel or Senior Management.

BASIS FOR OFFER PRICE

The Price Band and Offer Price will be determined by our Company, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹1 each and the Offer Price is [$\bullet$] times the Floor Price and [$\bullet$] times the Cap Price, and Floor Price is [$\bullet$] times the face value and the Cap Price is [$\bullet$] times the face value. Bidders should also see “*Risk Factors*”, “*Summary of Restated Consolidated Financial Information*”, “*Our Business*”, “*Restated Consolidated Financial Information*”, and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 39, 103, 194, 305 and 387, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are as follows:

- Long-term and strategic approach to building new businesses:

At PhonePe, we believe our long-term orientation stems from the conviction and commitment of our founding team to solve meaningful, large-scale problems for India, such as payments, financial services, merchant solutions and app distribution. From early in our business, we have focused on building for scale, sustainability, and societal impact. We believe this stability has created deep organisational memory, strategic clarity and execution consistency.

This long-term mindset is visible in our key decisions. For instance, the strategic choice to invest in building our own data centres, rather than relying on third-party cloud services, reflects our conviction in owning mission-critical infrastructure. This investment enables compliance with India’s data localisation norms, improves cost and performance.

- Highly tenured leadership team with strong focus on organisational culture and governance:

Our Company is led by its founding team with decades of experience in the technology industry, supported by a seasoned executive team and an experienced, independent Board, with a long-term orientation, strong organisational culture and a commitment to high standards of governance. For more details, refer “*Our Business – Our Experienced Leadership Team Fostering a Thriving Organisational Culture*” on page 196.

- Cutting edge technology and intellectual property stack:

We have built an in-house technology stack across infrastructure, platform, software and data intelligence layers, designed for performance, reliability, scalability, security and cost efficiency at population-scale, with ownership and control across the full technology engine. For more details, refer “*Our Business – Our In-house Technology Stack*” and “*– Our Technology Infrastructure*” on pages 198 and 227, respectively.

- Trusted brand across the length and breadth of India:

PhonePe is India’s most downloaded Android mobile app owned by an Indian company (the ‘Finance’ category) with the highest number of Daily Active Users at 156.00 million in six months period ended September 30, 2025, as per Sensor Tower data, according to the Redseer Report (*chapter 7, page 191*). The strength of the PhonePe brand is also reflected in independent third-party accolades received such as “Best Brands 2024” at Times Group BFSI Best Brands 2024. Trust from our users is best reflected in how their engagement deepens with time. As shown in the table on page 217 in “*Our Business Offerings*”, our TPC continues to increase steadily over a 30-day window, underscoring how user activity on PhonePe strengthens the longer they are with us. This pattern of growing engagement is anchored by strong repeat behaviour: of our 106.56 million daily active customers in September 2025, 99.23% return to the platform within the next 30 days, choosing PhonePe again and again for their everyday payments. Importantly, this trust extends across the length and breadth of the country: of our 657.56 million LTD Registered User Base, 65.22% come from Tier-2+ cities, which we believe makes PhonePe a genuine reflection of India itself. We believe over the years, PhonePe has become synonymous with payments, a position built on this deep, broad-based trust. We believe our consumers and merchants trust the PhonePe brand for its reliability, security and user experience. According to the Kantar BrandZ Most Valuable Indian Brands Report 2024, PhonePe is the Category Leader and Most Valuable Brand in the Payment Networks category in India. We believe that we have been able to gain this trust of our users by establishing strong relationships with them.

- Market leadership in high frequency payments business:

India’s digital Consumer Payments TPV reached ₹301 trillion (approximately US\$3.5 trillion) in Fiscal Year 2025 and is projected to grow at 15-18% CAGR reaching ₹602-681 trillion (US\$ 7.1-8.0 trillion) by Fiscal Year 2030, while digital persons-to-merchants (“P2M”) payments reached ₹ 112 trillion (US\$ 1.3 trillion) in Fiscal Year 2025 and is projected to grow at 20-

22% CAGR reaching ₹278-302 trillion (US\$ 3.3-3.6 trillion), according to the Redseer Report (*chapter 7, page 188*). In the six months period ended September 30, 2025 and Fiscal Year 2025, we were the largest online transaction platform in India in terms of TPV according to the Redseer Report (*chapter 7, page 190*). Over the period December 2020 to September 2025, PhonePe has consistently sustained the #1 market position, in terms of number of transactions and TPV for customer-initiated transactions in UPI for 58 consecutive months, as per NPCI data, according to the Redseer Report (*chapter 7, page 189*).

- Strong operating model combining scale, growth, diversification, and financial performance:

Our business scale, reflected in our extensive reach illustrated by a 657.56 million LTD Registered User Base and 47.19 million LTD Registered Merchant Base as of September 30, 2025, alongside high payment volumes of 53.40 billion annual Consumer Transactions and 24.96 billion annual Merchant Transactions in the six months ended September 30, 2025 and 90.27 billion annual Consumer Transactions and 42.66 billion annual Merchant Transactions in Fiscal Year 2025, is matched by equally significant scale in our financial performance. We recorded revenue from operations of ₹71,148.58 million in Fiscal Year 2025. Even at this scale we continue to grow at a healthy pace: our revenue from operations was ₹71,148.58 million in Fiscal Year 2025 which increased from ₹50,641.33 million in Fiscal Year 2024, representing year-on-year growth of 40.50%. In the six months ended September 30, 2025, our revenue from operations grew by 22.17% to ₹39,184.69 million from ₹32,075.16 million in the six months ended September 30, 2024.

For details, see “*Our Business – Our Strengths*” on page 214.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Consolidated Financial Information. For details, see “*Other Financial Information*” on page 379.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

A. Basic and Diluted Earnings Per Equity Share (“EPS”), along with the weighted average Basic and Diluted EPS

Financial Year/ Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Fiscal Year 2025	(37.46)	(37.46)	3
Fiscal Year 2024	(45.17)	(45.17)	2
Fiscal Year 2023	(68.40)	(68.40)	1
Weighted Average	(45.19)	(45.19)	
Six months period ended September 30, 2025*	(30.61)	(30.61)	-
Six Months ended September 30, 2024*	(26.41)	(26.41)	-

*Not annualised

Notes:

1. Basic (loss) per equity share (in ₹) is calculated by dividing the Profit/ (loss) for the period/year by the weighted average number of equity shares computed in accordance with Ind AS 33 Earnings per share.
2. Diluted (loss) per equity share (in ₹) is calculated by dividing the Profit/ (loss) for the period/year by the weighted average number of equity shares adjusted for effect of dilution computed in accordance with Ind AS 33 Earnings per share.
3. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/total of weights.
4. Pursuant to resolutions passed by the Board of Directors and the Shareholders in their respective meetings held on March 11, 2025 and March 31, 2025, the face value of the equity shares of the Company was sub-divided from ₹10 each to ₹1 each, the disclosure of basic and diluted earnings per share for all the period/ years presented has been arrived at after giving effect to the sub-division in accordance with the principles of Ind AS 33 Earnings per share.

B. Price/Earning (“P/E”) ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share

Particulars	P/E at the Floor Price (number of times)	P/E at the Cap Price (number of times)
Based on basic EPS for Fiscal Year 2025	[●]*	[●]*
Based on diluted EPS for Fiscal Year 2025	[●]*	[●]*

*To be computed after finalization of price band.

C. Industry Peer Group P/E ratio

Particulars	P/E Ratio
Highest	N.A.*
Lowest	N.A.*
Industry Composite	N.A.*

Notes:

P/E ratio of One 97 Communications could not be calculated since the diluted EPS for the Fiscal Year 2025 is negative

D. Return on Net Worth (“RoNW”) and Weighted Average RoNW

Financial Year/ Period	RoNW (%)	Weight
Fiscal Year 2025	(18.43)	3
Fiscal Year 2024	(21.41)	2
Fiscal Year 2023	(37.85)	1
Weighted Average	(22.66)	
Six months period ended September 30, 2025*	(15.14)	-
Six months ended September 30, 2024*	(13.29%)	-

*Not annualised

Notes:

1. Return on Net worth (%) is calculated as Profit/ (loss) for the period/year divided by net worth at the end of the period/ year.
2. Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations. We have calculated net worth as aggregate value of equity share capital, securities premium, share based payment reserve, other reserves, retained earnings, remeasurement of the defined benefit plan and equity instruments through other comprehensive income.
3. Weighted average means aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x weight) for each year/ total of weights.

E. Net Asset Value per Equity Share (“NAV”)

Particulars	Net Asset Value per Equity Share (in ₹)
As on September 30, 2025	185.08
As on March 31, 2025	182.79
After the Offer*	
- At the Floor Price	●
- At the Cap Price	●
Offer Price	●

*To be computed after finalization of price band.

Notes:

1. Net asset value per equity share (in ₹) is defined as net worth as on September 30, 2025 divided by outstanding number of equity shares and such number of equity shares which will result upon exercise of vested options under various employee stock option plans.
2. Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations. We have calculated net worth as aggregate value of equity share capital, securities premium, share based payment reserve, other reserves, retained earnings, remeasurement of the defined benefit plan and equity instruments through other comprehensive income.

F. Comparison of accounting ratios with listed industry peers

The following table provides a comparison of the accounting ratios of our Company with our peer group. The peer group has been determined on the basis of companies listed on Indian stock exchanges and globally, whose business profile is comparable to our businesses in terms of our size and our business model:

Name of company	Face value (₹ per share)	Total income, for Fiscal 2025 (in ₹ million)	Market Cap (in ₹ million)	EPS (₹)		EV/ EBITDA	P/E (number of times)	NAV per share (₹)	RONW (%)
				Basic (₹)	Diluted (₹)				
PhonePe Limited	1.00	76,313.82	●**	(37.46)	(37.46)	●**	●**	182.79	(18.43)
Listed Peer*									
One 97 Communications Limited	1.00	76,249.00	824,110.29 ^	(10.35)	(10.35)	N.A.***	N.A.***	235.59	(4.41)

* All the financial information for the peer companies mentioned above is on a consolidated basis and is sourced from the annual reports/ investor presentations or other public filings, as available, for the year ended March 31, 2025.

** To be updated for our Company at the Prospectus stage.

*** Not Available since One 97 Communications Limited reported negative EBITDA of (₹ 15,066 million) and negative Net Profit/ (loss) of (₹ 6,632 million) in FY25.

^ Market capitalization on NSE as of January 9, 2026

Notes for PhonePe Limited:

1. Basic (loss) per equity share (in ₹) is calculated by dividing the Profit/ (loss) for the period/year by the weighted average number of equity shares computed in accordance with Ind AS 33 Earnings per share.
2. Diluted (loss) per equity share (in ₹) is calculated by dividing the Profit/ (loss) for the period/year by the weighted average number of equity shares adjusted for effect of dilution computed in accordance with Ind AS 33 Earnings per share.
3. Net asset value per equity share (in ₹) is defined as net worth as on March 31, 2025 divided by outstanding number equity shares and such number of equity shares which will result upon exercise of vested options under various employee stock option plans.
4. Return on Net worth (%) is calculated as Profit/ (loss) for the year divided by net worth as on March 31, 2025.

G. Comparison of Key Performance Indicators over time shall be explained based on additions or dispositions to our business

Our Company has not made any additions or dispositions to its business during the six months period ended September 30, 2025 and the Financial Years ended March 31, 2025, March 31, 2024 and March 31, 2023.

H. Key Performance Indicators (“KPIs”)

Our Company considers that the KPIs set forth below are the ones that may have a bearing for arriving at the basis for Offer Price. The KPIs disclosed below have been used historically by our Company to understand and analyse our business performance, which as a result, help us in analysing the growth in comparison to our peers. The KPIs disclosed below have been approved and confirmed by a resolution of our Audit Committee dated January 21, 2026 and certified by our Chief Financial Officer on behalf of the management of our Company by way of certificate dated January 21, 2026. Further, the KPIs disclosed in this section have been certified by Manian & Rao, Chartered Accountants by way of their certificate dated January 21, 2026.

For details of our other operating KPIs disclosed elsewhere in this Updated Draft Red Herring Prospectus - I, see “*Our Business*”, and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 194 and 387, respectively.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of Directors of our Company) for a duration of one year after the date of listing of the Equity Shares on the Stock Exchanges or for such other duration as may be required under the SEBI ICDR Regulations.

Details of the key performance indicators as at and for the six months period ended September 30, 2025 and September 30, 2024 and the Fiscal Years March 31, 2025, March 31, 2024 and March 31, 2023, are set forth below:

Sr. No.	Key Performance Indicators	Units	As at and for the six months period ended September 30, 2025	As at and for the six months period ended September 30, 2024	As at and for the Fiscal Year March 31, 2025	As at and for the Fiscal Year March 31, 2024	As at and for the Fiscal Year March 31, 2023
1.	Life-till-date Registered User Base ⁽¹⁾	million	657.56	578.59	618.40	534.97	455.41
2.	Yearly Active Users (YAU) ⁽²⁾	million	420.74	378.84	402.90	349.02	301.12
3.	Monthly Active Users (MAU) ⁽³⁾	million	301.29	270.56	290.33	252.42	207.52
4.	Daily Active Users (DAU) ⁽⁴⁾	million	156.00	133.27	148.41	121.01	92.76
5.	Yearly Active Customers (YAC) ⁽⁵⁾	million	305.51	271.81	290.24	250.15	207.81
6.	Monthly Active Customers (MAC) ⁽⁶⁾	million	237.75	212.85	230.08	197.43	160.73
7.	Daily Active Customers (DAC) ⁽⁷⁾	million	106.56	91.38	102.10	82.09	59.06
8.	Customer Transactions ⁽⁸⁾	billion	53.40	41.96	90.27	62.36	39.67
9.	Customer TPV ⁽⁹⁾	₹ trillion	73.70	61.98	132.70	100.22	69.55
10.	Monthly Active Merchants (MAM) ⁽¹⁰⁾	million	11.11	11.27	11.31	11.45	11.43
11.	Daily Active Merchants (DAM) ⁽¹¹⁾	million	6.75	6.51	6.77	6.20	5.05
12.	Merchant Transactions ⁽¹²⁾	billion	24.96	19.93	42.66	26.96	15.81
13.	Merchant TPV ⁽¹³⁾	₹ trillion	8.51	7.01	15.00	11.00	7.55
14.	Revenue from Operations ⁽¹⁴⁾	₹ million	39,184.69	32,075.16	71,148.58	50,641.33	29,142.87
15.	Growth in Revenue from Operations ⁽¹⁵⁾	%	22.17%	N.A.	40.50%	73.77%	N.A.
16.	Adjusted EBITDA ⁽¹⁶⁾	₹ million	2,539.09	5,047.98	14,771.92	6,518.81	(3,754.59)
17.	Adjusted EBITDA Margin (%) ⁽¹⁷⁾	%	6.48%	15.74%	20.76%	12.87%	(12.88%)
18.	Adjusted EBIT ⁽¹⁸⁾	₹ million	(3,138.32)	(1,414.06)	1,168.81	(4,646.85)	(9,120.47)

Sr. No.	Key Performance Indicators	Units	As at and for the six months period ended September 30, 2025	As at and for the six months period ended September 30, 2024	As at and for the Fiscal Year March 31, 2025	As at and for the Fiscal Year March 31, 2024	As at and for the Fiscal Year March 31, 2023
19.	Adjusted EBIT Margin (%) ⁽¹⁹⁾	%	(8.01%)	(4.41%)	1.64%	(9.18%)	(31.30%)
20.	Profit/ (loss) ⁽²⁰⁾	₹ million	(14,444.22)	(12,032.05)	(17,274.10)	(19,961.71)	(27,960.69)
21.	Profit/ (loss) Margin (%) ⁽²¹⁾	%	(34.60%)	(34.78%)	(22.64%)	(34.88%)	(90.68%)
22.	Adjusted profit/ (loss) ⁽²²⁾	₹ million	(660.28)	1,120.42	6,304.52	1,969.95	(7,387.57)
23.	Adjusted profit/ (loss) Margin (%) ⁽²³⁾	%	(1.58%)	3.24%	8.26%	3.44%	(23.96%)
24.	Free cash generated/(used) ⁽²⁴⁾	₹ million	(5,218.33)	2,501.61	1,904.76	(20,850.74)	(22,306.54)

Notes:

Points 1-13 are for PhonePe Platform and 14-24 are for overall PhonePe Group. The references to “year” in the below footnotes refers to the respective fiscal years ended March 31.

- Total unique users who have signed up with PhonePe Group by accepting the PhonePe terms & conditions, as at the end of the first half of the fiscal year/reporting period.
- Count of unique Registered Users, who have either opened the PhonePe app or initiated a transaction, in the last 12 months from the last month of the first half of the fiscal year/reporting period.
- Count of unique Registered Users, who have either opened the PhonePe app or initiated a transaction, in the last month of the first half of the fiscal year/reporting period.
- Daily average count of unique Registered Users who have either opened the PhonePe app or initiated a transaction, averaged for the days of the last month of the first half of the fiscal year/reporting period.
- Count of unique Registered Users who have done at least one successful payment transaction, in the last 12 months counted from the last month of the first half of the fiscal year/reporting period.
- Count of unique Registered Users who have done at least one successful payment transaction, in the last month of the first half of the fiscal year/ reporting period.
- Daily average count of unique Registered Users who have done at least one successful payment transaction, averaged for the days of the last month of the first half of the fiscal year /reporting period.
- Total successful payment transactions by PhonePe Customers in the first half of the fiscal year/reporting period.
- Total payment value of the Customer Transactions in the first half of the fiscal year/ reporting period.
- Count of unique Registered Merchants to whom at least one successful payment transaction was made in the last month of the first half of the fiscal year/ reporting period.
- Daily average count of unique Registered Merchants to whom at least one successful payment transaction was made averaged for the days of the last month of the first half of the fiscal year/ reporting period.
- Total successful payment transactions made to Registered Merchants in the first half of the fiscal year/ reporting period.
- Total payment value of the merchant payment transactions made to Registered Merchants in the first half of the fiscal year/ reporting period.
- Revenue from operations means revenue generated from sale of services and other operating revenue.
- Growth in revenue from operations percentage is calculated as revenue from operations of the relevant period/ year minus revenue from operations of the preceding period/ year, divided by revenue from operations of the preceding period/ year.
- Adjusted EBITDA is calculated as profit/ (loss), before other income, finance costs, depreciation and amortisation expense, share of profit of associate, net of taxes, exceptional item, total tax expense/(credit) and share based payments.
- Adjusted EBITDA margin percentage is derived by dividing adjusted EBITDA by revenue from operations.
- Adjusted EBIT is calculated as profit/ (loss), before other income, finance costs, share of profit of associate, net of taxes, exceptional item, total tax expense/ (credit) and share based payments.
- Adjusted EBIT margin percentage is derived by dividing adjusted EBIT by revenue from operations.
- Profit/ (loss) means (loss) for the relevant period/ year.
- Profit/ (loss) margin percentage is derived by dividing profit/ (loss) by total income.
- Adjusted profit/ (loss) is calculated as profit/ (loss), before exceptional item and share based payments.
- Adjusted profit/ (loss) margin percentage derived by dividing adjusted profit/ (loss) by total income.
- Free cash generated/ (used) refers to the aggregate of net cash flows generated from/ (used in) operating activities, purchase of property, plant and equipment, including capital advances, capital work in progress and other intangible asset, proceeds from sale of property, plant and equipment, payment of principal portion of lease liabilities and interest on lease liabilities.

The list of our KPIs along with a brief explanation of the relevance of the KPI for our business operations are set forth below:

Sr. No.	Key Performance Indicators	Explanation/Significance of KPIs
1.	Life-till-date Registered User Base	Total unique users who have signed up with PhonePe Group by accepting the PhonePe terms & conditions, as at the end of the first half of the fiscal year/reporting period
2.	Yearly Active Users (YAU)	Count of unique Registered Users, who have either opened the PhonePe app or initiated a transaction, in the last 12 months from the last month of the first half of the fiscal year/ /reporting period
3.	Monthly Active Users or (MAU)	Count of unique Registered Users, who have either opened the PhonePe app or initiated a transaction, in the last month of the first half of the fiscal year/reporting period

Sr. No.	Key Performance Indicators	Explanation/Significance of KPIs
4.	Daily Active Users or (DAU)	Daily average count of unique Registered Users who have either opened the PhonePe app or initiated a transaction, averaged for the days of the last month of the first half of the fiscal year/ reporting period
5.	Yearly Active Customers or (YAC)	Count of unique Registered Users who have done at least one successful payment transaction, in the last 12 months counted from the last month of the first half of the fiscal year/ reporting period
6.	Monthly Active Customers or (MAC)	Count of unique Registered Users who have done at least one successful payment transaction, in the last month of the first half of the fiscal year/ reporting period
7.	Daily Active Customers or (DAC)	Daily average count of unique Registered Users who have done at least one successful payment transaction, averaged for the days of the last month of the first half of the fiscal year/ reporting period
8.	Customer Transactions	Total successful payment transactions by PhonePe Customers in the first half of the fiscal year/ reporting period
9.	Customer TPV	Total payment value of the Customer Transactions in the first half of the fiscal year/ reporting period
10.	Monthly Active Merchants or (MAM)	Count of unique Registered Merchants to whom at least one successful payment transaction was made in the last month of the first half of the fiscal year/ reporting period
11.	Daily Active Merchants or (DAM)	Daily average count of unique Registered Merchants to whom at least one successful payment transaction was made averaged for the days of the last month of the first half of the fiscal year/ reporting period
12.	Merchant Transactions	Total successful payment transactions made to Registered Merchants in the first half of the fiscal year/ reporting period
13.	Merchant TPV	Total payment value of the merchant payment transactions made to Registered Merchants in the first half of the fiscal year/ reporting period
14.	Revenue from Operations	Revenue from operations means revenue generated from sale of services and other operating revenue
15.	Growth in Revenue from Operations	Growth in revenue from operations percentage is calculated as revenue from operations of the relevant period/ year minus revenue from operations of the preceding period/ year, divided by revenue from operations of the preceding period/ year
16.	Adjusted EBITDA	Adjusted EBITDA is calculated as profit/ (loss), before other income, finance costs, depreciation and amortisation expense, share of profit of associate, net of taxes, exceptional item, total tax expense/(credit) and share based payments
17.	Adjusted EBITDA Margin(%)	Adjusted EBITDA margin percentage is derived by dividing adjusted EBITDA by revenue from operations
18.	Adjusted EBIT	Adjusted EBIT is calculated as profit/ (loss), before other income, finance costs, share of profit of associate, net of taxes, exceptional item, total tax expense/ (credit) and share based payments
19.	Adjusted EBIT Margin(%)	Adjusted EBIT margin percentage is derived by dividing adjusted EBIT by revenue from operations
20.	Profit/ (loss)	Profit/ (loss) means (loss) for the relevant period/ year
21.	Profit/ (loss) Margin (%)	Profit/ (loss) margin percentage is derived by dividing profit/ (loss) by total income
22.	Adjusted profit/ (loss)	Adjusted profit/ (loss) is calculated as profit/ (loss), before exceptional item and share based payments
23.	Adjusted profit/ (loss) Margin (%)	Adjusted profit/ (loss) margin percentage derived by dividing adjusted profit/ (loss) by total income
24.	Free cash generated/(used)	Free cash generated/ (used) refers to the aggregate of net cash flows generated from/ (used in) operating activities, purchase of property, plant and equipment, including capital advances, capital work in progress and other intangible asset, proceeds from sale of property, plant and equipment, payment of principal portion of lease liabilities and interest on lease liabilities

I. Description on the historic use of the KPIs by our Company to analyse, track or monitor the operational and/or financial performance of our Company

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information. We use these KPIs to evaluate our financial and operating performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these KPIs should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management

believes that these provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because these provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS.

Investors are encouraged to review the Ind AS financial statements and not rely on any single financial or operational KPIs to evaluate our business.

J. Comparison of KPIs with our peers listed in India

Set forth below is a comparison of our KPIs with our peer group companies listed in India and operating in the same industry as our Company, whose business profile is comparable to our business in terms of our size, scale and our business model:

Key Performance Indicators	Units	PhonePe					One 97 Communications Limited				
		As at and for the six months period ended September 30, 2025	As at and for the six months period ended September 30, 2024	As at and for the Fiscal Year March 31, 2025	As at and for the Fiscal Year March 31, 2024	As at and for the Fiscal Year March 31, 2023	As at and for the six months period ended September 30, 2025	As at and for the six months period ended September 30, 2024	As at and for the Fiscal Year March 31, 2025	As at and for the Fiscal Year March 31, 2024	As at and for the Fiscal Year March 31, 2023
Life-till-date Registered User Base	million	657.56	578.59	618.40	534.97	455.41	N.A.	N.A.	N.A.	N.A.	N.A.
Yearly Active Users (YAU)	million	420.74	378.84	402.90	349.02	301.12	N.A.	N.A.	N.A.	N.A.	N.A.
Monthly Active Users (MAU)	million	301.29	270.56	290.33	252.42	207.52	N.A.	N.A.	N.A.	N.A.	N.A.
Daily Active Users (DAU)	million	156.00	133.27	148.41	121.01	92.76	N.A.	N.A.	N.A.	N.A.	N.A.
Yearly Active Customers (YAC)	million	305.51	271.81	290.24	250.15	207.81	N.A.	N.A.	N.A.	N.A.	N.A.
Monthly Active Customers (MAC)	million	237.75	212.85	230.08	197.43	160.73	75.00	71.00	72.00	96.20	89.90
Daily Active Customers (DAC)	million	106.56	91.38	102.10	82.09	59.06	N.A.	N.A.	N.A.	N.A.	N.A.
Customer Transactions	billion	53.40	41.96	90.27	62.36	39.67	N.A.	N.A.	N.A.	N.A.	N.A.
Customer TPV	₹ trillion	73.70	61.98	132.70	100.22	69.55	N.A.	N.A.	N.A.	N.A.	N.A.
Monthly Active Merchants (MAM)	million	11.11	11.27	11.31	11.45	11.43	N.A.	N.A.	N.A.	N.A.	N.A.
Daily Active Merchants (DAM)	million	6.75	6.51	6.77	6.20	5.05	N.A.	N.A.	N.A.	N.A.	N.A.
Merchant Transactions	billion	24.96	19.93	42.66	26.96	15.81	N.A.	N.A.	N.A.	N.A.	N.A.
Merchant TPV	₹ trillion	8.51	7.01	15.00	11.00	7.55	N.A.	N.A.	N.A.	N.A.	N.A.
Revenue from Operations	₹ million	39,184.69	32,075.16	71,148.58	50,641.33	29,142.87	39,790.00	31,610.00	69,004.00	99,778.00	79,903.00
Growth in Revenue from Operations	%	22.17%	N.A.	40.50%	73.77%	N.A.	25.88%	(34.96%)	(30.84%)	24.87%	60.63%
Adjusted EBITDA	₹ million	2,539.09	5,047.98	14,771.92	6,518.81	(3,754.59)	N.A.	(7,320)	(6,900.00)	5,590.00	(1,760.00)
Adjusted EBITDA Margin (%)	%	6.48%	15.74%	20.76%	12.87%	(12.88%)	N.A.	23.00%	(10.01%)	5.60%	(2.20%)

Key Performance Indicators	Units	PhonePe					One 97 Communications Limited				
		As at and for the six months period ended September 30, 2025	As at and for the six months period ended September 30, 2024	As at and for the Fiscal Year March 31, 2025	As at and for the Fiscal Year March 31, 2024	As at and for the Fiscal Year March 31, 2023	As at and for the six months period ended September 30, 2025	As at and for the six months period ended September 30, 2024	As at and for the Fiscal Year March 31, 2025	As at and for the Fiscal Year March 31, 2024	As at and for the Fiscal Year March 31, 2023
Adjusted EBIT	₹ million	(3,138.32)	(1,414.06)	1,168.81	(4,646.85)	(9,120.47)	N.A.	N.A.	N.A.	N.A.	N.A.
Adjusted EBIT Margin (%)	%	(8.01%)	(4.41%)	1.64%	(9.18%)	(31.30%)	N.A.	N.A.	N.A.	N.A.	N.A.
Profit/ (loss)	₹ million	(14,444.22)	(12,032.05)	(17,274.10)	(19,961.71)	(27,960.69)	1,440	900	(6,632.00)	(14,224.00)	(17,765.00)
Profit/ (loss) Margin (%)	%	(34.60%)	(34.78%)	(22.64%)	(34.88%)	(90.68%)	N.A.	N.A.	N.A.	N.A.	N.A.
Adjusted profit/ (loss)	₹ million	(660.28)	1,120.42	6,304.52	1,969.95	(7,387.57)	N.A.	N.A.	N.A.	N.A.	N.A.
Adjusted profit/ (loss)Margin (%)	%	(1.58%)	3.24%	8.26%	3.44%	(23.96%)	N.A.	N.A.	N.A.	N.A.	N.A.
Free cash generated/(used)	₹ million	(5,218.33)	2,501.61	1,904.76	(20,850.74)	(22,306.54)	N.A.	N.A.	N.A.	N.A.	N.A.

Notes relevant to One 97 Communications Limited:

1. Monthly Active Customers (MAC) referred to as Monthly Transacting Users by One 97 Communications refers to the unique users with atleast one successful transaction in a particular calendar month. Data shown is for the quarters ending March 31, 2023 (For Fiscal Year 2023), March 31, 2024 (For Fiscal Year 2024), and September 30, 2024, and March 31 2025 (For Fiscal Year 2025), and September 30, 2025.
2. Revenue from operations include the income from payment services, financial services and others, marketing services and other operating revenue.
3. Adjusted EBITDA-Without-ESOPs is the EBITDA before ESOP cost, which is a Non-GAAP financial measure. EBITDA before ESOP cost is defined as profit for the period, before depreciation and amortization expense, income tax expense, share-based payment expense, finance costs, other income, loss for the period from discontinued operations, exceptional items, IPO expenses & share of Profit/ (loss) of associates/joint ventures.
4. Adjusted EBITDA Margin (%) is the Adjusted EBITDA divided by the revenue from operations for the year.
5. One 97 Communications reports Net Profit Margin (%) as Profit/ (loss) divided by revenue from operations and has reported (9.60%), (14.30%), (22.20%) in Fiscal Year 2025, 2024 and 2023 respectively. Whereas PhonePe defines Profit/ (loss) Margin (%) as Profit/ (loss) divided by Total income and hence is not comparable.

K. Weighted average cost of acquisition (“WACA”), floor price and cap price

- a) Price per share of our Company (as adjusted for corporate actions, including bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the PSOP 2022, PhonePe Award Schemes and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Updated Draft Red Herring Prospectus - I, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Primary Issuances”)

Not Applicable

- b) Price per share of our Company (as adjusted for corporate actions, including bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving any of the Promoters, members of the Promoter Group, Selling Shareholders or Shareholders with the right to nominate directors on our Board during the 18 months preceding the date of this Updated Draft Red Herring Prospectus - I, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Secondary Transactions”)

Not Applicable

- c) Since there are no such transactions to report under (a) and (b), the following are the details of price per share of the Company basis the last five primary or secondary transactions (secondary transactions where Promoters, members of the Promoter Group, Selling Shareholders, or Shareholder(s) having the right to nominate Director(s) on our Board, are a party to the transaction), not older than three years prior to the date of this Updated Draft Red Herring Prospectus - I irrespective of the size of transactions:

Date of Allotment/ Transfer	Number of Equity Shares	Face value per Equity Share (₹)	Issue/ Transfer price per Equity Share (₹)	Nature of allotment/ Transfer	Nature of consideration	Total consideration (in ₹)
Primary issuances or secondary issuances						
March 30, 2023	976,560 [#]	1 [#]	1,996.80 [#]	Preferential Allotment to TVS Shriram Growth Fund 3	Cash	1,949,995,008
April 12, 2023	4,100,000 [#]	1 [#]	1,996.80 [#]	Preferential Allotment to General Atlantic Singapore PPIL Pte. Ltd.	Cash	8,186,880,000
May 31, 2023	4,107,000 [#]	1 [#]	1,996.80 [#]	Preferential Allotment to General Atlantic Singapore PPIL Pte. Ltd.	Cash	8,200,857,600
September 17, 2025	8,421,725	1	2,337.60	Transfer of Equity shares from Sameer Nigam to General Atlantic Singapore PPIL Pte. Ltd.	Cash	19,686,624,360
September 17, 2025	8,421,725	1	2,337.60	Transfer of Equity shares from Rahul Chari to General Atlantic Singapore PPIL Pte. Ltd.	Cash	19,686,624,360
Total	26,027,010					57,710,981,328
Weighted Average Cost of Acquisition basis the last five primary or secondary transactions						2,217.35

[#]Includes the impact of sub-division of equity share of ₹10 each into 10 Equity Shares of ₹1 each

- d) The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition based on the primary or secondary transactions described in (a), (b) and (c) above and are disclosed below

Types of transactions	WACA (in ₹)#	Floor Price (in times)	Cap Price (in times)
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under an employee stock option plan/ employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of this Updated Draft Red Herring Prospectus - I, where such issuance is equal to or more than 5% of the paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	N.A.	[●] times*	[●] times*
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity/convertible securities), where Promoters, members of the Promoter Group, the Selling Shareholders, or Shareholder(s) having the right to nominate Directors on our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Updated Draft Red Herring Prospectus - I, where either acquisition or sale is equal to or more than five per cent of the paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	N.A.	[●] times*	[●] times*
Note: Since there were no primary or secondary transactions of equity shares of our Company during the 18 months to report (a) and (b), the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where Promoters, members of the Promoter Group, the Selling Shareholders or shareholder(s) having the right to nominate directors on our Board, are a party to the transaction, not older than three years prior to the date of filing of this Updated Draft Red Herring Prospectus - I irrespective of the size of the transaction, is as below:			
Basis on the last five primary or secondary transactions	2,217.35#	[●] times*	[●] times*

*To be updated after the finalization of Price Band.

#Includes the impact of sub-division of equity share of ₹10 each into 10 Equity Shares of ₹1 each.

e) Justification for Basis of Offer price

- The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by the Selling Shareholders or other Shareholders with rights to nominate directors on our Board by way of primary and secondary transactions in the six months period ended September 30, 2025 and September 30, 2024 and for the last three full Financial Years preceding the date of this Updated Draft Red Herring Prospectus - I compared to our Company's KPIs and financial ratios for six months period ended September 30, 2025 and September 30, 2024 and for the Fiscal Years 2025, 2024 and 2023.

[●]*

* To be included in the Price Band.

- The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired by the Selling Shareholders or other Shareholders with the right to nominate directors on our Board by way of primary and secondary transactions in view of external factors, if any.

[●]*

* To be included in the Price Band.

The Offer Price of ₹[●] has been determined by our Company, in consultation with the Book Running Lead Managers, on the basis of the demand from investors for the Equity Shares through the Book Building process. Bidders should read the abovementioned information along with "Risk Factors", "Our Business" and "Financial Information" on pages 39, 194 and 305, respectively, to have a more informed view.

STATEMENT OF SPECIAL TAX BENEFITS

Statement of special tax benefits (under direct and indirect tax laws) available to PhonePe Limited (formerly known as PhonePe Private Limited) (“the Company”), and its Shareholders under the applicable tax laws in India

The Board of Directors
PhonePe Limited (formerly known as PhonePe Private Limited)
Office-2, Floor 5, Wing A, Block A,
Salarpuria Softzone, Bellandur Village, Varthur Hobli,
Outer Ring Road, Bellandur, Bangalore,
Bangalore South, Karnataka, India, 560103

Dear Sirs/ Madam,

Statement of special tax benefits available to the Company and its shareholders under the Indian tax laws (the “Statement”).

1. We hereby confirm that the enclosed Annexures 1 and 2 (together, the “**Annexures**”), prepared by the Company, provides the special tax benefits available to the Company and to the shareholders of the Company under:

- the Income-tax Act, 1961 (the “**Act**”) as amended by the Finance Act, 2025 i.e. applicable for the Financial Year 2025-26 relevant to the assessment year 2026-27 and presently in force in India (together, the “**Direct Tax Laws**”); and
- the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and State Goods and Services Tax Act, 2017 read with rules, circulars and notifications (hereinafter collectively referred to as “**GST Acts**”), the Customs Act, 1962 (“**Customs Act**”) and the Customs Tariff Act, 1975 (“**Tariff Act**”) read with rules, circulars, and notifications (hereinafter collectively referred to as “**Customs Laws**”), Foreign Trade Policy (FTO), 2023, each as amended and presently in force in India (herein collectively referred to as “**Indirect Tax Laws**”).

Direct Tax Laws and Indirect Tax Laws are collectively referred to as the “**Tax Laws**”. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

2. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated in the Annexures is the responsibility of the Company’s management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company (the “**IPO**”).

3. We do not express any opinion or provide any assurance as to whether:

- i) the Company or its shareholders will continue to obtain these benefits in future;
- ii) the conditions prescribed for availing the benefits have been / would be met with; and
- iii) the revenue authorities/courts will concur with the views expressed herein.

4. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

5. This Statement is issued solely in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose.

6. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

per Bharath N S
Partner
Membership Number: 210934
UDIN: 25210934BMLCIJ6029
Place of Signature: Bengaluru
Date: September 23, 2025

ANNEXURE 1 TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT TAX LAWS IN INDIA

The information outlined below sets out the special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 ('the Act') read with rules, circulars, and notifications thereunder, as amended by the Finance Act 2025, applicable for Financial Year 2025-26 relevant to Assessment Year 2026-27 presently in force in India.

Special tax benefits available to the Company under the Act

A. Lower corporate tax rate under Section 115BAA of the Act

Section 115BAA has been inserted in the Act w.e.f. April 1, 2020 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%).

The Section further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ("MAT") under Section 115JB of the Act. However, such a company will no longer be eligible to avail specified exemptions/ incentives/ deductions (e.g. deduction under Section 10AA, 32(1)(ia), 33ABA, 35(2AB), 80-IA etc.) under the Act and will also need to comply with the other conditions specified in section 115BAA of the Act. Further, the Company shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives. The option once exercised by the Company cannot be subsequently withdrawn in any subsequent FY.

The Company has opted to apply section 115BAA of the Act with effect from Financial Year 2019-20 relevant to Assessment Year 2020-21.

B. Deductions from Gross Total Income

- **Section 80JJAA of the Act -Deduction in respect of employment of new employees**

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. The deduction under Section 80JJAA of the Act shall be applicable even if the Company avails the benefits of the lower corporate tax rate under Section 115BAA of the Act.

The Company has not availed any deduction under this Section till date.

- **Section 80M of the Act - Deduction in respect of inter-corporate dividends**

Up to March 31, 2020, any dividend paid to a shareholder by a company was liable to Dividend Distribution Tax ("DDT"), and the recipient shareholder was exempt from tax. Pursuant to the amendment made by the Finance Act, 2020, DDT stands abolished and dividend received by a shareholder on or after April 1, 2020 is liable to tax in the hands of the shareholder. The Company is required to deduct Tax Deducted at Source ("TDS") at applicable rate specified under the Act read with applicable Double Taxation Avoidance Agreement (if any).

With respect to a resident corporate shareholder, a new Section 80M has been inserted in the Act to remove the cascading effect of taxes on inter-corporate dividends during Financial Year 2020-21 and thereafter. The Section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this Section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date.

The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

Where the Company receives any such dividend during a Financial Year and also, distributes dividend to its shareholders before the aforesaid date, as may be relevant to the said Financial Year, it shall be entitled to the deduction under Section 80M of the Act. The deduction under Section 80M of the Act shall also be applicable for the company availing the benefits of lower corporate tax rate under Section 115BAA of the Act.

The Company has not availed any deduction under this Section till date.

Special tax benefits available to Shareholders under the Act

There are no special tax benefits available to the shareholders of the Company.

Notes:

- The above Annexure 1 to special direct tax benefits (“statement”) sets out the provisions of the Act in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- The above Annexure 1 covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This Annexure 1 also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
- The above Annexure 1 to possible special tax benefits is as per the current direct tax laws relevant for the Financial Year 2025-26 relevant to Assessment Year 2026-27. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act.
- In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable double taxation avoidance agreement, if any, between India and the country in which such non-resident shareholder has fiscal domicile.
- This Annexure 1 is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.
- The Hon’ble Finance Minister of India introduced the Income-tax Bill, 2025 (‘the Bill’) in February 2025 with the aim to replace the Income-tax Act, 1961. The Bill has now been enacted as the Income Tax Act, 2025 (‘the New Act’) following its approval by both houses of Parliament and Presidential assent on August 21, 2025. The New Act seeks to simplify the tax law, reduce litigation, and enhance clarity for taxpayers, and will come into effect from April 1, 2026. The subject Annexure 1 pertains to special tax benefits applicable for Financial Year 25-26 and therefore has not factored the impact of the New Act.

For PhonePe Limited (formerly known as PhonePe Private Limited)

Adarsh Nahata
Chief Financial Officer

Place: Bengaluru
Date: September 23, 2025

ANNEXURE 2 TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE INDIRECT TAX LAWS IN INDIA

The information outlined below sets out the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and State Goods and Services Tax Act, 2017 read with rules, circulars and notifications (hereinafter collectively referred to as “GST Acts”), the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”) read with Rules, Circulars, and Notifications (hereinafter collectively referred to as “Customs Laws”), Foreign Trade Policy (FTO), 2023 (*herein collectively referred as “Indirect Tax Laws”*)

Special indirect tax benefits available to the Company under Indirect Tax Laws

There are no special tax benefits available to the Company under Indirect Tax Laws

Special tax benefits available to Shareholders under Indirect Tax Laws

The Shareholders of the Company are not entitled to any special tax benefits under Indirect Tax Laws

Notes:

- This Annexure 2 is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For PhonePe Limited (formerly known as PhonePe Private Limited)

Adarsh Nahata
Chief Financial Officer

Place: Bengaluru
Date: September 23, 2025

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled “Democratising Access to Digital Economy” dated January 13, 2026 (the “**Redseer Report**”) prepared and issued by Redseer Strategy Consultants Private Limited (“**Redseer**”), which has been commissioned by and paid for by our Company exclusively in connection with the Offer for the purposes of confirming our understanding of the industry in which we operate. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Redseer Report and included herein with respect to any particular year, refers to such information for the relevant year. The data included herein includes excerpts from the Redseer Report and may have been re-ordered by us for the purposes of presentation. For further details and risks in relation to the Redseer Report, see “Risk Factors – Internal Risks – Certain sections of this Updated Draft Red Herring Prospectus – I contain information from the Redseer Report which has been exclusively commissioned and paid for by us in relation to the Offer and any reliance on such information for making an investment decision in this Offer is subject to inherent risks.” on page 82. The Redseer Report is not a recommendation to invest or disinvest in any company covered in the report. The views expressed in the Redseer Report are that of Redseer. Prospective investors are advised not to unduly rely on the Redseer Report, and should conduct their own investigation and analysis of all facts and information contained in this Updated Draft Red Herring Prospectus - I. The Redseer Report will form part of the material documents for inspection and will be available on the website of our Company at www.phonepe.com/apollo/investor-relations/pdf/industry-report.pdf from the date of filing of the Updated Draft Red Herring Prospectus - I until the Bid/Offer Closing Date.*

References to various segments in the Redseer Report and information derived therefrom are references to industry segments and in accordance with the presentation, analysis and categorisation in the Redseer Report. Our segment reporting in our financial statements is based on the criteria set out in Ind AS 108, Operating Segments and we do not present such industry segments as operating segments.

CHAPTER 1: INDIAN MACROECONOMIC OVERVIEW AND DIGITISATION TRENDS

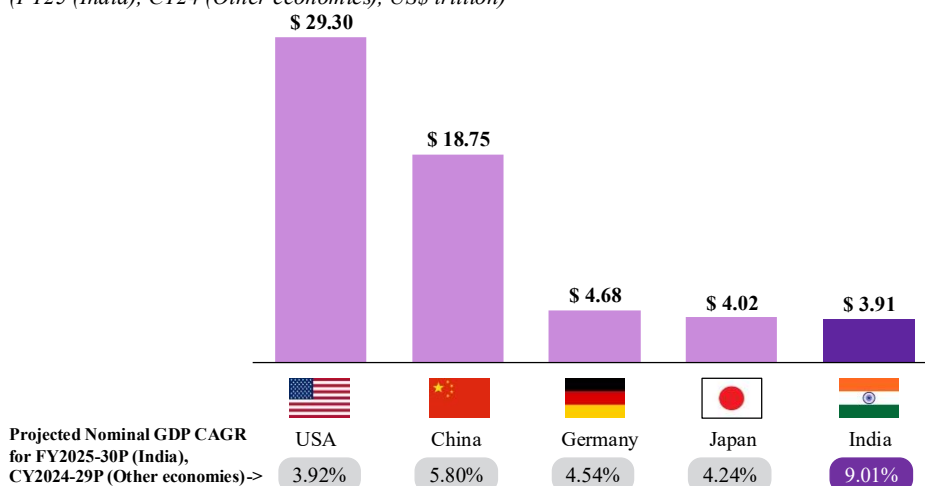
India is projected to be the fastest-growing economy among the G20 countries. It is rapidly shaping into a formal, digital economy driven by factors such as growing adoption of smartphones, affordable mobile data, emergence of Digital Public Infrastructure like Aadhaar, Unified Payments Interface (UPI), Electronic Know Your Customer (e-KYC), and a very strong growth of digital payments. This economic transition is democratising financial services and commerce, making them accessible to a broader population and encouraging greater participation in the formal economy.

1.1 India is projected to be the third-largest economy in the world by Fiscal Year 2030 with favourable macroeconomic tailwinds enabling this rapid growth

India is the fifth largest economy in the world with a nominal Gross Domestic Product (GDP) of ₹ 332 trillion (US\$ 3.91 trillion) in Fiscal Year 2025 as per International Monetary Fund (“**IMF**”) data. IMF also projects India’s nominal GDP to display robust growth of 9.01% annually between Fiscal Year 2025 and Fiscal Year 2030 leading to India becoming a ₹ 512 trillion (US\$ 6.02 trillion) economy. Further, India is projected to be the fastest growing economy over the next five years and is projected to become the third-largest economy in Fiscal Year 2030 as per IMF. This growth trajectory is led by rapid investments in infrastructure, a favourable demographic dividend, increased global economic integration, and rising digital adoption of products and services among others. India is also envisioned to be a developed nation by Calendar Year 2047 under the Viksit Bharat @2047 initiative.

Figure 1: India, the 5th largest economy as of Fiscal Year 2025, is projected to become the 3rd largest economy in Fiscal Year 2030, growing fastest among the major economies

Nominal GDP – Top five global economies
(FY25 (India), CY24 (Other economies), US\$ trillion)



Note(s): 1. For India FY2025 is considered, for other economies, CY2024 is considered

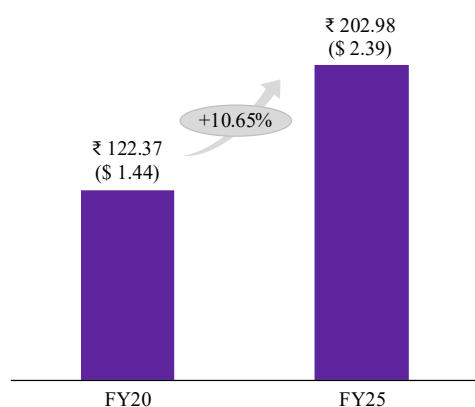
2. Conversion rate: US\$ 1 = ₹ 85

Source(s): International Monetary Fund ("IMF"), World Economic Outlook (October 2025)

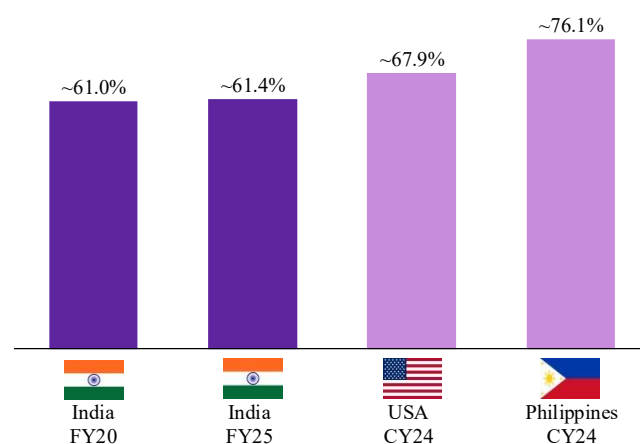
Private Final Consumption Expenditure (PFCE) is a material GDP contributor and one of the factors influencing PFCE is "GDP per capita". The GDP per capita mark of US\$ 2,000 has been historically seen as an inflection point for economic growth in many large economies, characterised by increased consumer spending. For instance, when China exceeded the US\$ 2,000 GDP per capita threshold in 2006, it experienced ~20% CAGR in its Private Final Consumption Expenditure (PFCE) over the following five years. India's GDP per capita stood at ~₹ 234,859 (~US\$ 2,763) in Fiscal Year 2025, indicating an opportunity for further consumption growth. India's PFCE grew at ~10.7 % annually between Fiscal Year 2020 and Fiscal Year 2025 and is estimated to be ~61.4% of India's GDP based on Provisional Estimates (PE) for Fiscal Year 2025 as per the Ministry of Statistics and Programme Implementation ("MoSPI"). However, global developed economies such as the USA with a PFCE-to-GDP ratio of ~67.9% and developing economy of Philippines at ~76.1% in Calendar Year 2024 indicate India's potential for further growth, as indicated in Figure 2.

Figure 2: India's PFCE has outpaced GDP growth, but has more headroom for growth with PFCE as a % of GDP being less than that of developed countries, like the USA, and developing countries, like Philippines

PFCE¹ at current prices – India
(FY20, FY25, ₹ trillion (US\$ trillion))



PFCE as a % of GDP – India¹, United States and Philippines
(FY20, FY25 (India), CY24 (USA and Philippines), in % of GDP)



Note(s): 1. For India, second revised estimates ("2nd RE") have been considered for Fiscal Year 2020, and Provisional Estimates ("PE") have been considered for Fiscal Year 2025, 2. Conversion rate: US\$ 1 = ₹ 85

Source(s): World Bank (December 2025), Ministry of Statistics & Programme Implementation ("MoSPI") – May 2025

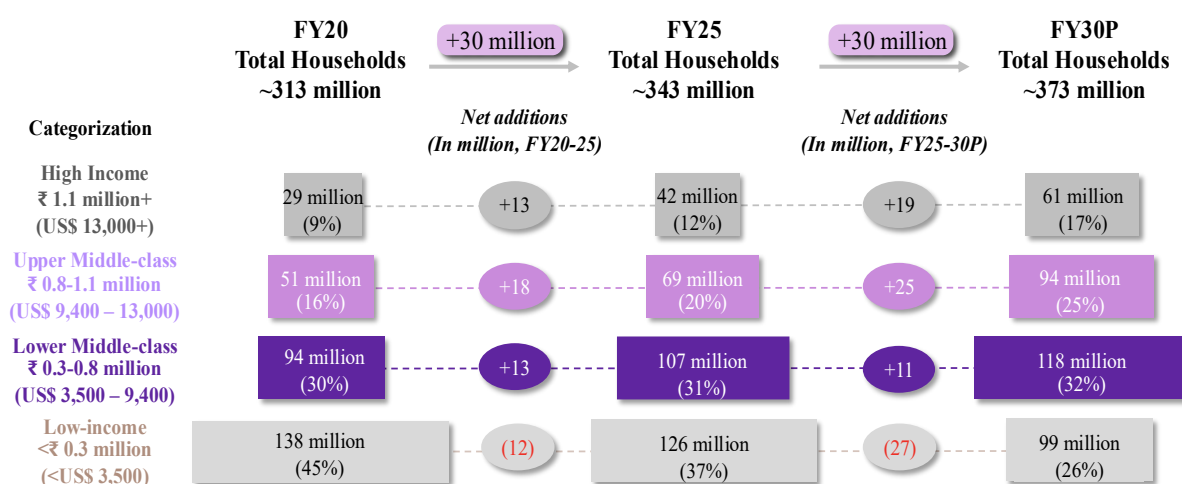
1.2 India's burgeoning middle-class is driving strong Gross National Income (GNI) per capita growth, with bulk of the growth coming from Tier 2+ cities

GNI per capita increased from ₹ 148,261 (US\$1,744) in Fiscal Year 2020 to ₹ 231,462 (US\$ 2,723) in Fiscal Year 2025, growing at a CAGR of 9.3%, as per MoSPI data. This growth is accompanied by a structural transformation in the country's income and consumption patterns, led by the expanding middle-income segment.

The number of middle-income households (comprising the upper middle-class and the lower middle-class households) in India has increased by 21% from ~145 million in Fiscal Year 2020 to ~176 million in Fiscal Year 2025. This shift has been driven by factors such as rapid economic development and growing formalisation of employment. As of Fiscal Year 2025, the middle-income households accounted for ~51% of India's total households, which is projected to increase to ~57% by Fiscal Year 2030.

Figure 3: India's middle-income households are projected to reach 212 million by Fiscal Year 2030 witnessing the largest number of net overall household additions of 36 million

Households split by income¹ (annual income) groups - India
(FY20, FY25, FY30P, in million)



Note(s): 1. Incomes are calculated based on real wage growth and account for wage inflation, 2. Conversion rate: US\$ 1 = ₹ 85

Source(s): Redseer Research and Analysis

The growth of India's middle-income segment is being spearheaded by Tier 2+ cities, which are projected to account for 65-70% of net additions to the middle-income segment from Fiscal Year 2025 to Fiscal Year 2030. This shift is being accelerated by government investments in infrastructure (Smart Cities Mission and PM Gatishakti National Master Plan), improved logistics connectivity and deeper digital penetration. Migration from smaller towns towards larger cities for better opportunities has resulted in higher remittances being sent back home digitally, supporting local consumption. As a result, India's income pyramid is expected to shift towards a middle-income heavy structure, led by Tier 2+ cities rising income levels and tailwinds such as public infrastructure development, smartphone adoption, and workforce upskilling.

1.3 India's favourable demographic profile, with a growing younger population, is driving higher consumption

As of Calendar Year 2024, India's working age population (15-64 years) stands at 990 million (68% of the total population), indicating growth opportunities for consumption. A large and economically active population translates to higher disposable incomes, more demand for goods and services, with a larger appetite for financial and digital products. Additionally, India's population is relatively young, with a median age of 28 years in Calendar Year 2024, much lower than that of other developing economies like Thailand (40 years) and China (39 years) as well as developed economies like the UK (39 years) and the USA (38 years). Over 40% of India's population is under the age of 25, according to the United Nations World Population Prospects. This younger demographic is inherently tech-savvy and is increasingly using digital services, primarily through their smartphones, and reflects how India is evolving.

1.4 Digitisation is driving the democratisation of financial services, with smartphones becoming the entry point for digital adoption in the country

As of Fiscal Year 2025, India had about 818-853 million internet users, projected to grow to 990-1,140 million by Fiscal Year 2030, driven by low data costs, availability of affordable smartphones (including smart featurephones), rollout of 4G connectivity, and government initiatives like Digital India and the BharatNet project. Launch of 5G and continued affordability in data pricing are expected to drive continued growth momentum. While internet adoption in

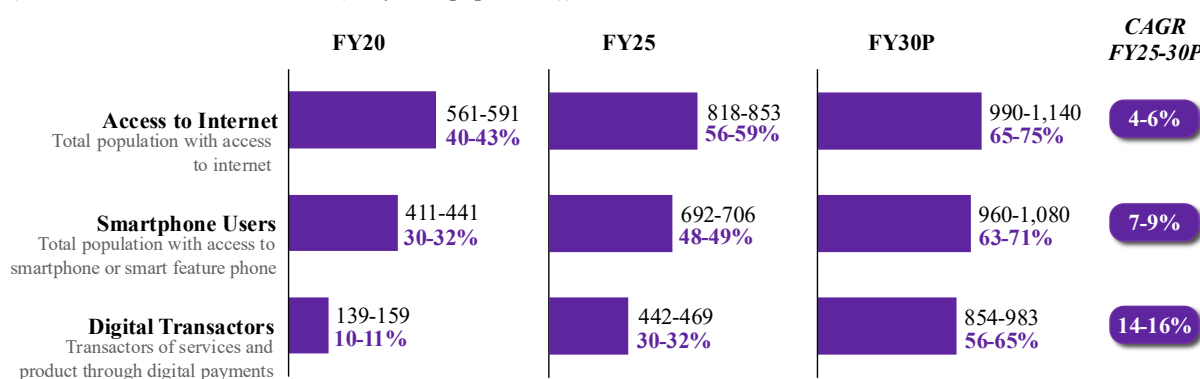
developed markets started with personal computers, the digital journey for Indian users began with smartphones. The user base for smartphones in India is 692-706 million in Fiscal Year 2025 with a penetration of 48-49% based on total population of 1,455 million and is further projected to reach 960-1,080 million with a penetration rate of 63-71% based on total population of 1,513 million by Fiscal Year 2030, reflecting a 7-9% CAGR. Additionally, feature phone users in India are estimated at 200-300 million in Fiscal Year 2025, accounting for approximately 14-21% penetration.

However, the addressable base for digital financial services is smaller. Consumer segments like teenagers, the elderly, and dependents often use smartphones for content rather than transactions, and in many single-income households, only the primary earner, also the sole owner of a smartphone in the household, transacts. Consequently, the number of digital transactors in India stands at 442-469 million in Fiscal Year 2025 and is projected to grow at a CAGR of 14-16%, to reach 854-983 million by Fiscal Year 2030.

Figure 4: India's digital population is projected to grow rapidly by Fiscal Year 2030, with internet access users projected to constitute 65-75% of population

Consumer Internet Funnel – India

(FY20, FY25, FY30P, in million (% of total population))



Source(s): Redseer Research and Analysis

India has one of the most affordable data prices globally, at ~₹ 14 (~US\$ 0.16) per GB, compared to the global average of ~₹ 222 (~US\$ 2.61) per GB as of Fiscal Year 2025. This affordability has democratised internet access, across income groups and geographies. This is evident from India's data consumption per user average being 24 GB per month, one of the highest in the world, sustaining the growth of digital adoption. As per DataReportal (Calendar Year 2024), Indian users aged 16 to 64 spend ~148 minutes daily on social media, compared to developed economies like the USA at 129 minutes and United Kingdom (UK) at 97 minutes and developing economies such as China at 114 minutes. This highlights India's significantly higher engagement with online platforms.

India's consumption-led economic growth is increasingly being shaped by digital adoption, with the smartphone at its core. From shopping and payments to education, entertainment, and daily utilities, smartphones have embedded themselves into every facet of consumer life, cutting across demographics and geographies.

Linked to smartphones is the broader app economy that continues to gain traction. Rising smartphone adoption, an increase in app-first startups, and growing incomes are driving demand across sectors such as food, finance, healthcare, mobility, and identity services. As developers focus on regional languages and localised solutions, the app ecosystem is poised to lead the next wave of digital consumption across both urban and emerging markets.

1.5 Digital Public Infrastructure (DPI) and other Government initiatives are enabling adoption of digital services and payments

A cornerstone of India's digital transformation is the India Stack, an integrated framework of digital tools and services, including key elements of DPI – designed to enhance identity verification, financial transactions, and regulatory compliance. Key components of the India Stack include:

- **Aadhaar UID (Unique Identification):** Provides a unique identification for users, enabling seamless identity verification for financial services. As of September 2025, there are ~1,430 million registered Aadhaar accounts.
- **e-KYC:** Enables instant, paperless identity verification through Aadhaar, streamlining the onboarding and verification process required for accessing financial services.

- **Unified payments Interface (UPI):** UPI has revolutionised digital payments by providing a real-time payment system that allows users to send and receive money instantly. Low transaction fees, speed, security and ease-of-use have made UPI accessible to a wider population across urban and rural areas.

Additionally, the Government of India, the Reserve Bank of India (“RBI”), the National Payments Corporation of India (“NPCI”), and Payment Infrastructure Development Fund (“PIDF”) have also played a pivotal role in driving the adoption of digital payments. A few factors that have further enabled this transformation are:

- **DigiLocker:** Cloud-based platform to store and share important documents digitally, enhancing the security and accessibility of personal records. DigiLocker reached a total of 629 million users as of December 2025, with 242 million users added in Fiscal Year 2025 alone, reflecting a 129% Year-on-Year (YoY) growth in user registration from 105 million in Fiscal Year 2024.
- **e-RUPI:** A voucher-based digital payment system that has enabled cashless and contactless payments for welfare benefits, which can be redeemed via Quick Response (QR) codes or Short Message Service (SMS) at designated service providers without requiring a bank account or app. It facilitates direct benefit transfer, making government schemes payments targeted, efficient, and accessible.
- **Goods and Service Tax Network (GSTN):** Supports the implementation of GST by providing a digital interface for businesses to file returns and manage tax-related processes, ensuring greater compliance and efficiency.
- **RuPay payment network:** RuPay is India’s own digital payment network that facilitates domestic and international transactions with lower fees, encouraging the use of digital cards.

Additionally, diverse payment methods such as UPI, cards, mobile wallets, etc. offer consumers diverse, convenient and secure ways to pay, driving widespread usage across demographics. As a response to this growing consumer adoption, merchants have also embraced these payment methods to offer greater payment flexibility and align with consumer preferences, further accelerating the expansion of India’s digital payments ecosystem.

1.6 India’s increasing adoption of digital financial services has resulted in higher financial inclusion further fuelling consumption and economic growth

Government-led initiatives such as the Pradhan Mantri Jan Dhan Yojana (PMJDY) have played a pivotal role in expanding financial access across India. The number of Jan Dhan accounts has grown 44%, from 383 million in March 2020 to 551 million as of March 2025. Notably, in this, the share of rural and semi-urban accounts has increased from 59% to 67% during the same period, reflecting the deepening reach of formal financial services in these regions.

As of Fiscal Year 2025, more than 78% of adults hold a bank account, indicating a significant leap forward, though still behind benchmarks in countries such as the USA and China where bank account penetration exceeds 85%. The Financial Inclusion Index (FI Index), published by RBI, improved from 53.1 in Fiscal Year 2020 to 67 in Fiscal Year 2025, with improvement in scores across access, usage and quality indicators, showcasing consistent growth.

Deepening financial inclusion has far-reaching macroeconomic implications. A more financially included population translates into higher consumer spending, greater credit penetration, and a stronger foundation for digital commerce and fintech innovation. The seamless movement of money through digital channels enhances efficiency, reduces dependency on cash, and strengthens financial stability by broadening the deposit base of banks.

The digitisation of financial services and payments has played a crucial role in the formalisation of the economy, driving transparency, efficiency, and inclusivity across various sectors. Digital payments provide a clear, traceable record of transactions, reducing scope for tax evasion and contributing to higher tax compliance and therefore high tax revenue.

In summary, India’s strong macroeconomic fundamentals, rising middle-income population, and young, digitally native demographic are accelerating its transition toward a consumption-driven, digital economy. This shift is underpinned by expanding smartphone and internet penetration, low data costs, and robust home-grown Digital Public Infrastructure stacks such as Aadhaar and UPI. Government initiatives like PMJDY have significantly deepened financial access, especially in rural and semi-urban areas, bringing millions into the formal financial system. As financial inclusion strengthens and digital readiness increases across city tiers, India is poised for the next phase of its digital financial evolution.

CHAPTER 2: INDIA'S DIGITAL PAYMENTS LANDSCAPE

The drivers of India's growth include the rise of a young working population, expanding middle-class households, increasing internet and smartphone penetration, and the rapid adoption of digital services such as payments, e-commerce, financial services, and healthcare.

2.1. **India's digital payments ecosystem has grown at a remarkable pace, led by UPI, supportive policies, a digital public-private collaboration, and innovations in the fintech space. Financial inclusion, user-friendly platforms, and government incentives have driven consumer and merchant payments adoption.**

In a rapidly evolving digital era, the way people manage and transfer money has undergone a significant transformation, with digital payments acting as a key enabler for a wide range of digitally fulfilled services. Over the past decade, India has seen a dramatic shift in how essential services are accessed and paid for, driven by the rise of digital payments, especially UPI. This shift hasn't just enabled faster transactions; it has accelerated the digital fulfilment of everyday services like mobile recharges, utility bills, direct-to-home (DTH) or broadband subscriptions, FASTag top-ups, etc. These services were once fulfilled at physical outlets such as kirana stores (small, independent outlets with minimal standardisation and regulatory oversight), telecom shops, or government counters, but have now moved online. As users adopted digital payments for person-to-person (P2P) transfers and commerce, their trust extended to recurring service payments as well. Consequently, India has emerged as the global leader in fast payments, according to a note by the IMF titled "Growing Retail Digital Payments: The Value of Interoperability".

The exponential growth of digital payments in India has also delivered significant indirect benefits to the broader economy. First, it has accelerated the formalisation of economic activity. As more transactions move online, transparency and traceability have improved tax compliance. Second, digital payments have enabled financial inclusion, with schemes like Direct Benefit Transfer allowing wages, subsidies, and small business payments to bypass intermediaries, reducing leakage and improving efficiency. Third, a 2023 Bureau of Indian Standards (BIS) study found that every 1 percentage point increase in digital payment penetration adds 0.1% to GDP over two years. This multiplier effect reflects improved productivity, faster economic cycles, and broader participation in the formal economy, making digital payments a structural growth driver.

India is transitioning to becoming a cashless economy, and the Indian government has played a critical role in enabling this shift, fostering financial inclusion for both consumers and merchants since the pilot launch of UPI conducted by NPCI with 21 member banks on April 11, 2016.

Below are some of the key drivers for the growth of India's Consumer Digital Payments ecosystem:

- **Improved financial access driven by government initiatives:** Initiatives like Aadhaar and the PMJDY initiative have expanded banking access and financial inclusion while Aadhaar based e-KYC has streamlined onboarding. 2.31 billion Aadhaar-authentication transactions and 471.9 million e-KYC transactions processed in November 2025 highlight the strength of India's DPI stack.
- **Proliferation of diverse payment methods:** A wide array of digital payment methods, including UPI, mobile wallets, and prepaid cards, among others offer consumers enhanced speed, security and convenience. Ground-level merchant acquisition efforts by digital payment players have expanded the adoption of QR payments, allowing users more digital payments options and accelerating overall adoption.
- **Growing Adoption of UPI Payments among consumers and merchants:** The combination of low-cost data, affordable smartphone access and improved financial inclusion set the foundation for UPI, which has been a key catalyst for the growth of digital payments in India. Its benefits including seamless and instant transactions directly from mobile phones, low transaction costs, enhanced security with two-factor authentication, and daily transaction limits, among others have made UPI the preferred payment method for a wide variety of consumer segments and industries.
- **External Factors:** Other factors over the past years like smartphone adoption rates (48-49% of population in Fiscal Year 2025), demonetisation in 2016, and COVID all contributed towards the rapid usage of contactless, digital payments further driving the migration towards digital payments throughout India.

With bank accounts in place, linked to Aadhaar and mobile numbers, the stage was set for seamless UPI adoption at the time of its launch, connecting identity, account, and device in one cohesive ecosystem.

Conceived under the broader framework of India Stack, a set of open Application Programming Interfaces (APIs) designed to foster digital inclusion, UPI was implemented by the NPCI, a not-for-profit entity established by the RBI

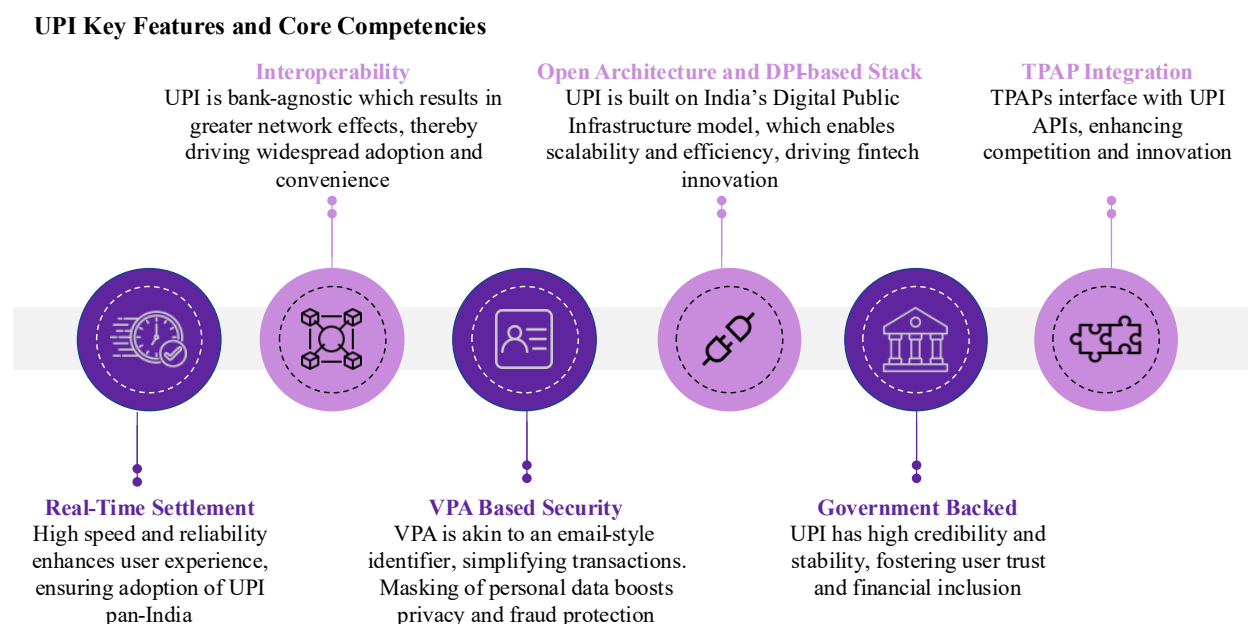
and the Indian Banks' Association (IBA). This collaborative approach combined public infrastructure with private innovation, enabling rapid adoption and scalability. Third-Party Application Providers (TPAPs) played a pivotal role, delivering user-friendly interfaces and driving mass adoption at minimal costs.

As global counterparts like Brazil's Pix, Singapore's PayNow, and the USA's FedNow seek to expand adoption, UPI has already achieved ubiquity, processing over 185 billion transactions in Fiscal Year 2025 alone. Its seamless interoperability, zero-cost model for users, and layered security architecture exemplify how thoughtful, inclusive infrastructure can redefine possibilities in financial innovation. Recognised as one of the world's leading real-time payment systems, UPI's success underscores the strategic advantage of open, collaborative digital public goods and services.

Before the launch of UPI, Indian consumers faced challenges in the payments industry such as lack of reliable and simplified payment solutions with high success rates at checkout. Since its launch in 2016, UPI has revolutionised the digital payment landscape in India by connecting everyone with a bank account and a smartphone and has evolved to be a critical national infrastructure. Designed as a secure, convenient, and real-time mobile-first payment system, UPI enables users to instantly transfer funds across banks with a virtual payment address (VPA) instead of having to share their bank account details. UPI was developed as a cornerstone of India's DPI vision, driven by a public-private collaboration model and built as an open, interoperable system. UPI's design stands out with features such as full interoperability across apps and banks, real-time bank-to-bank transfers, widespread QR-based merchant acceptance, API-driven public-private collaboration, and inclusive access via vernacular support and feature phone compatibility.

UPI enables seamless person-to-person (P2P) and person-to-merchant (P2M) transactions, driving financial inclusion by offering a secure, reliable, and convenient way to transact anytime, anywhere. Its bank-agnostic design and integration with third-party apps have fuelled mass adoption by users and merchants alike. With a low-cost, interoperable architecture requiring only a mobile phone and a bank account for consumers, and a QR code for merchants, UPI has become synonymous with digital payments in India. Traditionally used as a direct bank-to-bank debit mode, UPI has now expanded to become foundational digital rails managed by NPCI which enables seamless transactions across various payment products including Credit on UPI, Wallet on UPI, and Central Bank Digital Currency.

Figure 5: UPI is a mobile-based, real-time payment system developed by NPCI that enables zero-cost bank-to-bank transfers instantly, using VPA as the simple identifier



Source(s): NCPI, RBI, Redseer Research and Analysis

As per the article "India's UPI Revolution" released by Press Information Bureau (PIB) dated 20 July 2025, UPI is now world's number one real-time payment system and powers nearly 50% of global real-time digital payments. This growth of UPI has been shaped by several key milestones. The demonetisation in 2016 acted as an early catalyst, while the active involvement of TPAPs, through intuitive interfaces, investment in setting up technology infrastructure, establishing brand and awareness to build distribution and vernacular support, expanded UPI's reach across user segments. The COVID-19 pandemic further boosted the adoption of UPI payments. UPI continues to evolve with continued innovations such as:

- **UPI Autopay:** Enables seamless recurring payments, with close to 50 million mandates registered in March 2025 alone – demonstrating strong user adoption.
- **UPI Lite:** Designed for low-value, high-frequency transactions, it offers faster processing while reducing the load on core banking systems.
- **Credit on UPI:** Provides users with access to credit directly through the UPI platform, enhancing financial inclusion within the UPI ecosystem.
- **RuPay Credit Card Linkage:** Allows users to make payments at millions of UPI QR-enabled merchants using their RuPay credit cards.
- **Cross-Border Remittances:** Facilitates international transactions, enabling users to send and receive payments across international borders with ease.
- **UPI Circle:** Broadens access to digital payments by onboarding individuals and first-time users, such as young adults and senior citizens, into the UPI ecosystem.

The adoption of UPI payment has been further propelled by following factors:

- **Impact of External Events:** Events like demonetisation in 2016 acted as a catalyst for digital payments by creating an immediate need for non-cash alternatives. Similarly, the COVID-19 pandemic accelerated the shift to contactless transactions due to health and safety concerns. In both cases, UPI emerged as the most accessible, secure, and scalable solution, gaining widespread traction as consumers and merchants sought quick, cashless ways to transact. These external shocks reduced inertia around digital payment adoption, pushing UPI into the mainstream faster than organic market forces alone could have achieved.
- **Growth of Consumer Tech Startups:** The rise of consumer tech startups in India, fuelled by foreign direct investment (FDI), has played a pivotal role in shaping the digital ecosystem, with payments acting as a central enabler. From social media platforms to e-commerce, food delivery, education, and mobility, these startups have integrated digital payments as a fundamental feature across their offerings. Consumers now engage with digital payments in a wide variety of contexts, making UPI the go-to payment solution across multiple use cases.
- **Investments in Innovation and Scalable Tech Infrastructure:** While the availability of open-source software and public cloud infrastructure has meant that the technology barrier to entry has reduced considerably, true differentiation in the digital payments industry lies in the ability to scale reliably, securely and efficiently across multiple businesses and new use cases. TPAPs, and banks have made significant investments in building secure, scalable, and reliable digital payments infrastructure. This foundational tech backbone has enabled platforms to seamlessly handle growing transaction volumes while ensuring user trust and system resilience. Fintech players have further accelerated adoption by offering integrated, mobile-first platforms that combine payments with services like credit, insurance, and commerce thereby creating a unified, engaging user experience. Localised, multilingual support has made digital payments more inclusive, while robust security features such as encryption, biometrics, AI-driven fraud detection, and multi-factor authentication have reinforced consumer confidence. Innovations like metro QR ticketing, autopay, bill reminders, and merchant audio confirmation devices have enhanced usability. Real-time transaction tracking, analytics, and faster settlements empower merchants with better visibility and control, driving widespread adoption of solutions like UPI across the country.
- **Pan-India Merchant Acceptance Network:** A key driver of UPI's rapid growth was the extensive investment by banks and TPAPs in creating a nationwide acceptance infrastructure. By equipping over 50 million merchants with digital payment touchpoints, such as QR codes, integrated Point-of-Sale (POS) billing systems, and Electronic Data Capture (EDC) machines, they enabled seamless offline transactions. Given that a large share of retail purchases in India still occur in physical stores, this widespread merchant enablement was critical in shifting customer behaviour from cash to digital payments at the last mile.

While UPI remains the dominant mode of digital payments, other instruments such as wallets and credit cards, particularly RuPay credit cards are expected to witness growth going forward. With both wallets and RuPay credit cards now interoperable on the UPI platform, UPI has effectively become the foundational ecosystem, enabling the distribution and adoption of these instruments at scale. This interoperability allows consumers to access credit and pre-paid card payment modes with the same seamless UPI experience, while merchants benefit from unified acceptance

infrastructure. UPI is becoming the digital payment rails of the country. UPI has become a household phenomenon by powering payments for millions of users in use cases like money transfers, utility payments, offline and online merchant payments.

The expansion of digital payments in India is being driven primarily by two core transacting participants - consumers and merchants. Consumers are increasingly adopting digital payment methods due to the ease of use, financial inclusion initiatives, and trust in technology. On the other hand, merchants are embracing these solutions to enhance customer experience, streamline transactions, and drive business efficiency. In addition, as an increasing number of merchants begin to accept digital payments, it is expected to unlock a significant change in access to credit for consumers and merchants, using the underlying payments infrastructure as the “digital rails”. Both segments are integral to the ecosystem, with their collective adoption propelling digital payments:

- **Consumers:** Consumer adoption has been powered by improved financial access, growing smartphone usage, and user-friendly digital interfaces. As a result, the consumer digital payments Total Payment Value (TPV) has scaled to ₹ 301 trillion (~US\$ 3.5 trillion) in Fiscal Year 2025 and is projected to grow at 15-18% CAGR until Fiscal Year 2030. In the future, the growth of digital payments is expected to be driven by initiatives like UPI Circle, RuPay Credit Card, and cross-border integration of UPI. The growth of UPI payments is also set to be driven by Tier 2+ cities led by an increase in the UPI user base from these regions.
- **Merchants:** Merchants form the backbone of the digital payments’ ecosystem. Their acceptance of QR codes, POS devices, and online gateways are critical to the ecosystem. Merchant digital payments in Fiscal Year 2025 are at ₹ 112 trillion (~US\$ 1.3 trillion) and projected to further grow at 20-22% CAGR until Fiscal Year 2030. Government-backed incentives such as the PIDF scheme (aimed at improving the number of payment devices across the country) and the rollout of RuPay credit cards for business use have played a key role in this expansion. India’s digital merchant payment penetration stands at ~45% as of Fiscal Year 2025, significantly behind China’s 93%, highlighting a major opportunity for growth. Continued innovation is expected to drive higher adoption across retail categories and smaller businesses.

2.2. India’s digital consumer payments TPV reached ₹ 301 trillion (~US\$ 3.5 trillion) in Fiscal Year 2025, with UPI making up 87% of this volume. As more consumers embrace digital payments, UPI’s growth is likely to be fuelled by user-friendly innovations like UPI Circle, Credit cards on UPI, and increasing cross-border use cases. UPI adoption is projected to accelerate further, particularly across Tier 2+ cities, fuelled by the growing penetration of digital services such as e-commerce, food delivery, quick commerce, travel, etc. As a result, Tier 2+ cities are projected to contribute ~65% of UPI’s consumer TPV by Fiscal Year 2030.

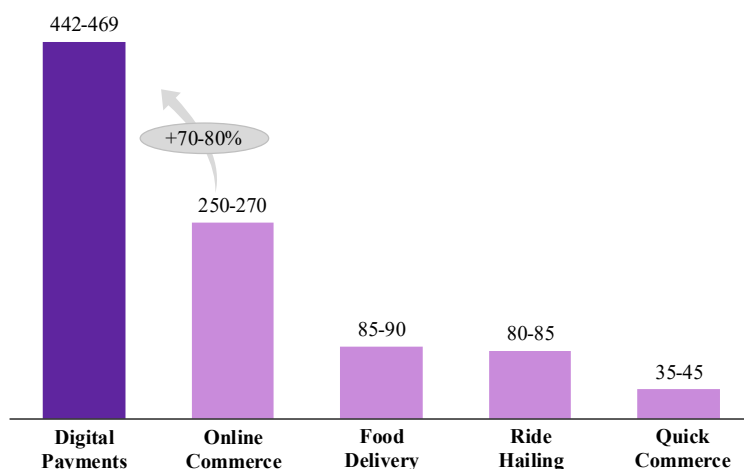
Consumers are increasingly transacting digitally across categories driven by growing adoption of smartphones, wider internet access, and availability of various digital payment methods. These transactions include peer to peer payments, recharges, bill payments, online and offline shopping, purchase of tickets, purchase of wealth products, etc. The digital consumer payments include P2M as well as P2P payments through modes such as UPI, Credit and Debit cards, Net banking, and others (Wallets, Pre-Paid Instruments (PPI)), etc. Within this rapidly expanding landscape, UPI has emerged as the fastest growing and largest digital payment mode, growing at 65% CAGR between Fiscal Year 2020 and Fiscal Year 2025 reaching ₹ 261 trillion (US\$ 3.1 trillion) and accounting for the dominant share at 87% of consumer payments TPV in Fiscal Year 2025. This digital consumer TPV has witnessed a rapid growth between Fiscal Year 2020 and Fiscal Year 2025, driven by the two major factors: (A) growth of digital payments user base and (B) the widening of digital payments use-cases.

A. Growing Digital Payments Userbase

As of Fiscal Year 2025, the number of Annual Transacting Users (ATUs) for digital payments has reached 442-469 million, ~54% of internet users. Digital payment ATUs are 170-180% of online commerce (250-270 million). In comparison, Food Delivery, Ride Hailing, and Quick Commerce have ATUs of 85-90 million, 80-85 million, and 35-45 million respectively. This indicates that digital payments not only have the highest user adoption, but they also pave the way for consumers to adopt more online services as their comfort with online transactions increases.

Figure 6: The ATUs for digital payments is 170-180% that of online commerce, indicating how it has been highly adopted and is paving way for consumers to adopt online services increasingly

Annual Transacting Users (ATUs) – Split by sectors
In million, FY25



Source(s): Redseer Research and Analysis

B. Widening of digital payment usage across use-cases and payment modes

Digital payments have rapidly expanded across multiple sectors, including government services, healthcare, education, retail, etc. Recurring payments like tuition fees, medical services, etc. in the education and healthcare sector, bill payments for mobile recharges, utility bills, rent, insurance premium, FASTag top-ups, credit card bills, mutual fund SIPs, etc. are increasingly shifting towards digital channels, offering convenience and streamlining payment processes.

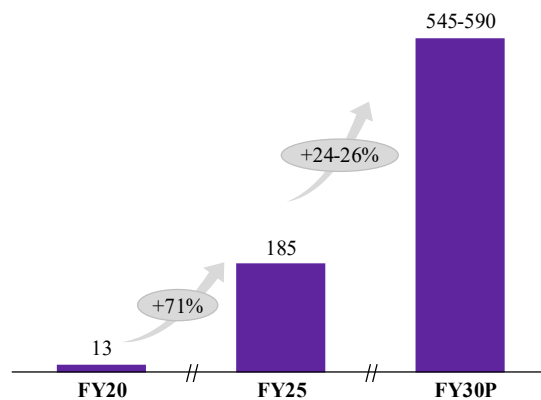
- **Recharges:** Mobile recharges, a key sub-category within bill payments, represent a ~₹ 2.8 trillion (~US\$ 0.03 trillion) market in Fiscal Year 2025, and are projected to more than double by Fiscal Year 2030 to reach ~₹ 6.9 trillion (US\$ 0.08 trillion). This highlights the growing opportunity for digital payments usage across a wide use-cases.
- **Utility Bill Payment:** Bharat Bill Payment System (BBPS), now Bharat Connect (since August 2024), which provides a unified platform for digital payments across multiple bill payment categories has further propelled the digital consumer payments. The Bharat Connect ecosystem comprises several key components: the Central Unit, managed by NPCI Bharat BillPay Limited (NBBL), which defines operating standards; Biller Operating Units (BOU) that onboard and manage billers which are typically banks; Customer Operating Units (COU) which facilitate digital interfaces for consumers to ensure seamless transactions and bill payments. With over 22,400 billers onboarded and more than 30 supported payment categories as of November 2025, Bharat Connect has expanded significantly to reach ~₹ 10 trillion (~US\$ 0.12 trillion) TPV in Fiscal Year 2025.

UPI has been the primary driver for digital consumer payments usage in India, with its seamless and secure solutions gaining widespread adoption. Innovations like UPI Circle, Credit on UPI, and UPI's expansion into Tier 2+ cities and global markets are set to further accelerate growth and broaden financial access.

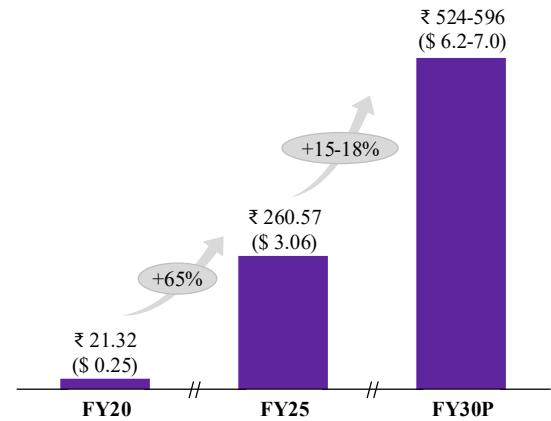
Driven by seamless and secure transactions, and the proliferation of TPAPs, the overall UPI payments TPV has grown at a robust CAGR of 65% between Fiscal Year 2020 and Fiscal Year 2025. The increasing ubiquity of UPI payment usage for P2P payments has translated into higher adoption for P2M or merchant payments. As a result, UPI P2M payments have outpaced P2P payments in growth, recording a CAGR of 91% compared to a CAGR of 59% for UPI P2P payments during the same period. UPI payments TPV is projected to continue its upward trajectory with a CAGR of 15-18% through Fiscal Year 2030. This would take the overall UPI payments TPV to around a projected ₹ 524-596 trillion (US\$ 6.2-7.0 trillion) by Fiscal Year 2030.

Figure 7: UPI payments volume and TPV have grown at a robust CAGR of 71% and 65% respectively between Fiscal Year 2020 and Fiscal Year 2025 and are projected to grow at a CAGR of 24-26% and 15-18% respectively between Fiscal Year 2025 and Fiscal Year 2030P

UPI payments volume growth
(In billion, FY20, FY25, FY30P)



UPI payments TPV growth
(In ₹ trillion (US\$ trillion), FY20, FY25, FY30P)



Note(s): 1. Conversion rate: US\$ 1 = ₹ 85

Source(s): NPCI (April 2025), RBI (April 2025), Redseer Research and Analysis

The future growth of UPI payments is expected to be driven by several factors:

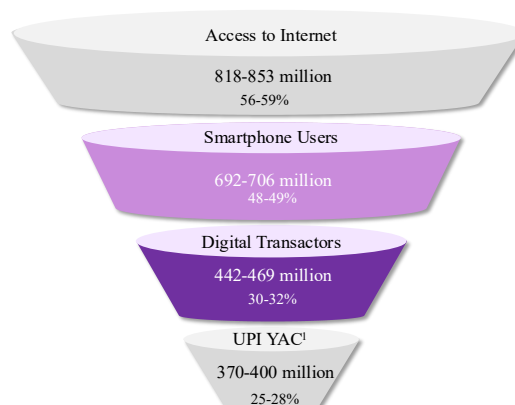
- **Demographic Dividend:**

- **UPI adoption across multiple cohorts:** UPI has become a ubiquitous payment solution, extending its reach across diverse user segments and geographies. Its adoption spans from large retailers and e-commerce platforms to small businesses, including Kirana stores, street vendors, and everyday shopping needs like groceries and utilities. UPI has been adopted across all consumer cohorts including homemakers, senior citizens, and younger populations like Gen-Z (born between 1997 and 2010). The Yearly Active Customers for UPI as of Fiscal Year 2025, stood at 370-400 million (25-28% of population), indicating UPI's wide scale of adoption.

Figure 8: UPI YAC form 25-28% of India's total population as of Fiscal Year 2025

Digital Consumer Funnel

In million (% of population), FY25



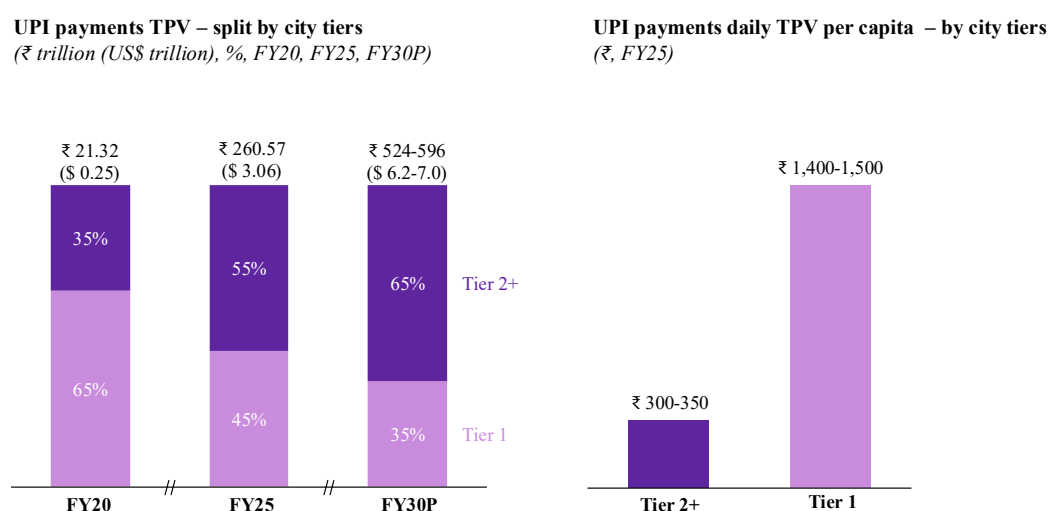
Note(s): 1. YAC stands for yearly active customers

Source(s): Redseer Research and Analysis

- **Growing penetration of UPI payment from Tier 2+ cities:** While UPI has already seen strong adoption, nationwide, its next phase of growth will likely be led by deeper penetration in India's Tier 2 and small cities. Rising digital adoption, fuelled by the expansion of e-commerce, food delivery platforms, and a shift towards organised retail is accelerating this trend. Additionally, increasing UPI acceptance even among unorganised merchants, is further driving usage in these

markets. This trend also fosters financial inclusion by integrating diverse consumer segments into the digital economy. In Fiscal Year 2025, Tier 2+ cities contributed ~55% to the UPI payments TPV. With UPI's fast, easy, secure, and low-cost capabilities, and the growing reach of consumer tech into Tier 2+ cities, UPI's transaction value share in these regions is projected to grow to ~65% by Fiscal Year 2030. Despite this, TPV per capita largely remains underpenetrated and has a significant headroom for growth in Tier 2+ cities, relative to Tier 1 consumers. The per capita UPI daily TPV among Tier 1 population is 400-500% that of Tier 2+ cities' population, indicating significant headroom potential.

Figure 9: Although Tier 2+ cities have a higher UPI payments TPV split, TPV per capita in these regions still remains underpenetrated, indicating further headroom for growth



Note(s): 1. Tier 1 cities are cities with a population of more than 0.1 million (including metro and state capitals), while Tier 2+ cities are cities with population less than 0.1 million. 2. Conversion rate: US\$ 1 = ₹ 85

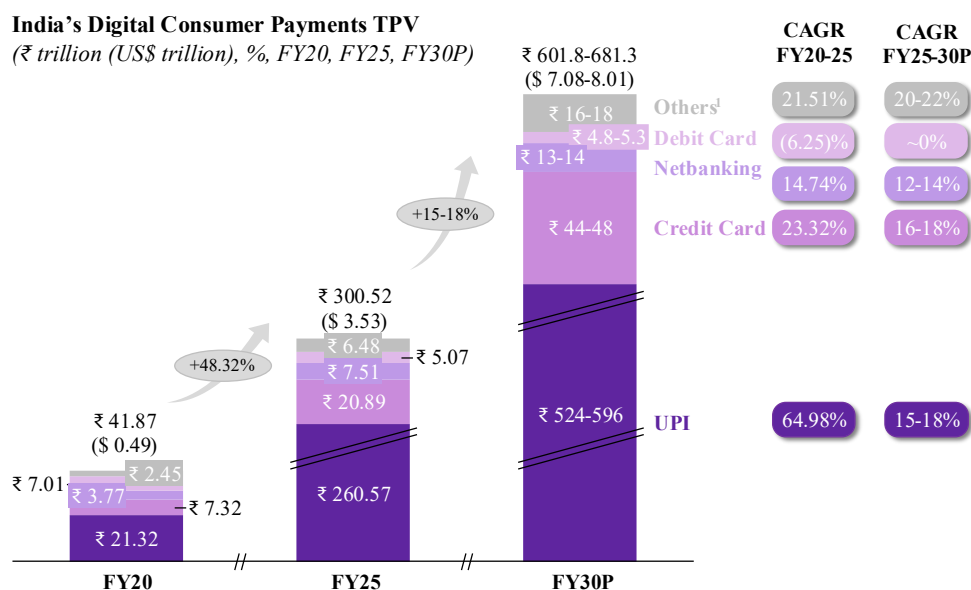
Source(s): RBI (April 2025), NPCI (April 2025), Redseer Research and Analysis

- **Innovations in UPI:**

- **Credit and RuPay CC on UPI:** Integration of credit within UPI provides greater financial flexibility and accessibility by allowing users to make credit-based payments through UPI apps. This enhances credit access, expands merchant acceptance, and deepens digital payment penetration across consumer segments.
- **UPI Circle and UPI Lite:** UPI Circle enables primary UPI account holders to delegate payment authority to trusted secondary users. With customisable access controls and transaction limits, UPI Circle promotes financial inclusivity by enabling individuals like elderly family members, domestic helpers, children, etc. to perform digital payments securely without the need to maintain a separate bank account. Further, UPI Lite is a digital account designed to facilitate low-value transactions. It is an on-device wallet service that allows low-value transactions, promoting the digitisation of simple payments that do not require a PIN.
- **UPI on feature phones:** Smart feature phone users can perform key banking functions such as checking balances, sending or receiving money, and generating UPI Personal Identification Numbers (PINs), without requiring internet connectivity. This capability plays a critical role in bridging the digital divide, particularly in rural and low connectivity regions, through smart feature phones that are typically available at more affordable prices.
- **Global Expansion and Cross-Border Integration of UPI:** NPCI International Payments Limited (NIPL), a wholly owned subsidiary of NPCI was incorporated in 2020 for the deployment of RuPay and UPI outside of India. Consequently, the UPI's international footprint has expanded significantly, with the system now operational in countries such as the United Arab Emirates (UAE), Singapore, Bhutan, Nepal, Sri Lanka, France and Mauritius. UPI has already partnered with international payment systems such as Singapore's PayNow and has also signed an agreement to link UPI with UAE instant payment platform Aani. Additionally, NIPL is also partnering with countries like Peru and Namibia to develop UPI-like real-time payment systems.

The growth of UPI has been a key driver of India's broader digital payments expansion. As UPI adoption increased, it laid the foundation for a surge in transaction volumes across various digital platforms. With government support, smartphone penetration, and seamless integration with other payment systems, UPI has significantly contributed to the rise of digital wallets and mobile payments, accelerating India's transition towards a cashless economy. Consequently, the digital consumer payments TPV has grown at a CAGR of 48% between Fiscal Year 2020 and Fiscal Year 2025, reaching ~₹ 301 trillion (~US\$ 3.5 trillion) in Fiscal Year 2025. Further, the TPV is projected to grow at a CAGR of 15-18% to reach ₹ 602-681 trillion (US\$ 7.1-8.0 trillion) by Fiscal Year 2030.

Figure 10: The digital consumers payments TPV grew from ₹ 42 trillion (US\$ 0.5 trillion) to ₹ 301 trillion (US\$ 3.5 trillion) between Fiscal Year 2020 and Fiscal Year 2025 at a CAGR of 48% and is projected to grow at a CAGR of 15-18% between Fiscal Year 2025 and Fiscal Year 2030, reaching a value of ₹ 602-681 trillion (US\$ 7.1-8.0 trillion)



Note(s): 1. Others include wallets, PPI transactions, etc. 2. Conversion rate: US\$ 1 = ₹ 85
Source(s): NPCI (April 2025), RBI (April 2025), Redseer Research and Analysis

2.3. With increasing consumer adoption, India's merchants are also swiftly transitioning to digital payments. This has been supported by availability of multiple solutions catering to needs across the spectrum, from static QRs, to audio payment confirmation devices and all-in-one EDC solutions.

Merchant payments include all customer-to-business transactions, across both physical stores and digital platforms. Offline acceptance points include QR codes, audio payment confirmation devices, EDC machines, Point-of-sale billing systems, etc., which facilitate in-person digital transactions. Online merchant payments are typically processed through payment gateways, which allow customers to make secure payments for goods and services via websites and apps. These solutions streamline payment processes, making transactions faster, more secure, and more accessible for both merchants and consumers across different platforms.

The growth in India's digital merchant payments is happening across offline and online channels, driven by tailored product offerings and innovations:

A. Offline Product Offerings and Innovations:

The growth of digital payments across merchants is expected to be driven by the availability of tailored products and innovations that address specific merchant needs in both offline and online environments. The offline payment solutions cater to the different sizes of businesses through tailored payment solutions such as:

- **Audio payment confirmation devices:** These are user-friendly, simple devices that provide audio confirmation of successful UPI transactions. Celebrity voice features and multi-lingual support are further driving adoption among merchants.
- **Point-of-sale billing systems:** Sophisticated tools that manage digital payments along with business processes such as inventory, sales, and accounting. By integrating payment gateways into their point-of-sale billing systems, merchants can streamline their payment acceptance and business operations.

India boasts a substantial base of 80-82 million merchants in Fiscal Year 2025. Of these 56-58 million are large enterprises, mid-market businesses, and small and micro merchant segments which are trade and service focused and hence are primary contributors towards P2M payments. Each merchant segment exhibits diverse operational needs and varying preferences for digital payment solutions such as audio payment confirmation devices, EDC machines, point-of-sale billing systems, etc. These variations are reflective of the payment volume, digital maturity, and complexity of each merchant segment.

Table 1: Focused Merchant Segments

Parameters	Small & Micro Merchants	Mid-Market Businesses	Large Enterprises
Number of merchants (Fiscal Year 2025)	56-58 million trade and services-based merchants	30,000 - 40,000	< 20,000
Payment Solutions Requirement	Low-cost, easy-to-use payment solutions like UPI through QR stickers, audio payment confirmation devices. Were earlier dependent on cash acceptance only which is being substituted by UPI	Flexible, integrated, and cost-effective payment solutions; UPI and card payments through EDC	Multiple payment solutions along with point-of-sale billing system integration, real-time data analytics, omnichannel affordability solutions, and loyalty management systems
Business scale	Low	Low to Medium	High
Channel	Typically offline	Online and offline	Online and offline

Historically, cash transactions have dominated the Indian merchant landscape; however, as these merchants increasingly adopt digital payment solutions and scale their businesses, they are transitioning to more sophisticated digital payment systems.

B. Online Product Offerings and Innovations:

As more businesses move to e-commerce platforms, online payment systems are becoming essential. Digital payment solutions such as Card Tokenisation and UPI Payment Integrations are revolutionising how merchants accept payments:

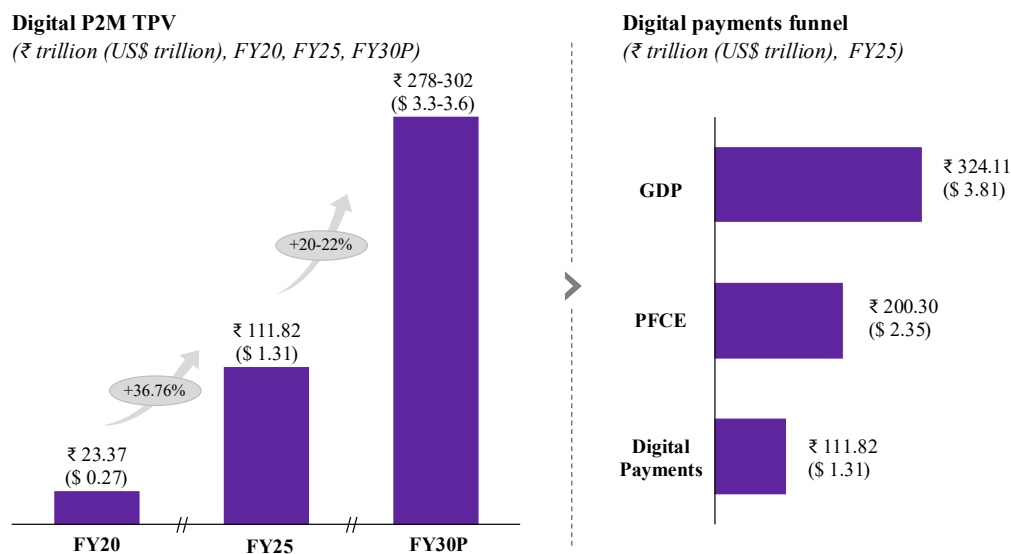
- **UPI Payment Integrations:** As UPI continues to be widely adopted, merchants of all sizes and across sectors can leverage UPI Payment Integrations to offer customers a seamless, secure, and low-cost payment method. This is beneficial across all merchant segments, who can offer UPI payments without incurring additional fees that are typically associated with card payments.
- **Card Tokenisation:** Tokenisation is a security feature that replaces sensitive card details with unique identifiers (tokens) that are stored with the card network. This reduces the risk of fraud, making it a crucial tool for large merchants who process high volumes of transactions. Device tokenisation ensures that tokens are created and saved at a device level and consumers do not need to create merchant specific tokens. Such solutions ease the payment experience for consumers and simultaneously reduce the risk. This also results in higher payment success rates for merchants which is a critical business growth enabler.

UPI payment integrations and card tokenisation are designed to address the specific needs of merchants. As digital payment players continue to invest in distributing these solutions, merchants will likely become increasingly empowered to accept digital payments and cater to the diverse needs of all customer segments. In addition, the growing active UPI merchant base and increasing adoption of UPI is driving the growth in the Total Payments per Active Merchant (TPAM) per month for UPI payments. An active merchant is defined as one who conducts a minimum of 1 transaction per month. The number of active merchants using UPI increased from ~9 million in Fiscal Year 2020 to ~21 million by Fiscal Year 2025, driven by the widespread adoption of QR-based payments. Meanwhile, TPAM per month rose ~1,717% from ~18 to ~327 transactions volume during the same period. Driven by ongoing UPI innovations and the increasing frequency of usage among active merchants, the UPI TPAM per month is projected to reach ~773 transaction volume by Fiscal Year 2030.

The digital P2M payments TPV which stood at ₹ 23 trillion (~US\$ 0.3 trillion) in Fiscal Year 2020, has grown at a CAGR of 37% between Fiscal Year 2020 and Fiscal Year 2025 to reach ₹ 112 trillion (~US\$ 1.3 trillion), driven by the increasing digital adoption among merchants. This includes ₹ 22 trillion (~US\$ 0.3 trillion) of payments against loan and credit card repayments and capital market transactions through UPI and auto-pay in Fiscal Year 2025, which are not part of the PFCE. The share of cash transactions in PFCE therefore stands at 55% in Fiscal Year 2025, down from 81% in Fiscal Year 2020. The digital P2M TPV is projected to grow at 20-22% CAGR by Fiscal Year 2030 and reach ₹ 278-302 trillion (US\$ 3.3-3.6 trillion).

Along with the growth of in-store digital payments, there also has been significant expansion of digital payments in the online segment across the e-commerce sector, Direct-to-Consumer (D2C) brands, and various hyperlocal online sectors such as food delivery, quick commerce, and ride-hailing. This momentum in online digital payments has also been driven by a surge over the past year for BBPS use-cases such as credit card bill payments (~3,000% YoY growth) and loan repayments. Additionally, there also has been significant growth in the adoption of UPI for wider online payments. For instance, UPI Autopay mandates, typically used for recurring payments, subscriptions, SIPs, etc., have seen a sharp rise, growing by over 400% YoY. The capital markets have also witnessed that the consumers on broker platforms are adopting UPI as the preferred mechanism for wallet top-ups to fund equity and derivatives trading. This growth in online merchant payments has been a key enabler for the broader online ecosystem, supporting the digital transaction infrastructure essential for these sectors to thrive.

Figure 11: Digital P2M TPV, which stands at ₹ 112 trillion (US\$ 1.3 trillion) in Fiscal Year 2025, is projected to grow at a CAGR of 20-22% between Fiscal Year 2025 and Fiscal Year 2030, reaching a value of ₹ 278-302 trillion (US\$ 3.3-3.6 trillion)

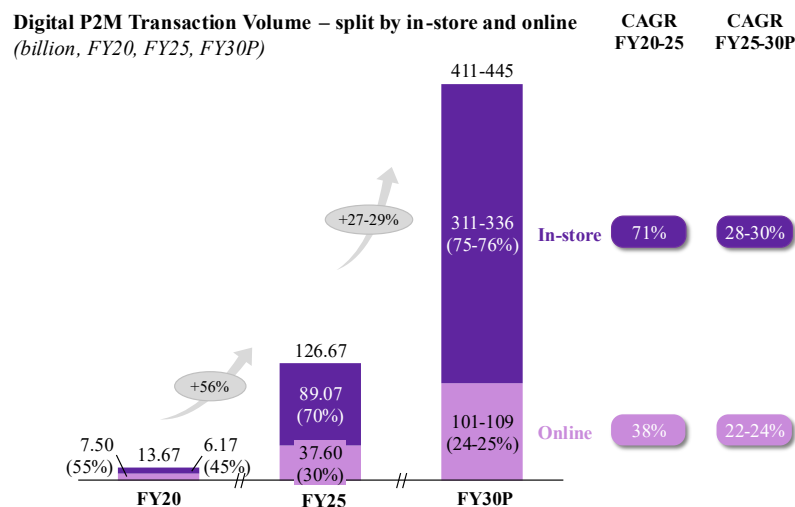


Note(s): 1. Conversion rate: US\$ 1 = ₹ 85

Source(s): RBI (April 2025), MoSPI (April 2025), Redseer Research and Analysis

The digital P2M payments volume expanded faster than the digital P2M payments value, with digital P2M payments volume recording a CAGR of 56%, as compared to digital P2M TPV recording a CAGR of 36.76%, between Fiscal Year 2020 and Fiscal Year 2025. This growth was driven by the adoption of UPI across high-frequency, small ticket cash transaction use-cases. Within this, in-store digital payments grew the fastest supported by wider offline merchants' acceptance that typically have a higher proportion of small ticket sized transactions. The in-store digital P2M payments volume grew at a CAGR of 71% compared to that of 38% CAGR for online segment between Fiscal year 2020 and Fiscal Year 2025. Looking ahead, as digital payment use-cases continue to broaden, the digital P2M payment volumes are further projected to grow at 27-29% CAGR through Fiscal Year 2030.

Figure 12: Digital P2M payments volume grew at a CAGR of 56% between Fiscal Year 2020 and Fiscal Year 2025, whereas the in-store digital P2M payments volume grew at a faster CAGR of 71% during the same period, driven by higher adoption for high frequency small-ticket sized transactions



Source(s): RBI (April 2025), Redseer Research and Analysis

The increasing digitisation of offline merchants has led to a higher number of digital customer transactions. As a result, the transactions made to merchants, which typically have a lower average transaction value, witnessed a higher growth compared to that of Customer transactions. Consequently, the growth in Customer transactions has outpaced the growth of Customer TPV, similar to that of merchant digital payments.

Prior to 2020, UPI transactions attracted a Merchant Discount Rate (MDR), which served as a revenue stream for TPAPs, Payment Aggregators and Sponsor banks. To drive mass adoption of digital payments, especially among small and micro merchants, the government waived off MDR on UPI and RuPay transactions, to eliminate a cost barrier for merchants and encourage wider acceptance of digital payments. To complement this move and ensure the long-term sustainability of the UPI ecosystem, the government introduced the Digital Incentive (DI) scheme aimed at incentivising low value UPI transactions for the TPAPs and Sponsor banks. While the MDR waiver directly benefited merchants, the DI scheme benefitted acquirers, TPAPs and banks. This ensures continued investment in infrastructure, service quality, and innovation across the ecosystem, ultimately benefiting merchants through improved accessibility, reliability, and reach of UPI services, particularly in underserved and rural areas.

Recognising the need for a sustainable monetisation model, the Payments Council of India (PCI) has urged the government to review the Zero MDR policy on UPI transactions for large merchants and all RuPay debit card transactions. Going forward, a carefully structured MDR regime could provide the necessary commercial incentive for ecosystem players to continue investing in innovation, infrastructure, and merchant acquisition. While it may marginally increase costs for certain segments, the revenue potential could strengthen the business case for digital payment providers, enabling deeper coverage, improved service quality, and continued growth in UPI adoption across the country.

Today, merchant digital payment solution providers monetise through several streams, including device rental income from POS terminals and QR code devices, setup fees, transaction fees based on volume and merchant segments, MDR on debit cards and credit cards, wallets on UPI, and government-backed schemes like DI and PIDF. They also generate revenue from subscription fees for premium services, cross-selling financial products like loans and insurance, and offering advertising and marketing services within the platform. These varied monetisation methods support sustainable growth for digital payment providers

In summary, India's digital payments ecosystem has grown rapidly, led by UPI's widespread adoption across consumer and merchant segments, particularly in Tier 2+ cities. Government-led innovations such as UPI Autopay, Credit on UPI, UPI Circle, UPI Lite, etc. combined with an active role of TPAPs in building intuitive, user-friendly platforms have significantly expanded use cases and driven UPI adoption. As digital payments become embedded in everyday life across user segments, they are creating valuable digital transaction records that are laying the foundation for financial services in India's formal economy.

CHAPTER 3: INDIA'S DIGITAL LENDING LANDSCAPE

India's lending ecosystem is a dynamic and evolving landscape, playing a crucial role in the nation's economic development. It comprises a diverse range of players, from traditional banks and Non-Banking Financial Companies (NBFCs) to fintech companies all catering to the varied credit needs of individuals and businesses. The ecosystem is continually being reshaped by technological advancements, regulatory reforms, and shifting market dynamics.

Digital Lending refers to the process of offering loans through digital platforms, leveraging technology to streamline the application, approval, and disbursement processes.

The Indian Digital Lending landscape is undergoing a significant transformation, characterised by the rising adoption of digital platforms, propelled by India's evolving digital economy and accelerating digital payments penetration. This has fostered a rapid embrace of Fintech lending since its emergence around 2015-16. The sector's growth is further underpinned by robust regulatory support through favourable policy frameworks and the continuous development of Digital Public Infrastructure. A key aspect of the evolving landscape is the proactive regulatory environment shaped by the RBI, which, particularly through the recent comprehensive “RBI (Digital Lending) Directions, 2025” issued in May 2025, aims to foster orderly growth while enhancing transparency, ensuring robust data privacy and governance, strengthening borrower protection, and clarifying the roles and responsibilities of various entities within the ecosystem, including Lending Service Providers (LSPs) and Regulated Entities (REs).

Fintech companies are advancing traditional lending models and championing financial inclusion by addressing previously underserved and unserved user segments. They employ data-driven assessment methods utilising digital footprints in helping lenders assess creditworthiness in addition to conventional credit scores and thus democratising access to credit. Technological advancements are integral to refining credit risk assessment, bolstering fraud detection, and personalising customer service, enabling lenders to offer tailored loan products and optimise operational efficiencies. Supporting elements like payment infrastructure, credit bureaus for informed decision-making, and cybersecurity firms to protect sensitive data, collectively foster a seamless, customer-centric, and secure digital lending environment.

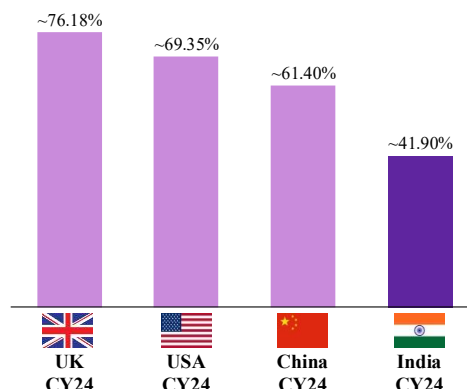
Strategic collaborations between Fintech companies and traditional financial institutions (banks and NBFCs) are creating synergies that combine innovative agility and reach with established trust, further expanding the digital credit market and contributing to India's broader economic growth.

3.1. India offers a substantial growth opportunity in credit penetration, with its relatively low household debt-to-GDP ratio and untapped credit access, especially when compared to global benchmarks

India's credit penetration market has further growth potential when compared to other countries. India's household debt as a % of GDP remains low at ~41% as of Fiscal Year 2025, significantly lower than countries such as the UK (~76%), USA (~69%), and China (~61%), each for Calendar Year 2024, indicating substantial headroom for growth.

Figure 13: India's household debt as a % of GDP remains to be lower than other global economies, indicating a growth headroom

Household debt as a % of GDP – India and global benchmarks
(%, As on end-December, 2024 (India), CY24 (China, UK, USA))



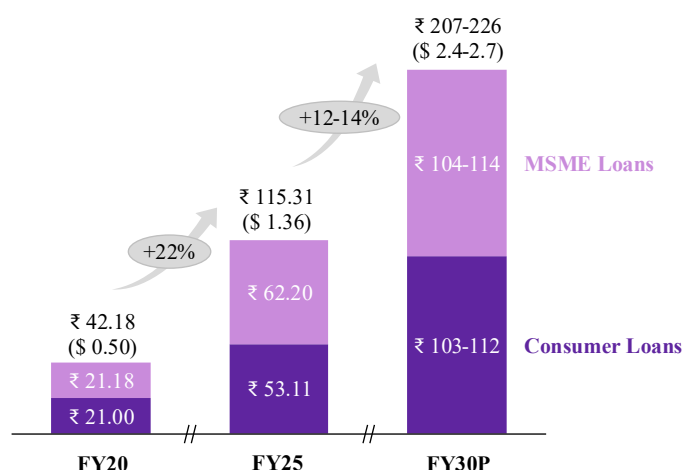
Source(s): RBI (April 2025), IMF: Household debt, loans and debt securities (September 2025), Redseer Research and Analysis

India's Consumer & Micro, Small and Medium Enterprises (MSME) loans (excluding corporate loans) landscape presents a significant long-term opportunity, driven by rising credit penetration, digital innovation, and increasing

financial inclusion. India's Consumer & MSME loans disbursal market, including both secured and unsecured loans have seen accelerated growth over the past few years, growing at CAGR of 22% between Fiscal Year 2020 and Fiscal Year 2025 to reach ~₹ 115 trillion (~US\$ 1.4 trillion) and is projected to grow further at a CAGR of 12-14% to reach ₹ 207-226 trillion (US\$ 2.4-2.7 trillion) by Fiscal Year 2030.

Figure 14: India's consumer & MSME loans disbursements grew from ₹ 42 trillion (US\$ 0.5 trillion) to ₹ 115 trillion (US\$ 1.4 trillion) between Fiscal Year 2020 and Fiscal Year 2025 at a CAGR of 22% and is projected to grow at a CAGR of 12-14% between Fiscal Year 2025 and Fiscal Year 2030, reaching a value of ₹ 207-226 trillion (US\$ 2.4-2.7 trillion)

India's Consumer & MSME Loans Disbursements
(₹ trillion (US\$ trillion), FY20, FY25, FY30P)



Note(s): 1. Conversion rate: US\$ 1 = ₹ 85, 2. MSME loans include Secured Business Loans, Commercial Vehicle Loans, Unsecured Business Loans and MSME Entity Loans 3. Consumer loans include Auto Loans, Housing Loans, Two-Wheeler Loans, Gold Loans, Loans against Securities, Used Car and Tractors Loans, Property Loans, Personal Loans, Consumer Durable Loans, Education Loans, and Other loans. It does not include credit card loans

Source(s): Redseer Research and Analysis

Both demand-side and supply-side factors are driving the shift in India's credit environment. On the demand side, an increased consumer appetite for formal credit across segments is fuelled by growing aspirations and the need for medium and short-term liquidity. On the supply side, financial institutions and fintech players have expanded credit access, facilitated by technological advancements, supportive regulatory frameworks, the emergence of new-age digital lending models, and the capability for end-to-end digital customer acquisition. In addition, the advancing formalisation of India's economy substantially strengthens this credit growth, driven by:

- **Digital Public Infrastructure:** Robust digital infrastructure (Aadhaar, e- KYC, UPI, Account Aggregator, and the Unified Lending Interface (ULI)) enabling scalable, cost-effective, and faster digital lending.
- **Advanced Credit Underwriting:** Utilising newer data footprints (digital payments, mobile usage, spending patterns, GST returns) and methods to assess creditworthiness and expand credit access, including to new-to-credit (NTC) borrowers.
- **Expanding Reach to Deepen Market Penetration:** Having invested significantly in payments to acquire users (both consumers and merchants) across all the tiers of India, key fintech players benefit through this extensive reach, which provides a strong foundation for deepening lending penetration. Emerging players are strategically investing and deepening in
 - Enhancing user experience and accessibility via scalable, user-friendly digital journeys.
 - Ensuring broader market access by establishing a comprehensive PAN-India physical presence, integral to an effective 'phygital' strategy.
 - Empowering potential borrowers through robust financial and credit literacy initiatives. These combined efforts are vital for onboarding new and underserved customer segments.

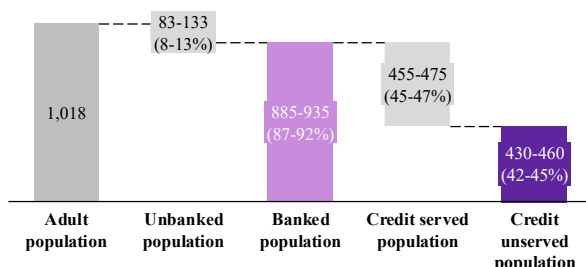
- **Supportive Government & Regulatory Framework:**
 - *Digital Lending Guidelines:* Promoting consumer protection and fair lending practices within the digital lending ecosystem
 - *Guarantee Schemes:* Facilitating financial inclusion through initiatives like Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), Credit Guarantee Fund for Micro Units (CGFMU), etc., encouraging financial inclusion, particularly for underserved populations and the priority sector
 - *Financial Inclusion Initiatives:* Expanding access to formal financial services through the JAM trinity (Jan Dhan-Aadhaar-Mobile) which has broadened the market for digital lenders by integrating the unbanked and underbanked
 - *Account Aggregator Framework:* Improving credit assessment through secure and consented sharing of financial data between institutions.

3.2. India's consumer loans disbursal market stands at ₹ 53 trillion (~US\$ 0.6 trillion) in Fiscal Year 2025 and is projected to grow at a CAGR of 14-16%, reaching ₹ 103-112 trillion (US\$ 1.2-1.3 trillion) by Fiscal Year 2030

India's consumer loan market shows substantial potential for growth, particularly when benchmarked against developed economies like the USA. As of Fiscal Year 2025, 87-92% of India's adult population have access to a bank account, yet only 45-47% (around 455-475 million individuals) have access to credit. In contrast, 95-97% of the adult population in the USA is served with credit, highlighting a substantial opportunity to increase credit access in India. Additionally, among the 430-460 million individuals without credit access in India, 75-80% are in Tier 2+ cities, underscoring the under-penetration in these regions. Consequently, as credit penetration continues to rise, consumer loan disbursals are projected for further robust growth in the coming years.

Figure 15: As of Fiscal Year 2025, 42-45% of India's total adult population has not been served credit and 75-80% of this population is from Tier 2+ cities

India's Credit Penetration Funnel
(millions (% of adult population) FY25)



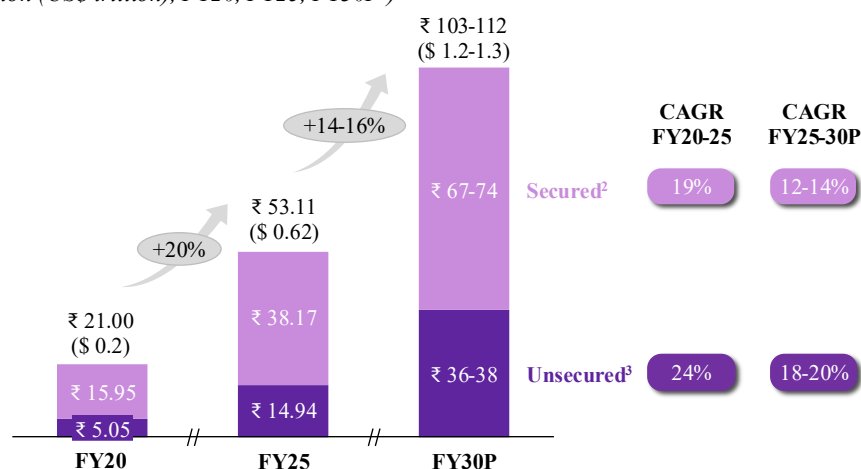
Note(s): Credit unserved population also includes credit underserved population
Source(s): World Bank (April 2025), Redseer Research and Analysis

India's consumer loans disbursal market witnessed a robust growth of 20% between Fiscal Year 2020 and Fiscal Year 2025. Historically, India's consumer loans have been dominated by secured loans like housing and auto, predominantly serving salaried and urban populations. However, recent trends show a significant shift toward broader credit access, with a rise in unsecured and digitally disbursed loans; even secured loans are gradually being digitised. As a result, unsecured consumer loan disbursals experienced a substantial 24% CAGR between Fiscal Year 2020 and Fiscal Year 2025, outpacing the 19% CAGR of secured loan disbursals during the same period. This trend is projected to persist over the next five years, with unsecured loan disbursals projected to grow at a CAGR of 18-20%, while secured consumer loan disbursals are anticipated to grow at a CAGR of 12-14%, by Fiscal Year 2030. This shift highlights the growing demand for flexible and accessible credit across diverse consumer segments. The digital penetration in secured loans is seeing traction, driven by advancements in technology, Digital Public Infrastructure, and regulatory support. This growing penetration is particularly beneficial for categories like Loan against Mutual Funds (LAMF). A critical driver underpinning the burgeoning opportunity is the consistent and robust growth of Assets Under Management (AUM) in the Indian mutual fund industry, especially amongst retail investors. Digital platforms facilitate instant processing, largely paperless transactions, and a seamless customer experience, thereby unlocking a substantial market for efficient, collateral-backed liquidity.

Figure 16: Unsecured consumer loan disbursals are projected to grow at a CAGR of 18-20% between Fiscal Year 2025 and Fiscal Year 2030, in contrast to secured consumer loan disbursals, which are projected to grow at a CAGR of 12-14% in the same period

India's Consumer Loan Disbursals – split by secured vs. unsecured loans

(₹ trillion (US\$ trillion), FY20, FY25, FY30P)



Note(s): 1. Conversion rate: US\$ 1 = ₹ 85, 2. Secured Loans category includes Auto Loans, Housing Loans, Two-Wheeler Loans, Gold Loans, Loans against Securities, Used Car and Tractors Loans, and Property Loans 3. Unsecured Loans category includes Personal Loans, Consumer Durable Loans, Education Loans, and other loans. The figure does not include credit card loans

Source(s): Redseer Research and Analysis

The rise of digital payments has facilitated the creation of extensive data footprints, thereby driving the growth of unsecured personal loan disbursals. This, combined with advanced credit assessment models analysing diverse data (like digital payment transactions, recurring payments, spending patterns, account activity, and cash flows), is expanding credit access to consumers previously underserved or unserved due to a lack of formal credit history. This signifies a paradigm shift from collateral-based to informed, data-driven lending, fostering broader financial inclusion.

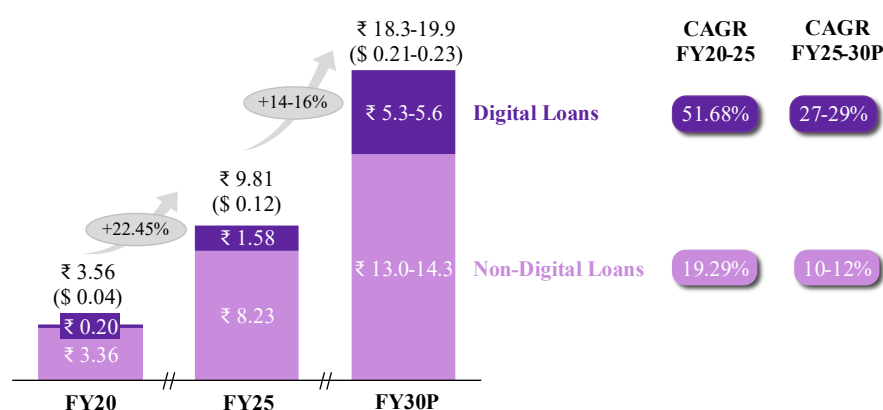
Unsecured personal loans have become attractive due to their accessibility, speed, and flexibility, making them ideal for consumers in both urban and rural areas. Consequently, the unsecured personal loan disbursals grew at a 22% CAGR (Fiscal Year 2020-25) to ~₹ 9.8 trillion (~US\$ 0.12 trillion). Driven by increasing consumer demand and the emergence of advanced credit assessment platforms, the unsecured personal loan disbursals are further projected to grow at a 14-16% CAGR to reach ₹ 18.3-19.9 trillion (US\$ 0.21-0.23 trillion) by Fiscal Year 2030.

The crucial role of digital penetration within the unsecured personal loan segment is underscored by its rapid growth: the share of digital disbursals rose from 6% in Fiscal Year 2020 to 16% in Fiscal Year 2025 and is projected to further expand to 26-28% by Fiscal Year 2030.

Figure 17: Digital unsecured personal loan disbursals are expected to grow at a CAGR of 27-29% between Fiscal Year 2025 and Fiscal Year 2030, in contrast to non-digital unsecured personal loan disbursals, which are expected to grow at a CAGR of 10-12% in the same period

India's Unsecured Personal Loan Disbursals – digital vs non-digital

(₹ trillion (US\$ trillion), FY20, FY25, FY30P)



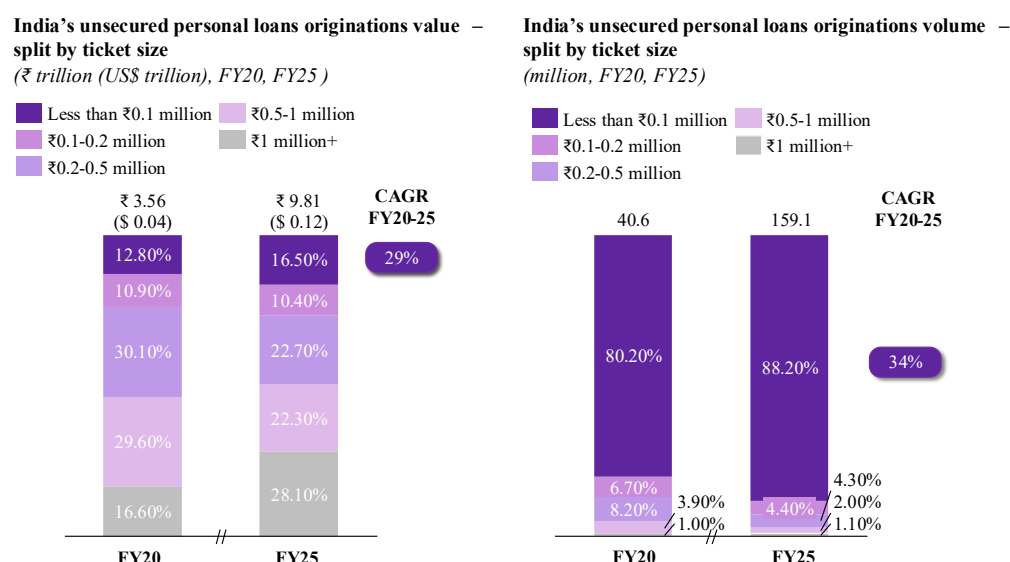
Note(s): 1. Conversion rate: US\$ 1 = ₹ 85
Source(s): Redseer Research and Analysis

Digital players have played a pivotal role in expanding the market by facilitating:

- Wider access to credit by aggregating offers from multiple lenders (Banks and NBFCs).
- Better discovery of price and offers for the users.
- Enhanced transparency on loan terms and eligibility.
- Faster, paperless journeys via e- KYC and real-time disbursements.

With smartphones and data affordability reaching deeper markets, users in Tier 2+ cities are becoming digitally active and credit-aware consumers. Fintech players are tapping into this opportunity with tailored products and low-friction journeys, further driving the formalisation of credit. The contribution of Tier 2+ cities among the overall digital unsecured personal loans has grown from 5% in Fiscal Year 2020 to 20% in Fiscal Year 2025, indicating the growing credit penetration in these areas. Additionally, low-ticket value loans have experienced faster growth within the unsecured personal loan disbursements segment. The value of these loans grew at a CAGR of 29% between Fiscal Year 2020 and Fiscal Year 2025, while the volume increased at a CAGR of 34% during the same period.

Figure 18: The value of loans with ticket size less than ₹ 0.1 million grew at a robust CAGR of 29% between Fiscal Year 2020 and Fiscal Year 2025, in parallel to the volume, which increased at a CAGR of 34% during the same period



Note(s): 1. Conversion rate: US\$ 1 = ₹ 85.
Source(s): Redseer Research and Analysis

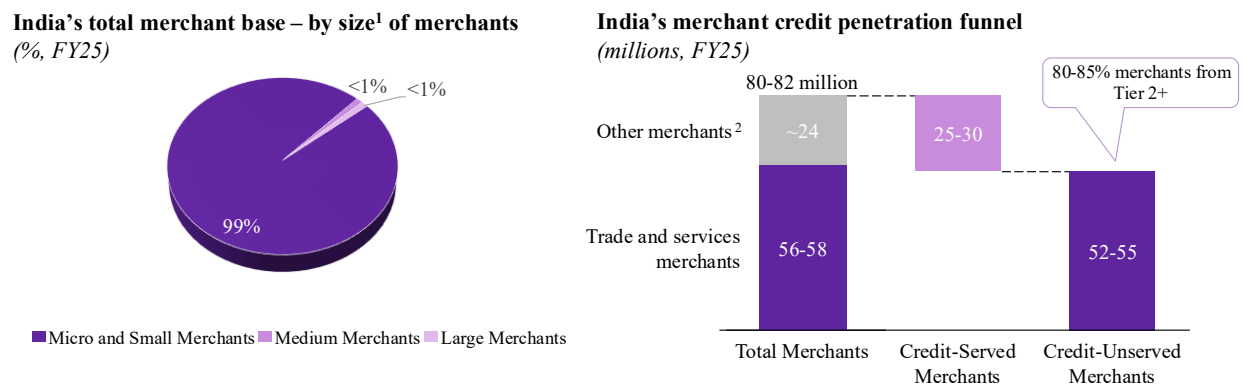
3.3. India's MSME loan disbursements have grown rapidly, reaching ₹ 62 trillion (~US\$ 0.7 trillion) in Fiscal Year 2025, with significant opportunities for further expansion, particularly through merchant penetration in the Tier 2+ cities.

A large segment of India's MSMEs often relies on informal lending networks, largely due to limited financial literacy and a lack of formal credit history. Many operate without systematic book-keeping, audited financial statements, or standard business registrations like tax filings or trade licenses. This absence of verifiable documentation makes it difficult to demonstrate consistent cash-flow or provide adequate confidence, thereby restricting their access to affordable, structured financing and often forcing them towards high-cost borrowing.

The Indian government has introduced several initiatives to improve credit accessibility for MSME merchants. A key example is the Pradhan Mantri Mudra Yojana (PMMY), which aims to provide small loans to these businesses. Under the scheme, ₹ 4.93 trillion (US\$ 0.06 trillion) loans were disbursed in Fiscal Year 2025 to the merchants, propelling the MSME credit landscape in India.

Despite this progress, substantial opportunities remain to expand credit access, particularly among micro-merchants. India has a 56-58 million trade and services merchant base. The Small and Micro-merchants constitute about 99% of the total MSME merchants in India. And this segment remains largely underserved. In Fiscal Year 2025, only 25-30 million of all merchants had access to credit. Additionally, a large proportion (80-85%) of these credit-unserved merchants are in Tier 2+ cities, highlighting a key opportunity to drive credit penetration, especially for micro and small enterprises.

Figure 19: As of Fiscal Year 2025, only about 25-30 million merchants in India have been served credit

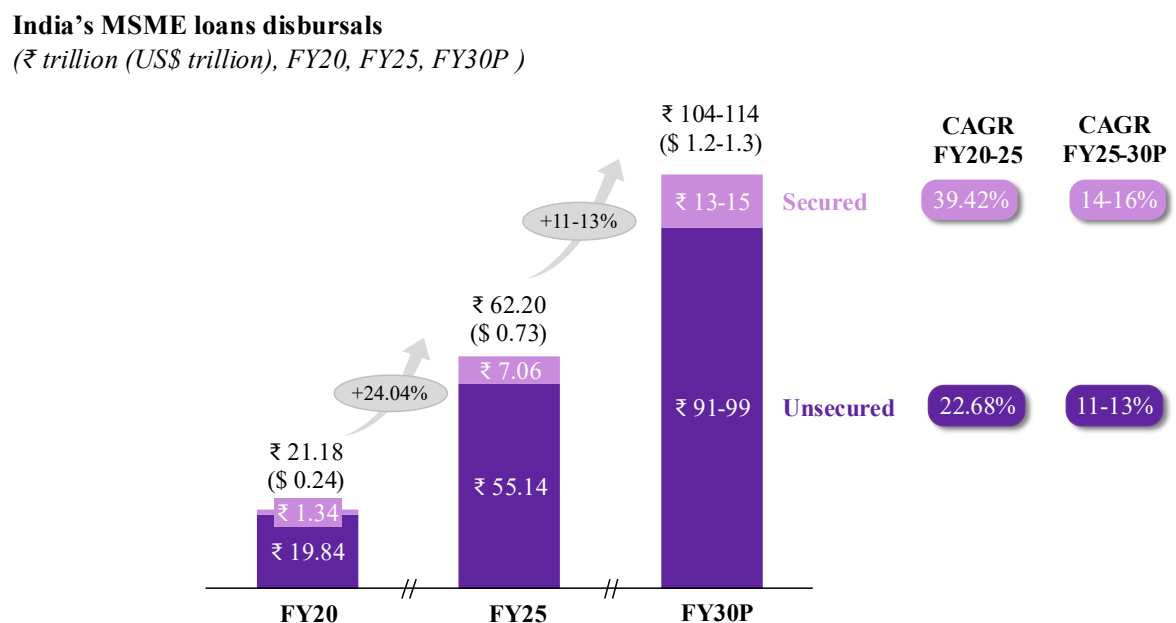


Note(s): 1. Micro merchants include merchants with an annual turnover limit of ₹ 50 million, small merchants include merchants with an annual turnover limit of ₹ 500 million, medium merchants include merchants with an annual turnover limit of ₹ 2,500 million and large merchants include merchants with an annual turnover limit of more than ₹ 2,500 million as of Fiscal Year 2025, 2. Other merchants include manufacturing, electricity and mobility merchants

Source(s): Redseer Research and Analysis

India's MSME loans, including individual business loans disbursements, grew at a 24% CAGR between Fiscal Year 2020 and Fiscal Year 2025 to reach ~₹ 62 trillion (~US\$ 0.7 trillion). This expansion has also been enabled by the rise of formalisation through GSTN, Udyam, and digital payments, leveraging merchants' data, expanding phygital presence, and a mobile-first onboarding process to serve small businesses and informal merchants. Consequently, the penetration of MSME loans disbursed by non-banking institutions has reached 25-30% in Fiscal Year 2025. The MSME loans are further projected to grow at a CAGR of 11-13% between Fiscal Year 2025 and Fiscal Year 2030, reaching ₹ 104-114 trillion (US\$ 1.2-1.3 trillion) by the end of the period.

Figure 20: Unsecured MSME loans disbursements comprise the lion's share of overall MSME loans disbursements in India



Note(s): 1. MSME Loan Disbursements include Secured and Unsecured Business Loans and Commercial Vehicle Loans, 2. Conversion rate: US\$ 1 = ₹ 85

Source(s): Redseer Research and Analysis

However, digital penetration in MSME loan disbursements remains low, accounting for less than 1% in Fiscal Year 2025. This landscape is poised for transformation as merchants increasingly adopt digital platforms and build comprehensive digital transaction histories. Fintech companies have played a pivotal role in this shift, successfully digitising a large set of micro-merchants by growing the digital payments ecosystem through the widespread deployment of QR codes and audio payment devices that provide instant confirmation of payment. This has not only built trust and reliability among these merchants but also enabled them to embrace digital operations, laying the groundwork for broader digital adoption. Further, several governmental and ecosystem initiatives are accelerating this shift. Udyam Registration, for instance, provides MSMEs with a formal, digital identity, which is often a prerequisite for accessing formal credit lines and government schemes. The GSTN offers lenders a verified, real-time view of a business's turnover and compliance, creating a strong basis for credit assessment. Additionally, platforms like the Trade Receivables Discounting System (TReDS) are enabling MSMEs to digitally manage and finance their receivables, improving cash flow and creating auditable transaction trails.

Payment enablers' existing relationships with MSME merchants allow them to leverage expanding digital data, enabling creditworthiness assessments in addition to traditional credit histories. This empowers lenders to underwrite loans more effectively and offer innovative repayment solutions.

One such innovation is the Equated Daily Instalment (EDI) model. Unlike traditional Equated Monthly Instalments (EMIs), EDI allows for smaller, daily repayments, making credit more accessible and manageable for businesses with fluctuating incomes. Payment acquirers facilitate smooth EDI transactions, strengthening payment relationships and driving adoption. EDI benefits lenders through better recovery and lower costs, fostering greater confidence to expand the credit landscape. Borrowers benefit from flexible and affordable repayment terms, and payment enablers benefit from increased engagement and cross-selling opportunities. Given its flexibility, the EDI model is well suited to increase credit penetration in the underpenetrated micro-merchant segment.

In summary, India's lending market is undergoing a profound shift towards digital-first models, with personal loans and MSME lending at the forefront. Over the next five years, digital lending is expected to drive an increasing share of credit disbursements. Platforms with deep digital engagement, wider reach, robust data capabilities, and trusted consumer relationships, operating within a clear and evolving regulatory framework promoting responsible growth, are well-positioned to be at the vanguard of this transformation.

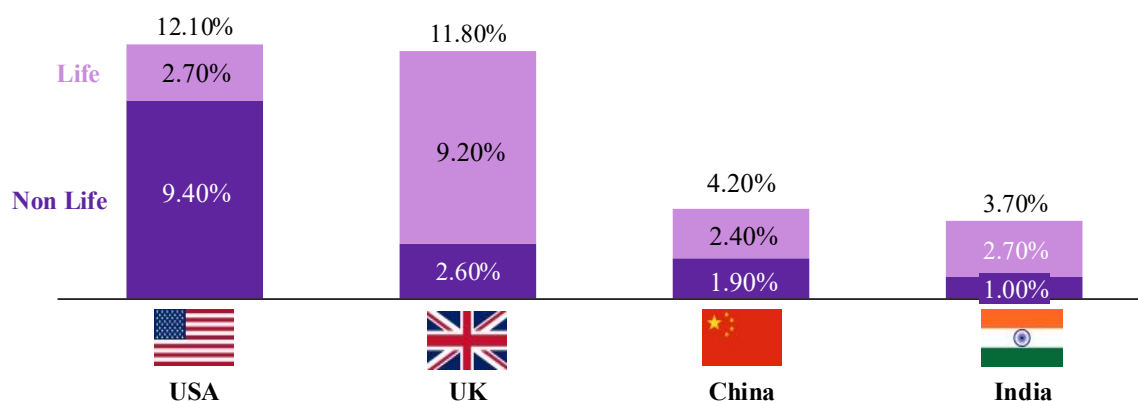
CHAPTER 4: INDIA'S DIGITAL INSURANCE MARKET

India's insurance sector is on the cusp of rapid growth, with increasing demand for motor, health, and life insurances. The rise of digital insurance platforms in India has transformed the landscape, addressing inefficiencies in traditional offline processes, such as operational bottlenecks, lack of transparency, and limited customer support. These platforms have enabled faster, more cost-effective underwriting, claims processing, and policy servicing, while increasing market reach through digital distribution channels. Digital-first models are also addressing underserved populations, especially in rural areas, by offering products tailored to specific needs.

Insurance penetration in India, measured by total Gross Direct Premium Income (GDPI) as a percentage of GDP, remains below that of developed economies. According to the Insurance Regulatory and Development Authority of India (IRDAI), in Calendar Year 2024, India's insurance penetration stood at ~3.7%, with non-life (motor, health and general insurance) at ~1.0% and life insurance at ~2.7%. In comparison, the global average for total insurance penetration and non-life insurance penetration stands at 7.3% and 4.3% respectively. Mature markets such as the USA and the UK reported significantly higher total insurance penetration levels of 12.1% and 11.8%, respectively.

Figure 21: Insurance remains to be highly underpenetrated in India, in comparison to global counterparts

Insurance penetration as a % of GDP – Global benchmarks %, CY24



Source(s): IRDAI Annual Report 2024-25

Insurance density in India, represented by GDPI per capita, reached approximately US\$ 97 in Calendar Year 2024, up from ~US\$ 74 in Calendar Year 2018. This remains significantly lower than mature markets like the USA and the UK, where insurance densities stand at approximately US\$ 10,295 and US\$ 6,185, respectively, in Calendar Year 2024. China, with a similar population size, recorded a much higher insurance density of approximately US\$ 558 in Calendar Year 2024, indicating considerable growth potential in India. Historically, the low insurance penetration in India has been driven by multiple factors on all of Insurers, Customer and Distributors end, such as

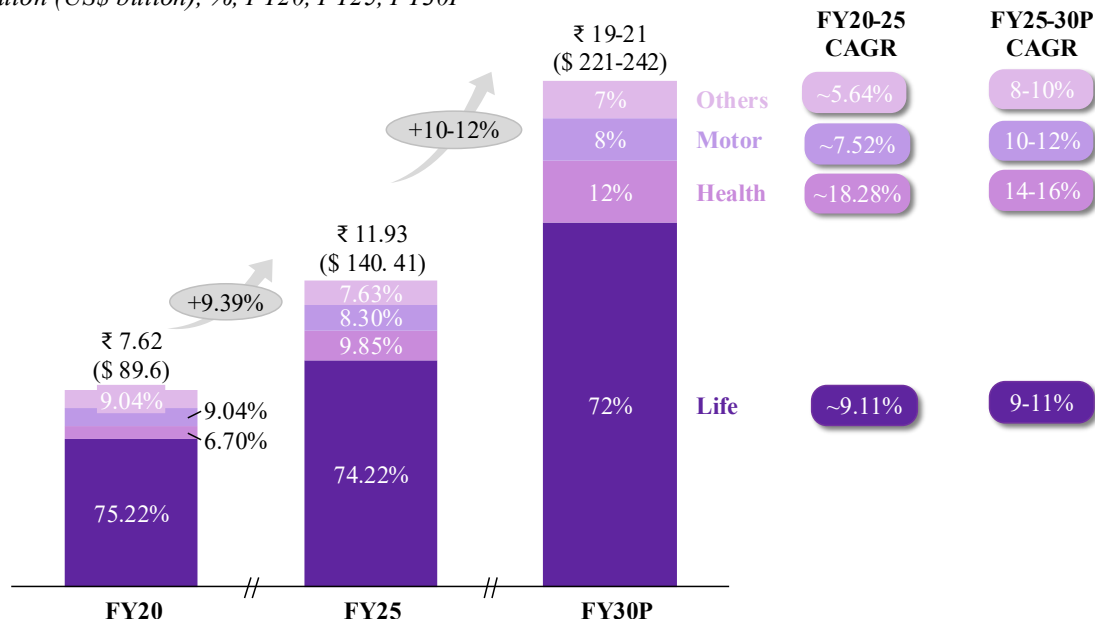
- **Insurers:** Complex products with limited customisation and therefore lower ability to cater to varied customer needs, dependency on physical distribution
- **Customers:** Limited awareness, low financial literacy, and constrained household incomes
- **Distributors:** Higher cost of traditional agent driven models and lower presence in Tier 2+ cities and rural areas

Despite these challenges, India's total GDPI has been steadily growing at a CAGR of ~9% between Fiscal Year 2020 and Fiscal Year 2025, reaching an estimated ₹ 11.9 trillion (US\$ 140 billion) in Fiscal Year 2025. Life insurance dominates the market, accounting for ~74% of the total GDPI, followed by Health, Motor and Others at 10%, 8% and 8%, respectively. The Health insurance sector has seen the fastest growth, with a CAGR of ~18% from Fiscal Year 2020 to Fiscal Year 2025, fuelled by heightened awareness and increased demand following the COVID-19 pandemic. Over the next five years, other sectors including personal accident, travel, crop, and marine insurance are expected to experience strong growth, driven by greater risk awareness, regulatory focus on underserved areas, and the expansion of embedded and context-specific insurance products. The rise of digital distribution and bundled offerings is further improving accessibility and driving adoption across diverse consumer sectors.

Figure 22: As of Fiscal Year 2025, life insurance comprises the highest share of overall Indian insurance GDP at ~74%, with health and motor insurance accounting for ~10% and ~8% respectively

Insurance GDP – split by insurance type

₹ trillion (US\$ billion), %, FY20, FY25, FY30P



Note(s): 1. Life insurance includes both new and renewal premiums, 2. Health Insurance excludes Travel and Personal Accident, 3. Motor Insurance includes Own Damage and Third-party, 4. Others include overseas medical, marine, personal accident, microinsurance, crop insurance etc., 5. P – Projected, 6. Conversion rate: US\$ 1 = ₹ 85

Source(s): IRDAI “Handbook on Indian Insurance Statistics 2024-25”, Redseer Research and Analysis

India’s increasing insurance market penetration has been enabled by the following growth drivers:

- Government support for insurance industry growth:** The Indian government has been a key enabler in driving the growth of the insurance industry through several targeted initiatives aimed at improving affordability, accessibility, and the overall ease of insurance processes. India’s DPI, comprising initiatives like Aadhaar for identity verification, UPI for payment processing, and Account Aggregators for data sharing, is strengthening the entire insurance ecosystem. The DPI stack enables real-time identity verification, premium collection, and risk assessment, facilitating faster onboarding, better underwriting, and streamlined claims processes, making insurance more inclusive and efficient. Government schemes like Ayushman Bharat (PMJAY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJBYP), and Pradhan Mantri Suraksha Bima Yojana (PMSBY) have expanded coverage, particularly for low-income groups, enhancing both affordability and access to insurance. Other key government initiatives include:
 - Insurance for All by 2047:** Insurance Regulatory and Development Authority of India (IRDAI), launched the initiative with a vision to ensure that every Indian citizen is insured by 2047, with a focus on expanding access to underinsured and uninsured segments of the population. This is expected to improve the financial security for low-income households.
 - Bima Trinity:** Launched by IRDAI, The Bima Trinity initiative, aims to enhance the insurance ecosystem by fostering coordination across the key pillars of digital platform, product innovation, and women-centric distribution. It includes three key schemes:
 - Bima Sugam, which aims to be a one-stop digital marketplace for all insurance needs, where customers can buy, service, renew, and claim insurance policies across all insurers in one place.
 - Bima Vistaar, offering all-in-one affordable insurance products for health, life and property cover.
 - Bima Vahak, a dedicated, tech-enabled, last-mile distribution channel to increase insurance penetration in rural, remote, and underserved areas with preference given to women to become Bima Vahaks.
 - Regulatory Sandbox:** IRDAI’s Regulatory Sandbox encourages innovation by enabling insurers to test new products and technologies in a controlled environment without the need for full compliance with existing

regulations. This initiative fosters a culture of experimentation and supports the creation of innovative, customer-centric insurance solutions.

- **100% FDI in Insurance:** While 100% FDI has been allowed in insurance broking since November 2019, the Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Bill, 2025 passed by the Parliament in December 2025 allows up to 100% FDI in insurance companies, applicable for companies that invest the entire premium in India. This initiative is designed to attract foreign capital inflows, fostering growth and strengthening the Indian insurance market.
- **Open Architecture:** Open architecture allows brokers to offer insurance products from multiple insurers, rather than being tied to a single provider. This fosters transparency, promotes competition, and gives consumers greater flexibility to compare and choose policies that best suit their needs, ultimately leading to better service and more affordable options.
- **Approvals for new Standalone Health Insurance (SAHI):** In a move aimed at broadening consumer choice in the SAHI space, IRDAI approved two new players, Galaxy Health & Allied Insurance, and Narayana Health Insurance, in 2024. This strategic expansion signals the regulator's intent to deepen health insurance penetration and foster innovation in product offerings tailored to India's evolving healthcare needs.
- **Other IRDAI initiatives:** IRDAI introduced several other transformative measures to bolster the insurance ecosystem. It expanded the scope of cashless hospitalisation, aiming to make it the default mode of claim settlement, thereby reducing out-of-pocket expenses and enhancing trust in health insurance. The introduction of the "use and file" regime eliminated delays in product rollouts, allowing insurers to launch new offerings without prior approval. Further, IRDAI strengthened its policyholder protection mandate by requiring insurers to issue a concise and standardised Customer Information Sheet (CIS) which presents key policy details such as coverage limits, waiting periods, exclusions, and definitions, in plain language, empowering consumers to make informed decisions and improving overall transparency in insurance contracts.
- **Improved consumer awareness:** With increasing consumer awareness, especially post-COVID, there has been a shift towards protection-focused insurance products such as life, health, and critical illness coverage. The pandemic heightened the need for financial security, leading to a surge in demand for products that offer financial protection against unforeseen risks, thus expanding the base of first-time and informed insurance buyers across all income segments. Additionally, financial and digital literacy initiatives offered by the government in local languages increase consumer awareness regarding insurance products in Tier 2+ cities, where there is a large growth opportunity for insurance penetration.
- **Customisation and innovation in insurance products:** Insurers are offering more tailored products, such as driving-habit-linked motor insurance, wellness-linked health insurance and flexible term life insurance, to meet the needs of emerging consumer segments, including the younger, tech-savvy generation and the elderly. The pay-as-you-drive (PAYD) insurance model is one such example of personalised insurance innovation. Under the PAYD insurance, premium is based on the distance travelled, enabling consumers to save costs and pay insurance as per requirement. It also promotes better driving habits through data-driven safety measures.
- **Growing digital insurance penetration driven by digital platforms:** The increasing use of smartphones, improved internet penetration, and the rise of digital payment platforms has transformed the way insurance products are distributed and consumed. Digital-first models, including mobile apps and online platforms, are enabling insurers to reach a broader audience. The increasing adoption of digital tools allows for quicker onboarding, seamless premium payments, and faster claim processing. The mobile-first, user-friendly interfaces by digital insurers enable users to seamlessly upload claims and the required documentation, such as vehicle pictures for motor insurance, directly through mobile. Moreover, digital distribution drives significant cost efficiencies, making insurance more affordable and accessible to the underserved segment, an untapped market that can be effectively reached through digital channels. Digital insurance has also been enabled by the increasing integration of insurance products into everyday digital transactions, such as UPI payments, digital wallets, etc.
- **Rising healthcare inflation and high out-of-pocket expenses:** Healthcare inflation exerts considerable pressure on households, making it challenging to manage medical expenses without sufficient financial protection. As of December 2024, India's year-on-year healthcare inflation stood at 4.05%, notably higher than the corresponding rates in the USA (2.8%) and China (0.9%) for the same period. Unlike many developed countries that offer universal healthcare, allowing for greater control and regulation of healthcare costs, India's system relies heavily on out-of-pocket expenditure by individuals. As per WHO, India's out-of-pocket expenses as percentage of Current Health Expenditure (CHE) stood at 46%, which is much higher than the World's (17%) and the global economies of USA (11%), UK (13%) and China (34%) in Calendar Year 2022.

As India's insurance market evolves, digital insurers and brokers are emerging as a key distribution channel in non-life insurance. Life insurance has traditionally been driven by agents and direct channels, as insurers have focused on promoting products and fostering long-term relationships with customers. However, the broker channel is gaining traction particularly in non-life insurance due to their ability to offer a wider range of insurance products from multiple providers, enhanced transparency, and personalised advice. This is evident from the Table 2 below:

Table 2: Share of brokers distribution channel in Non-life Insurance

Share of Brokers	Fiscal Year 2020	Fiscal Year 2025	Fiscal Year 2030P
Motor	31%	49%	61%
Individual Health	7%	12%	24%

Note(s): Share of Brokers and Web Aggregators included in Individual Health

As India's consumers are shifting towards increased digital behaviour across sectors such as payments, e-commerce etc. and the insurance sector is also witnessing rising digital penetration. This has led to the advent of digital insurance aggregators and insurance manufacturers, making insurance products more accessible and transparent for consumers. In the insurance sector, consumers often need assistance while buying products due to the complex nature of products. Digital insurance companies and brokers are solving for this through offering solutions such as AI powered chatbots and assistance for product purchases. These digital solutions offer benefits to both consumers as well as insurers:

Table 3: Insurance Landscape: Solutions Offered by Digital Insurers

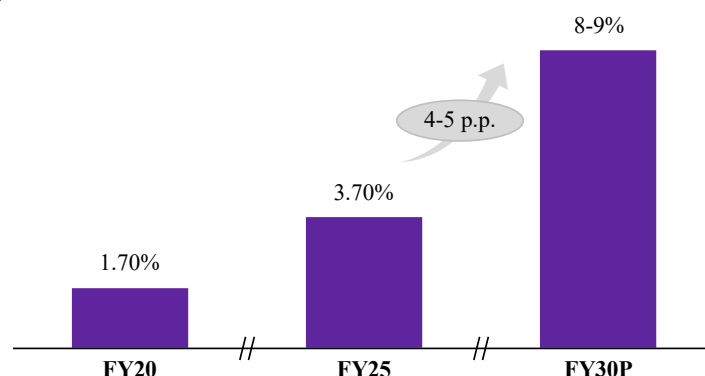
Stakeholders	Factor	Innovative Solutions Offered by Digital Insurers and Distributors
Consumers	Purchasing Process	Online, quick and hassle-free purchase process eliminating the need for intensive paperwork
	Policy Terms and Conditions	Clear, transparent policy details, inclusions and exclusions, real-time comparisons, and AI driven summaries improving consumer decision-making
	Product Accessibility	Digital platforms reach underserved remote areas and offer wider product selection, improving accessibility
	Consumer Engagement and Support	24/7 AI-powered product purchase assistance and instant query resolution enhance engagement and satisfaction
	Claims Filing and Settlement	Simpler claims filing due to digital tools such as uploads from mobile and online platforms. Faster claim settlement times driven by digital processes and lower dependence on agents for claim filings.
Insurance Companies	Underwriting and Claims Processing	Automated and faster processing for underwriting and claims processing
	Product Offerings	Flexible and customisable insurance plans tailored to consumer needs based on consumer behaviour insights
	Consumer information, Fraud Risks & Operational Errors	Standardised questionnaires, real time validation checks ensuring more accurate collection of consumer information, AI-powered fraud detection and automated processing reducing human errors

Digital insurance brokers with integrated offerings such as payments, lending, etc. are playing an integral role in democratising access to insurance, making it more accessible to a broader consumer base. These players typically have higher touchpoints among consumers due to high usage frequency, leading to higher top of mind awareness. They can leverage valuable insights on consumer behaviour to enable reach of insurers to a broader audience in the underpenetrated areas. By utilising real-time data and understanding customer behaviour, these players help insurers tailor products to specific needs. Driven by these insights, the digital insurers can launch innovative insurance solutions, such as short-term health coverage, flight delay insurance, pet insurance, Kumbh Mela insurance, firecracker insurance, etc. Digital insurers are also able to launch exclusive insurance products using these insights. Consumers benefit from a wider set of insurance policies from multiple insurers, allowing them to choose the ones based on their specific needs. By delivering value to both stakeholders, digital insurance brokers that offer integrated services generate revenue through commissions earned from insurers on insurance policy sales.

Consequently, the digital brokers have contributed to further driving the digital penetration in Total Insurance GDPI from 1.7% in Fiscal Year 2020 to 3.7% in Fiscal Year 2025. Further, with increasing smartphone adoption and financial inclusion, along with government and regulatory support, the digital penetration is further projected to reach 8-9% by Fiscal Year 2030.

Figure 23: The digital penetration of insurance is projected to increase from 3.7% in Fiscal Year 2025 to 8-9% in Fiscal Year 2030

Digital as a % of India’s overall GDP
(%, FY20, FY25, FY30P)



Note(s): The digital GDP penetration includes only non-assisted insurance sales
Source(s): Redseer Research and Analysis

In summary, India's insurance market is undergoing a rapid transformation, driven by government initiatives, increasing digitalisation of insurers, and the expanding role of digital brokers. The transition from traditional offline models to digital platforms has enabled insurers to offer more tailored and accessible products directly to underserved segments. Digital brokers offering integrated services, leveraging real-time consumer insights with higher touchpoints, are enhancing product distribution by providing consumers with broader choices and increasing transparency. This synergy between insurers and digital brokers is reshaping the market, driving further growth, and broadening insurance access for diverse consumer groups across the country.

CHAPTER 5: INDIA’S DIGITAL TRADING AND INVESTING LANDSCAPE

India's trading and investment landscape is undergoing a transformation, driven by digital-first trading, investment platforms, and government initiatives aimed at improving accessibility and investor engagement. India is already the fourth largest country by market capitalisation for equities as of Fiscal Year 2025, yet there exists further growth opportunity as the adoption among population remains low, with only 11-13% of the adult population holding a demat account.

India’s trading and investment landscape includes sectors such as Equities, Derivatives and Asset Management (including Mutual Funds, Alternate Investment Funds, and Portfolio Management Services). Enabling access to a broader consumer base is an opportunity for the sector.

Table 4: Sectors of the trading and investment landscape – Equities, Derivatives, and Asset Management

Sectors	Description	Market Size (Fiscal Year 2025)	CAGR (Fiscal Year 2020-25)	CAGR (Fiscal Year 2025-30P)
Equities	Represents ownership in listed companies and includes trading in the cash market	₹ 92 trillion (~US\$ 1.08 trillion) (traded value)	21%	17-19%
Derivatives	Financial instruments like futures and options based on stocks, indices, or currencies (only for hedging purposes)	₹ 133 trillion (~US\$ 1.6 trillion) (traded value)	13%	5-7%
Asset Management	Involves managing investments through mutual funds, portfolio management services and alternative funds	₹ 84 trillion (~US\$ 1trillion) (AUM)	24%	15-17%

This growth in the trading and investment landscape has been driven by the following key factors:

A. Evolving consumer mindset for wealth creation:

Historically, Indian households have favoured physical assets such as real estate and gold for investments. However, with government initiatives promoting financial inclusion, increasing investment literacy and the growing adoption of digital

payments, consumers are using diverse financial products such as equities, mutual funds, derivatives, digital gold, etc. This shift towards financial assets is fuelled by advantages such as availability of smaller ticket sizes investments, diversification of asset classes, higher return potential, enhanced liquidity, rising affluence permitting a move away from safe haven assets, and consumer awareness driven by digital platforms.

- India's household savings in financial assets accounted for 49% of overall assets in Fiscal Year 2024. Despite this growth, India still has significant room for further development, especially when compared to global economies like the USA, where 68% of household savings are invested in financial assets. As investors increasingly pursue higher returns and expand their knowledge of investment avenues, the appeal has shifted towards the capital markets.
- Further, India's capital markets have matured significantly, offering more transparency, better regulatory oversight, and increased accessibility, factors that have made participation more attractive for retail investors, who are increasingly adopting a long-term wealth creation mindset. As a result, the flow of net financial savings towards assets such as equities and mutual funds, as a percentage of total financial assets, has increased from ~4% in Fiscal Year 2020 to ~9% in Fiscal Year 2024. Among the types of assets, Equities have emerged as the preferred asset class in the last five years with domestic inflows (by both Individuals and Domestic Institutional Investors ("DII") rising to average monthly run rate of ~₹ 611 billion (~US\$ 7.19 billion) in Fiscal Year 2025, from ~₹ 110 billion (~US\$ 1.29 billion) in Fiscal Year 2020.
- Additionally, the rise of robo-advisory platforms, and social investing communities has made investing more accessible and personalised. Robo-advisors provide algorithm-based portfolio recommendations with minimal human intervention, helping new investors navigate the markets efficiently. Community-based platforms, on the other hand, allow users to follow peer strategies, discuss trends, and make informed decisions, bridging the trust and knowledge gap for first-time or less-experienced investors.

B. Regulatory support for Investor enablement:

The government has introduced initiatives to support the growth and resilience of the secondary market in India. The Securities and Exchange Board of India (SEBI) has implemented the Application Supported by Blocked Amount (ASBA) system for both primary and secondary markets, allowing investors to apply for IPOs and trade in secondary markets with funds blocked in their own bank accounts. Further, India has become a global leader in T+1 settlement cycles, enhancing liquidity and reducing settlement risks. The market infrastructure has also been strengthened through initiatives such as the Investor Risk Reduction Access (IRRA) platform, which provides direct access to investors in case of broker downtime. The government has also introduced the revised pledging/repledging system by SEBI, which aims to reduce the risk of misuse of client funds and securities by brokers, offering higher control for investors. SEBI has also reduced the minimum SIP value to ₹ 250 to drive inclusion across low-income population segments.

C. Growing investible surplus and falling returns on traditional asset classes

Rising disposable incomes and better financial literacy have led to a growing investible surplus, especially in urban and semi-urban India. Simultaneously, declining returns from traditional savings instruments (such as fixed deposits) are prompting individuals to seek better yields in equities, mutual funds, exchange traded funds (ETFs), and other market-linked instruments. This shift is deepening market participation and increasing demand for sophisticated investment products and platforms.

D. Product Innovation by digital-first platforms and adoption by digital native users:

India's investment landscape has been traditionally offline, with investors trusting agents to make the investment decision on their behalf. Prior to 2016, investment avenues had traditionally been unfamiliar, complex, jargon-loaded, and expensive, acting as a barrier for retail investors to participate in the capital markets. By delivering an easy, data enriched, transparent, and seamless platform, new-age digital-first platforms have facilitated market growth and reduced reliance on offline networks (relationship managers ("RMs"), affiliates and brokers) and democratised investment and trading. Additionally, a new generation of tech-savvy investors are increasingly turning to digital platforms for their investing needs. Their comfort with mobile apps, digital payments, and online transactions has spurred the rapid adoption of wealth tech platforms offering low-cost, user-friendly interfaces for trading, goal-based investing, and portfolio tracking. This demographic shift is expanding the investor base and driving higher volumes in retail participation. The key solutions offered by digital-first platforms in the investment landscape includes:

Table 5: Trading and Investment Landscape: Solutions Offered by Digital-First Platforms

Factors	Solutions by Digital-First Platforms
Onboarding Process	100% digital onboarding using instant e-KYC, Aadhaar-based verification, and e-signature
Trading and Investment Product	Simplified, user-friendly platforms with clear content and easy to read charts, offering democratised

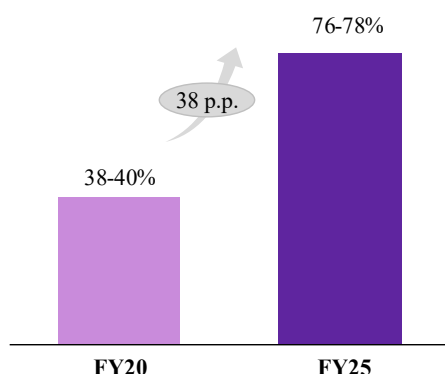
Factors	Solutions by Digital-First Platforms
Knowledge	access to information across all customer segments
Access and Decision-making	Easy accessibility for all, including Tier 2+ cities, villages, and socio-economic groups; enabling DIY investing with real-time information and educational content
Cost	Affordable transactions due to discounted brokerage with complete transparency on all applicable fees and charges
Transparency & Security	Live portfolio tracking with real-time statements, eliminating the need for paper-led statements along with better data protection and security protocols
Service	AI-led, 24/7, multi-lingual, and multi-channel customer support to offer immediate assistance

As a result of a strong value proposition, digital-first platforms have been scaling across Equities, Derivatives and Asset Management.

- Equities:** Of the active users on the National Stock Exchange (NSE), 76-78% are using digital-first trading and investment platforms in Fiscal Year 2025, compared to 38-40% in Fiscal Year 2020. During the same period, the total number of active clients grew by a factor of 700% from 6 million to 49.2 million. Digital-first trading and investment platforms have zoomed ahead of the legacy brokers by solving investors' need for real-time information, stock research tools, simplified and real-time order placement at low-cost. However, in terms of adoption, only 11-13% of the adult population in India have opened a demat account as of December 2024, compared to that of ~62% for the USA, ~54% for the UK and ~20% for China during the same period, indicating growth potential.

Figure 24: The % of active NSE clients who utilise digital-first platforms has increased from 38-40% in Fiscal Year 2020 to 76-78% in Fiscal Year 2025

Active NSE clients on digital -first platforms
(% of total active clients)

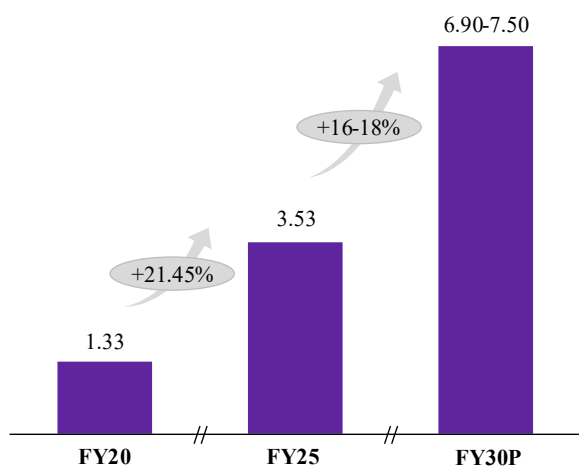


Note(s): Brokers with active clients above 0.1 Mn as of March 2025 are considered and defined as digital first brokers based on the absence of advisory
Source: NSE (April 2025), AMFI (April 2025), Redseer Research and Analysis

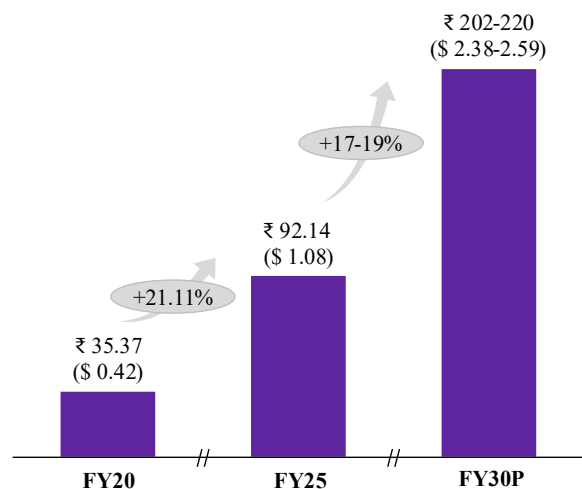
India has become the fourth largest country by equities market capitalisation after the USA, China and Japan driven by factors such as digital-first platforms onboarding more users, increased retail participation, higher investor confidence, and surge in fresh company listings. India's market capitalisation to GDP ratio at 140% in Calendar Year 2024 lags that of the USA at 210% for the same period, highlighting further growth opportunity for India's capital markets. The equities traded volume (total number of shares bought and sold) grew at ~21% CAGR between Fiscal Year 2020 and Fiscal Year 2025, reaching ~3.5 billion and is further projected to grow at 16-18% till Fiscal Year 2030. The equities traded value (total value of shares bought and sold) grew at a similar CAGR of ~21% between Fiscal Year 2020 and Fiscal Year 2025, indicating confidence by investors in the equity market. The equity traded value stood at ~₹ 92 trillion (US\$ 1.1 trillion) in Fiscal Year 2025 and is projected to grow at 17-19% CAGR till Fiscal Year 2030 to reach ₹ 202-220 trillion (US\$ 2.4-2.6 trillion).

Figure 25: Equities traded volume and value have grown at a CAGR of ~21% and ~21% respectively between Fiscal Year 2020 and Fiscal Year 2025, and are projected to further increase at a CAGR of 16-18% and 17-19% respectively between Fiscal Year 2025 and Fiscal Year 2030

Equities trade volume
(billion, FY20, FY25, FY30P)



Equities trade value
(₹ trillion (US\$ trillion), FY20, FY25, FY30P)



Note(s): 1. Conversion rate: US\$ 1 = ₹ 85

Source(s): NSE (April 2025), AMFI (April 2025), Redseer Research and Analysis

- Derivatives:** Digital-first trading and investment platforms have simplified derivatives trading for retail investors, making it more accessible and cost-efficient. In addition to intuitive, mobile-friendly interfaces, advanced features such as strategy-builders, option-chain, charts, and embedded risk-management (anti-nudges, loss protection) have made derivatives trading more structured, data-driven and equipped with better risk management. As these platforms continue to drive innovation, their role in expanding retail participation in derivatives trading is expected to strengthen further. In Fiscal Year 2025, India's NSE was the largest futures and options market in the world by the number of contracts traded. Further, in the same period, the number of contracts traded in NSE was ~1,300% the exchange with the next highest number of contracts traded (B3 - Brasil Bolsa Balcão). The derivatives traded volume grew at 31% CAGR between Fiscal Year 2020 and Fiscal Year 2025 to reach 9.6 billion and is projected to further grow at 22-24% CAGR till Fiscal Year 2030 to reach 26-28 billion. Similarly, the derivatives traded value grew a CAGR of 13% between Fiscal Year 2020 and Fiscal Year 2025 to reach ₹ 133 trillion (US\$ 1.6 trillion) and is projected to grow at 5-7% CAGR till Fiscal Year 2030 to reach ₹ 170-187 trillion (US\$ 2-2.2 trillion).
- Asset Management:** The consumer experience for asset management has been transformed by digital-first platforms through detailed product pages (enabling investors to compare and choose options), simplifying redemption/withdrawal, offering portfolio management, and providing rich insights and analytics. India's Asset Management AUM, including Portfolio Management Services (PMS), Alternative Investment Funds (AIF) and Mutual Funds, increased by a CAGR of 24% between Fiscal Year 2020 and Fiscal Year 2025 to reach ₹ 84 trillion (~US\$ 1 trillion). Mutual Fund constitutes the largest sector at ~80% of the total AUM as of March 2025. Out of the Mutual Funds AUM, the AUM through Systematic Investment Plans (SIPs) rose at a CAGR of 41% between Fiscal Year 2020 and Fiscal Year 2025, reaching a value of ~₹ 13.3 trillion (US\$ 0.2 trillion). Driven by increasing consumer preference for financial assets savings, the Asset Management AUM is projected to grow further at 15-17% till Fiscal Year 2030 to reach ₹ 169-184 trillion (US\$ 2-2.2 trillion). While India's mutual fund AUM-to-GDP ratio increased from ~11% in Fiscal Year 2020 to ~20% in Fiscal Year 2025, it is significantly lower when compared to the AUM-to-GDP ratio of advanced economies such as USA (~132%) and UK (~78%), and slightly lower than that of China (22%) in Calendar Year 2024. This points towards significant headroom for growth across investment products in the Indian financial markets, driven by rising household financialisation and the rapid adoption of digital trading and investment platforms.

In summary, India's trading and investment landscape is at the cusp of digital transformation and as digital-first platforms simplify the trading process for investors while enhancing awareness, the trading and investment landscape is projected to witness growth over the next few years.

CHAPTER 6: INDIA'S INDIGENOUS APP STORE OPPORTUNITY

India has witnessed a rapid adoption of smartphones (including smart feature phones) at 48-49% of the population in Fiscal Year 2025 owning a smartphone. Smartphones have embedded themselves in the everyday life of consumers, resulting in a mobile-first ecosystem. As a result, in Calendar Year 2024, India had the highest number of app downloads (from iOS App

Store and Google Play Store) globally, at more than 24 billion downloads. For app developers, app stores have become a necessary medium for the distribution of their apps to end users. India's app download market is expected to maintain its position as a global leader, with substantial growth in both download volumes and market value through 2030, outpacing any other major economies.

The overall mobile application market in India is large and growing, with market revenue projected to rise from ~US\$ 12 billion in Fiscal Year 2025 to US\$ 26-28 billion by Fiscal Year 2030, growing at CAGR of 16-18%. Key growth drivers for the app store industry mainly include (a) increasing smartphone adoption in India, (b) growth in digital payments and in-app purchases expanding rapidly driven by content, entertainment and fintech industry and (c) demand expansion for app categories like casual gaming, core gaming and social apps with billions of installs each year. The app store revenue typically comes from two sources: (i) advertisements by app developers, and (ii) fees charged on in-app payment transactions for apps downloaded via the app store.

India is a highly diverse, multilingual market, with increasing consumption of vernacular content across consumer groups. Preference for local language is especially pronounced in rural areas, which account for more than half of the country's user base. This, in addition to growing popularity of locally developed apps made for the Indian consumers, creates a conducive environment for an indigenous app-store built for the diverse Indian consumer, focusing on the need for localisation, better app discovery, and better user engagement.

Native app stores can offer several benefits to Developers and Users like (a) lower competition and greater visibility for new apps (b) targeting niche and regional audiences (c) flexible monetisation options (d) lower fees (e) faster and more accessible app approval process (f) innovative marketing and promotion opportunities.

In India, the app distribution ecosystem is largely consolidated, with a single dominant platform accounting for over 90% of all smartphone users. This high concentration has given the leading app marketplace significant influence over app visibility and access, prompting regulatory concerns around market openness and platform neutrality. In response, the Competition Commission of India (CCI) has introduced several measures to safeguard the interests of developers, such as mandating support for third-party billing systems and encouraging reduced platform commission fees, which currently range up to 30%. These commissions, ultimately borne by developers, can lead to increased costs for end consumers. India's regulators are also actively reviewing app store policies to foster competition and protect local developers.

Global markets including the USA, Japan and EU are also seeing changes in the App store ecosystem with developers seeking options for distribution to remove reliance on a single dominant platform and seeking fair app store payment policies.

The evolving app store market is at the cusp of disruption in India, creating an opportunity to empower developers and users with greater choice, fairer policies, product innovation and growth.

CHAPTER 7: COMPETITIVE LANDSCAPE AND PHONEPE DIFFERENTIATION

India's financial services market, which has companies that have digital payments offerings such as Consumer Payments and Merchant Payments, and other offerings such as Lending, Insurance, and Mutual Fund Distribution. The digital payments industry includes payment companies such as BHIM, Google Pay, MobiKwik, One 97 Communications Limited (Paytm), etc., which provide B2C offerings such as Consumer UPI Payments, Wallet Payments, among others, and payment companies such as BharatPe, BillDesk, PayU, Pine Labs, Razorpay, etc. that provide B2B offerings such as Offline Merchant Acquisitions, Online Payment Aggregator, among others. Furthermore, financial services companies such as Cred, Navi, PB Fintech, Super.money, etc. in the industry provide offerings among Lending Distribution, Insurance Distribution and Mutual Fund Distribution, along with a few offerings from consumer and merchant payments. PhonePe offers the widest range of offerings among its peers in this industry across the consumer payments (consumer UPI payments, card payments, wallet payments), merchant payments (offline merchant acquisition, online payment aggregator), and other financial services such as insurance distribution and lending distribution. As the application experience is increasingly being commoditised and indistinct, players with an ability to build and control the full technology stack have a powerful competitive moat. Among the listed peers, One 97 Communications Limited (Paytm) is the only player whose business profile is comparable to PhonePe's businesses in terms of size (above ₹ 10 trillion customer-initiated transactions) and business model.

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Figure 26: PhonePe comparison with domestic peers

✓ License held ● Service provided ○ No mention of the offering on company website										
Company	Consumer Payments			Merchant Payments			Other financial services			Customer initiated transaction TPV (₹ billion, FY25) ¹⁵
	Consumer UPI Payments ¹	Wallet Payments ²	Cards (Issuing Gift cards, Co-branded credit cards) ³	Offline Merchant Acquiring (QR stickers, Soundbox, others) ⁴	Online Payment Aggregator ⁵	Payment Devices (accepting multiple forms of payments) ⁶	Insurance Distribution ⁷	Lending Distribution ⁸	Mutual Fund Distribution ⁹	
Validation Source >>	TPAP license	PPI License	Company Website	Company Website	RBI - PA Online license	Company Website	IRDAI - broker and insurer license	Company Website	AMFI/AMC/ SEBI License	
PhonePe	✓	✓	●	●	✓	●	✓	●	✓	131,634
Google Pay	✓		●	●	✓	○		●		92,660
Paytm	✓		●	●	✓	●	✓	●	✓	14,721
Cred ¹⁰	✓	✓	●	●	✓	○	✓	●	✓	5,925
BHIM	✓		○	●		○		○		1,054
Navi	✓		○	○		○	✓	●	✓	916
MobiKwik ¹¹	✓	✓	●	●	✓	●	✓	●	✓	371
Super.Money	✓		●	○		○		●		261
BharatPe	✓		●	●	✓	●		●	✓	2
PineLabs		✓	●	●	✓	●		○		NA
RazorPay ¹²		✓	●	●	✓	●		●		
PayU ¹³		✓	●	●	✓	●		●		
BillDesk			○	○	✓	○		○		
PB Fintech ¹⁴			●	○	✓	○	✓	●	✓	

Note(s): 1. Consumer UPI payments include the offering for consumers to make payments through the UPI payment mode using the platform's app. The player offering has been considered based on the UPI data from NPCI website 2. Wallet payments include the facility for consumers to pay merchants or peers through the platform's wallet. The player offering has been considered based on "Pre-Paid Payment Instrument" license from RBI 3. Cards offering includes the facility to issue gift cards as well as co-branded credit cards for consumers 4. Offline merchant acquiring includes offering for merchants to accept payments through QR stickers, Soundbox, and offline payment mode acceptance of BHIM Aadhaar Pay 5. Online Payment Aggregator includes the offering for merchants and businesses to accept digital payments online, such as through websites, e-commerce platforms, etc. The player offering has been considered based on the "Online Payment Aggregator" license from RBI 6. Payment device offerings include EDC (Electronic Data Capture) machines that provide multiple payment mode acceptance such as QR code, debit cards, credit cards, prepaid cards, etc. 7. Insurance distribution refers to distribution of insurance as an insurer or on behalf of insurers as an IRDAI registered entity (broker, corporate agents) 8. Lending distribution includes offering by platforms that help connect consumers with lenders in exchange for a commission or distribution fees. Solutions that facilitate EMI options for consumers and merchants have not been included 9. Mutual fund distribution includes offerings by platforms that market and distribute mutual fund schemes to investors in exchange for a commission or distribution fees. The offering has been considered based on the ARN (AMFI Registration Number) registration 10. The status of Cred's "Online Payment Aggregator" license is "In-principle Approved". Cred also has acquired Kuvera that operates as an advisory firm 11. MobiKwik offers Online Payment Aggregator solution through Zaakpay 12. Since Razorpay has acquired a majority stake and does not fully own Pop club, we have not included Consumer UPI payments as an offering for the company. The wallet payment has been included for Razorpay as it has a PPI license and powers wallets of other players. However, Razorpay does not have its own wallet offering 13. PayU manages cobranded/personalized corporate gift cards & general purpose reloadable cards as per the website 14. PB Fintech offers online payment aggregator through PB Pay. The status of PB Pay's Online Payment Aggregator is "In-Principle Authorisation Granted" 15. Data for customer-initiated transactions has been taken from NPCI. The figures may not match exactly due to rounding off to ₹ billion 16. All the offerings considered are as of 13 January 2026

Source(s): NPCI, IRDAI, RBI, Company Filings and Annual Reports

PhonePe has a large addressable Total Addressable Market ("TAM") across financial services industry:

- There exists substantial opportunity in India's financial services sector:
 - India's digital consumer payments total payment value ("TPV") reached ₹ 301 trillion (approximately US\$ 3.5 trillion) in Fiscal Year 2025 and is projected to grow at 15-18% CAGR reaching ₹ 602-681 trillion (US\$ 7.1-8.0 trillion) by Fiscal Year 2030, while digital merchant (P2M) payments reached ₹ 112 trillion (US\$ 1.3 trillion) in Fiscal Year 2025 and is projected to grow at 20-22% CAGR reaching ₹ 278-302 trillion (US\$ 3.3-3.6 trillion).
 - The TAM for Lending is ₹ 115 trillion (US\$ 1.4 trillion) in Fiscal Year 2025 and is projected to be ₹ 207-226 trillion (US\$ 2.4-2.7 trillion) by Fiscal Year 2030, growing at a CAGR of 12-14%.

- The TAM for Insurance is ₹ 12 trillion (US\$ 0.14 trillion) in Fiscal Year 2025 and projected to be ₹ 19-21 trillion (US\$ 0.23-0.25 trillion) by Fiscal Year 2030, growing at a CAGR of 10-12%.
- The TAM for Equities and Derivatives traded value is ₹ 225 trillion (US\$ 2.65 trillion) in Fiscal Year 2025 and is projected to be ₹ 372-407 trillion (US\$ 4.4-4.8 trillion) by Fiscal Year 2030, growing at a CAGR of 11-13%.
- The TAM for Asset Management in terms of AUM is ₹ 84 trillion (US\$ 1 trillion) in Fiscal Year 2025 and is projected to be ₹ 169-184 trillion (US\$ 2-2.2 trillion) by Fiscal Year 2030, growing at a CAGR of 15-17%.

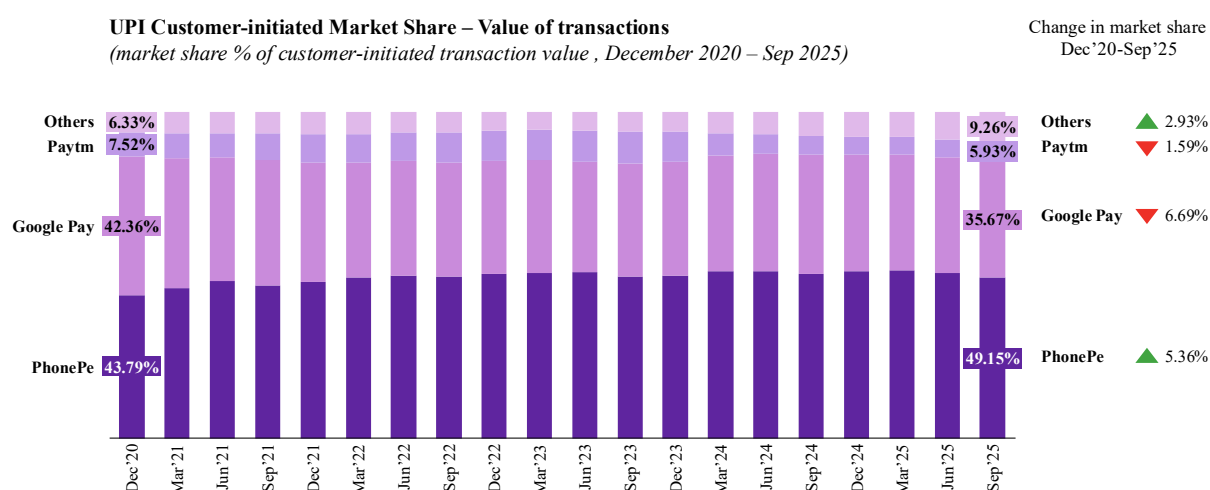
Financial Services Sector	Units	FY25 TAM	FY30P TAM	CAGR (FY25-30P)
Digital Consumer Payments	₹ trillion / US\$ trillion	₹ 301 / \$ 3.5	₹ 602-681 / \$ 7.1-8.0	15-18%
Digital Merchant (P2M) payments	₹ trillion / US\$ trillion	₹ 112 / \$ 1.3	₹ 278-302 / \$ 3.3-3.6	20-22%
Lending	₹ trillion / US\$ trillion	₹ 115 / \$ 1.4	₹ 207-226 / \$ 2.4-2.7	12-14%
Insurance	₹ trillion / US\$ trillion	₹ 12 / \$ 0.14	₹ 19-21 / \$ 0.23-0.25	10-12%
Equities and Derivatives	₹ trillion / US\$ trillion (traded value)	₹ 225 / \$ 2.65	₹ 372-407 / \$ 4.4-4.8	11-13%
Asset Management	₹ trillion / US\$ trillion (AUM)	₹ 84 / \$ 1	₹ 169-184 / \$ 2-2.2	15-17%

- Tier 2+ cities are where financial services are most underpenetrated and have substantial TAM for financial services.

PhonePe is India's largest digital payments platform with sustained leadership in market share

- Following the pilot launch of Unified Payments Interface (“UPI”) in April 2016, PhonePe was India's first UPI app by a private non-bank player to launch a UPI based application in August 2016, as per National Payments Corporation of India (“NPCI”) data.
- PhonePe was one of the earliest to adopt India's Digital Public Infrastructure (“DPI”) initiatives at scale, including UPI, Bharat Bill Payment System (“BBPS”), Open Network for Digital Commerce (“ONDC”), Aadhaar and DigiLocker.
- In February 2023, PhonePe became India's first private fintech platform to enable cross-border UPI payments.
- In H1 Fiscal Year 2026 and Fiscal Year 2025, PhonePe platform was the largest online transaction platform in India in terms of total payments value (“TPV”).
- PhonePe emerged as the largest player in merchant UPI transactions in April 2020.
- Over the period December 2020 to September 2025, PhonePe has consistently sustained the #1 market position in terms of number of transactions and TPV for customer-initiated transactions in UPI for 58 consecutive months, as per NPCI data.

Figure 27: PhonePe is India’s largest digital payments platform, with sustained leadership in market share from December 2020 to September 2025 in terms of TPV for customer-initiated UPI transactions, as per NPCI



Note(s): 1. Apart from PhonePe, there are 80+ UPI apps including players such as Amazon Pay, BHIM, Cred, Google Pay, Navi, Paytm etc., 2. Market share has been calculated on customer-initiated transactions and excludes B2C and B2B transactions, 3. Market share numbers exclude the cross-border transactions and new/recent features, 4. App volume in the table is basis the Payer App logic, i.e. the financial transaction is attributed to the PSP in UPI on the Payer's side, 5. Within Others, BHIM Volume is inclusive of *99# volume
Source(s): National Payments Corporation of India (NPCI): UPI Ecosystem Statistics (September 2025), Redseer Analysis

- PhonePe had a market share of 46.85% in terms of transaction volume for customer-initiated UPI transactions in September 2025, as per NPCI data.
- While PhonePe maintains market leadership in overall customer-initiated transactions in UPI, they also hold substantial market share in various other payment use cases and payment instrument:

H1 Fiscal Year 2026:

Payment use-case/ Payment instrument	Measurement Metric	Time period	Market Share
UPI P2P transactions ¹	Volume	H1 Fiscal Year 2026	49%
UPI Autopay transactions (successful) ³	Volume	H1 Fiscal Year 2026	57%
BBPS transactions ⁶	Volume	H1 Fiscal Year 2026	36%

Fiscal Year 2025:

Payment use-case/ Payment instrument	Measurement Metric	Time period	Market Share
Online recharges ²	TPV	Fiscal Year 2025	46%
Rupay credit card on UPI ⁴	TPV	Fiscal Year 2025	43%
UPI Lite transactions ⁵	Volume	Fiscal Year 2025	40%

Note(s): 1. Market size data sourced from NPCI 2. Basis estimated market size of online recharges of ₹ 1.68 trillion (US\$ 19.8 billion) for Fiscal Year 2025 3. Market size data sourced from NPCI 4. Basis estimated market size for Rupay credit card on UPI TPV is ₹ 1.37 trillion (US\$ 16.2 billion) for Fiscal Year 2025 5. Basis estimated market size for UPI Lite transactions volume of 670 million for Fiscal Year 2025 6. Market size data sourced from Bharat Connect, 7. For H1 Fiscal Year 2026, industry data for Online recharges, RuPay credit card on UPI, and UPI Lite transactions is currently unavailable.

- As of Fiscal Year 2025, PhonePe had a market share of 20-25% in the non-assisted two-wheeler digital insurance market of ₹ 12.5-16.0 billion (US\$ 0.15-0.19 billion) and 12-15% market share in the non-assisted four-wheeler digital insurance market of ₹ 24.0-30.0 billion (US\$ 0.28-0.35 billion) in terms of premium value (the non-assisted digital insurance market for both two-wheeler and four-wheeler excludes Point of Sales Person (POSP) model of insurance that are sold through agent).
- Globally as well, PhonePe has a comparable scale among the prominent digital payments players – In terms of scale, PhonePe's¹ platform TPV (Total Processed Value) in Fiscal Year 2025 at ~₹132.70 trillion (~US\$ 1.56 trillion) is comparable to that of established global digital payment players such as Paypal² (~US\$ 1.68 trillion in Calendar Year 2024), Adyen³ (~US\$ 1.51 trillion in Calendar Year 2024) and Stripe⁴ (~US\$ 1.40 trillion in Calendar Year 2024). PhonePe also has the largest volume of customer-initiated UPI transactions among its peers operating in the UPI payment sector in Fiscal Year 2025, as per NPCI.

Note(s): 1. TPV for PhonePe is defined as the Total Payment Value of the successful customer transactions and merchant transactions for the period. 2. TPV for PayPal is the value of payments, net of payment reversals, successfully completed on the payments platform or enabled by PayPal via a partner payment solution, not including gateway-exclusive transactions 3. TPV for Adyen is defined as Total Payment Volume and refers to

the aggregate value of authorised and settled transactions processed via Adyen's platform, excluding reversals, refunds, and chargebacks. 4. TPV for Stripe is defined as Total Payment Volume and is the total monetary value of successful payments completed by businesses using Stripe's payments platform over a reporting period and includes all payment methods and geographies, and is reported gross (before fees, refunds, or chargebacks)

- PhonePe was among the early players to introduce monthly premium options through UPI for health insurance among digital payment industry peers and offered it through its partners that capture a majority share in the health insurance market. Monthly premium option through UPI has since become a popular feature offered by many platforms.
- PhonePe Pulse is India's first interactive, open-source geospatial payments insights platform launched by a private player, built on its own proprietary data, launched in 2021.
- Among fintech platforms, PhonePe launched India's first Green Data Center in 2022.

PhonePe also has a wide reach among consumers and merchants:

- PhonePe is India's most downloaded Android mobile app owned by an Indian company (in the Finance category) with the highest number of Daily Active Users at 156.00 million in H1 Fiscal Year 2026, as per Sensor Tower data.
- PhonePe became the first third-party UPI-based app to cross 10 million downloads in February 2017 and emerged as the largest driver of UPI transactions, as per Sensor Tower data.
- PhonePe has been one of the top 5 free apps in the finance category on both the Apple App Store and Google Play Store since July 2017 till September 2025, as per Sensor Tower data.
- With an extensive reach of 618.40 million LTD¹ Registered User Base (43% of India's total population of 1,455 million) and 44.87 million LTD¹ Registered Merchant Base (77-80% of the 56-58 million Trade and Services merchant base in India) as of March 31, 2025, PhonePe is providing population-scale solutions leveraging technology.

Note(s): 1. LTD refers to Life-till-date

- As of March 31, 2025, PhonePe has 402.90 million Yearly Active Users ("YAU"), representing 57-58% of the 692-706 million smartphone population in India.
- PhonePe's Monthly Active Customers (MAC) on their own platform, at 230.08 million, represents 32-34% of the smartphone user base in India.
- PhonePe's Monthly Active Merchants ("MAM") on their own platform stood at 11.31 million in March 2025, comprising approximately 54% of approximately 21 million monthly active merchants in India using UPI
- PhonePe has a market-leading distribution at population scale across the length and breadth of India as of March 31, 2025. This is evidenced by PhonePe's LTD¹ Registered User Base of 618.40 million accounting for 88-89% of all smartphone population in India, and the LTD¹ Registered Merchant Base of 44.87 million representing 77-80% of the total Trade and Services merchant base in India, as of March 31, 2025.

Note(s): 1. LTD refers to Life-till-date

Indus Appstore is India's first and only indigenous app store created by a private player:

- Launched in February 2024, Indus Appstore is India's first and only indigenous app store created by a private player, offering localized app discovery in 12 Indian languages in addition to English as of September 30, 2025. It faces competition from Google and others, which operate mobile application distribution platforms on Android.

Industry Threats and Challenges

Threats

Macroeconomic Environment

- **Digital Payments:** Inflation, interest rate hikes, or broader consumption slowdowns can reduce discretionary spending and dampen the volume and frequency of digital transactions, especially in non-essential categories.

- **Lending:** An economic downturn typically leads to a reduction in consumer and business demand for credit, often driven by a shift in focus towards essential spending, while lenders tighten credit due to heightened risk, resulting in lower approvals, especially in unsecured retail and SME segments.
- **Insurance:** Insurance, particularly Life and Health, is often treated as a discretionary spend in India. During economic slowdowns, consumers may postpone or reduce coverage, impacting new policy issuance and renewals.

Regulatory Intervention on Market Dynamics

- **Digital Payments:** Regulatory actions such as market share caps for TPAPs, and evolving norms for Payment Aggregators (PA), PPIs, or KYC requirements may affect competitive positioning and scale-up plans for ecosystem players.
- **Lending:** Monetary policy tightening (e.g., rate hikes) increases borrowing costs. New regulations or obligations that could potentially constrain distribution models and reduce operating flexibility
- **Insurance:** Regulations that restrict bundling, mandate standardised products, or impose pricing controls can limit the ability to offer targeted, need-based coverage, particularly in low-income or first-time buyer segments.

Transaction Economics

- **Digital Payments:** Changes in MDR regulations or reduction in government subsidies (e.g., MDR reimbursements) can adversely impact monetisation, especially for low-value or small merchant transactions.
- **Lending:** Regulatory Interventions on the lending partners on pricing can impact monetisation potential, particularly in small-ticket and high-risk segments, where operational and credit costs are inherently higher. Beyond direct regulation, intense competitive pressures can also independently drive down interest rates and fees, further challenging profitability.
- **Insurance:** Expense caps and restrictions on product-level profitability can limit the financial viability of certain digital-first offerings. This can reduce flexibility in customising coverage or pricing based on user cohorts.

Challenges

- **Digital Infrastructure and Access:** Limited internet connectivity, smartphone penetration, and digital literacy in Tier 2+ cities continue to constrain broader adoption of digital payments.
- **Ecosystem-Level Fraud and User Trust:** Social engineering scams, fake apps, and misuse of UPI interfaces can erode user trust and require collective industry-level mitigation in the digital payments industry.
- **Limited Access to Formal Credit in Lending:** This stems from low financial literacy, inadequate documentation and collateral, lack of formalisation, and regional accessibility barriers.
- **Low Demand for Insurance:** This comes from poor awareness, product complexity, affordability concerns, and limited ability to offer customised or contextually relevant coverage at scale.

Glossary,

Terms in Use	Definition
Aadhaar UID	12-digit individual unique identification number issued by the Unique Identification Authority of India on behalf of the Government of India
Bharat Connect	Bharat Connect is a bill payment system in India that allows businesses and customers to connect and make payments. It was previously known as Bharat Bill Payment System (“BBPS”)
Compound Annual Growth Rate (“CAGR”)	CAGR (Compound Annual Growth Rate) is the average annual growth rate of an investment or value over a specified period, assuming constant year-on-year growth.
Calendar Year	Calendar Year (January to December)
Consumer Loans	Includes Auto Loans, Housing Loans, Two-Wheeler Loans, Gold Loans, Loans against Securities, Used Car Loans, Used Tractor Loans, Property Loans, Personal Loans, Consumer Durable Loans, Education Loans, Credit Cards and Other loans
Conversion Rate	US\$ 1 = ₹ 85 (taken basis RBI exchange rate data averaged over the Fiscal Year 2025, rounded off to zero decimals)
DigiLocker	DigiLocker is a Government of India-launched secure cloud-based platform for storage, sharing and verification of documents & certificates

Terms in Use	Definition
E-commerce	Retail business model that involves customers buying and selling goods over the internet
Electronic Data Capture (EDC) machines	Electronic Data Capture (EDC) Machine is an electronic device that allows merchants to accept card payments from customers
e-KYC	Electronic Know-Your-Customer is a digital process to verify a customer's identity without the need for physical documents
e-RUPI	One-time use digital solution to facilitate cashless payment which is person & purpose specific solutions for various services like COVID Vaccine, donations, corporate gift vouchers, etc.
Financial Inclusion ("FI") Index	The Financial Inclusion Index (FI Index) is a composite measure that tracks the extent of financial inclusion in a country, considering access to banking, credit, insurance, and digital financial services
Fintech	Financial technology used to describe new technology that seeks to support, improve and automate the delivery and use of financial services
Fiscal Year	Financial year as per Indian standard which begins on 1 st April of the base year and ends on 31 st March of the following year. For reference, Fiscal Year 24 includes the time period from 1 st April 2023 to 31 st March 2024.
Goods & Services Tax ("GST")	The goods and services tax (GST) is a value-added tax levied on most goods and services sold for domestic consumption. The GST is paid by consumers, but it is remitted to the government by the businesses selling the goods and services
Gross Domestic Product ("GDP")	Gross domestic product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period.
Gross National Income ("GNI")	Gross National Income (GNI) measures the total domestic and foreign value added claimed by residents at a given period in time.
Merchant Discount Rate ("MDR")	Refers to the rate at which merchants are charged for accepting Debit Card and Credit Card payments and funds paid via net banking and Digital Wallets
Merchant Loans	Includes Secured and Unsecured Business Loans and Commercial Vehicle Loans
Metro	Metro cities indicate 8 cities, namely – Mumbai (Maharashtra), Delhi (NCT), Bangalore (Karnataka), Chennai (Tamil Nadu), Hyderabad (Telangana), Kolkata (West Bengal), Pune (Maharashtra) and Ahmedabad (Gujarat)
Middle-income households	Households with annual income between ₹ 0.3-1.1 million (US\$ 3,500-13,000)
Payment Infrastructure Development Fund ("PIDF")	Scheme launched by the RBI to facilitate and subsidise the development of payment acceptance infrastructure with a primary focus on Tier-3 to Tier-6 cities in India as well as Northeastern States and Union Territories of Jammu & Kashmir and Ladakh
Pradhan Mantri Jan Dhan Yojana ("PMJDY")	An initiative encompassing an integrated approach to bring about comprehensive financial inclusion of all the households in the country with universal access to banking facilities (at least one basic banking account for every household)
Private Final Consumption Expenditure ("PFCE")	Expenditure incurred by the resident households and non-profit institutions serving households on final consumption of goods and services, whether made within or outside the economic territory
Audio payment confirmation devices	Devices that carry UPI QR codes and give instant voice notification for successful payments
Tier 1	As per RBI classification defined in a circular dated 1 July 2015, which considers cities with a population of more than 0.1 million as per the Census 2011 city population data
Tier 2+ cities	As per RBI classification defined in a circular dated 1 July 2015, which considers cities with a population of less than 0.1 million as per the Census 2011 city population data
TPV	Total Payment Value
UPI	UPI stands for Unified Payments Interface, a real-time payment system that allows users to transfer funds between bank accounts using a mobile app

OUR BUSINESS

Some of the information in this section, especially information with respect to our plans and strategies, contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. You should read “Forward-looking Statements” on page 38 for a discussion of the uncertainties related to those statements and “Risk Factors” on page 39 for a discussion of certain risks that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements.

We have included various metrics in this Updated Draft Red Herring Prospectus – I, many of which may not be derived from our Restated Consolidated Financial Information or otherwise be subject to an examination, audit or review by our auditors or any other expert. The manner in which such metrics are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and should consult their own advisors and evaluate such information in the context of the Restated Consolidated Financial Information and other information relating to our business and operations included in this Updated Draft Red Herring Prospectus – I. Further, all information presented in images of our interfaces in this section is mock data and for illustrative purposes only; no actual customer data was used to generate or is presented in any images of our interfaces included in this section.

Unless otherwise indicated, industry and market data used in this section have been derived from the report titled “Democratising Access to Digital Economy” dated January 13, 2026 (the “Redseer Report”) prepared and issued by Redseer Strategy Consultants Private Limited (“Redseer”), which has been commissioned by and paid for by our Company exclusively in connection with the Offer for the purposes of confirming our understanding of the industry in which we operate. There are no portions of or data or information in the Redseer Report which may be relevant for the Offer, that have been omitted or changed in any manner. The data included herein (with relevant chapter and page references to “Industry Overview”) includes excerpts from the Redseer Report and may have been re-ordered by us for the purposes of presentation. The Redseer Report will form part of the material documents for inspection, and a copy of the Redseer Report will be made available on the website of our Company upon filing of the UDRHP-I until the Bid/Offer Closing Date. Unless otherwise indicated, operational, industry and other related information included herein with respect to any particular year refers to such information for the relevant financial year. For further details, see “Risk Factors — Certain sections of this Updated Draft Red Herring Prospectus – I contain information from the Redseer Report which has been exclusively commissioned and paid for by us in relation to the Offer and any reliance on such information for making an investment decision in this Offer is subject to inherent risks” on page 82.

Our financial year ends on March 31 of each year. Accordingly, references to “Fiscal Year 2025”, “Fiscal Year 2024” and “Fiscal Year 2023”, are to the 12-month period ended March 31 of the relevant year, and references to the six months period ended September 30, 2025 and 2024 refer to the periods between April 1, 2025 and September 30, 2025, and April 1, 2024 to September 30, 2024, respectively. Financial information for the six months period ended September 30, 2025 and September 30, 2024 is not indicative of the financial results for the full year and is not comparable with financial information for the Fiscal Years 2025, 2024 and 2023.

The following information should be read together with the more detailed financial and other information included in this Updated Draft Red Herring Prospectus – I, including the information contained in “Risk Factors,” “Industry Overview,” “Restated Consolidated Financial Information,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 39, 156, 305 and 387, respectively.

Overview

PhonePe is a technology company that is building digital platforms for population-scale adoption and powering an ecosystem of apps across Payments services, Digital Distribution Services and Financial Services. Through our digital platforms, we strive to unlock the flow of funds and ability to access goods and services for our users.

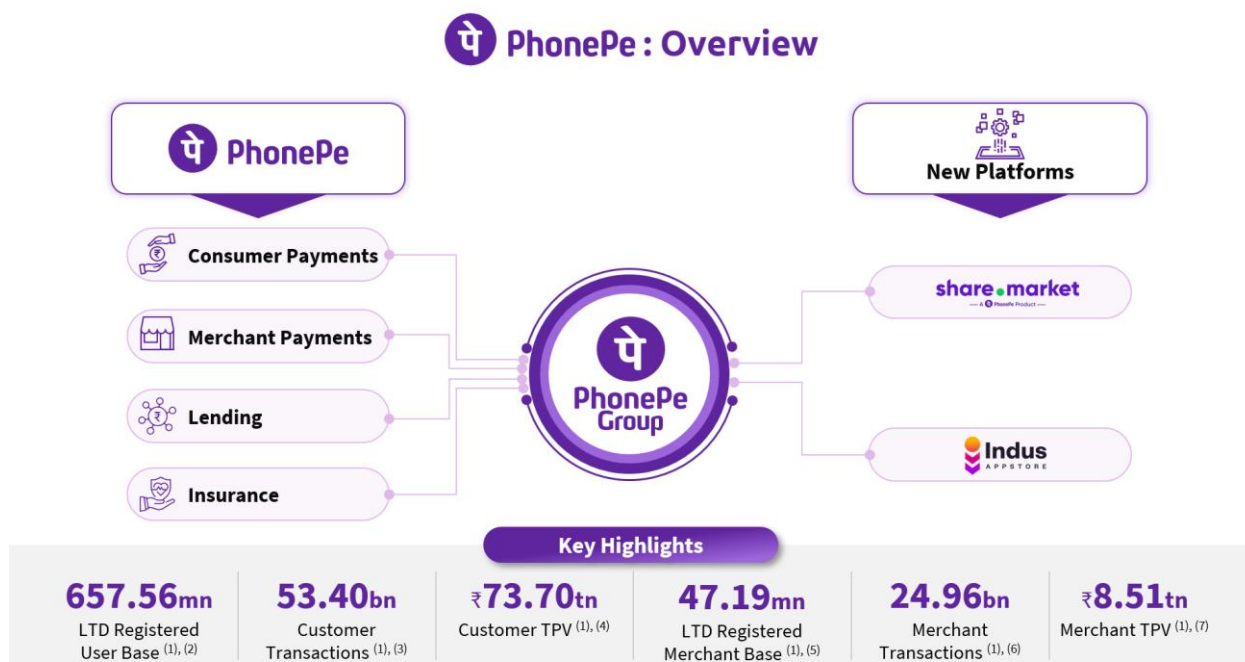
Our name “PhonePe” combines “Phone” with “Pe” – the phrase “Pe” which is derived from the Hindi word “पे” and means “on”, is also pronounced as “pay” in English. It reflects what we have built – a single platform that enables any Indian with access to a mobile phone to “send, spend, manage, and grow” money.

Following the pilot launch of Unified Payments Interface (“UPI”) in April 2016, we became India’s first private non-bank player to launch a UPI-based application in August 2016, as per National Payments Corporation of India (“NPCI”) data, according to the Redseer Report (chapter 7, page 189). Built on the principles of speed, reliability, and security, we aim to deliver a seamless experience for consumers and merchants across India by facilitating digital payments and money transfers, with high payment success rates, and security of data and transaction flows. We are India’s largest digital payments platform, with sustained leadership in market share from December 2020 to September 2025 in terms of the number of transactions and

total payments value (“TPV”) for customer-initiated UPI transactions, as per NPCI data, according to the Redseer Report (*chapter 7, page 190*).

Our Digital Platforms

Our ecosystem comprises three digital platforms as illustrated below: (i) **the PhonePe Platform**, which caters to two population cohorts — Consumers (via the PhonePe Consumer app) and Merchants (via the PhonePe Business app) — enabling access to Consumer Payments along with Digital Distribution Services, Merchant Payments, Lending Distribution and Insurance Distribution services, and (ii) two **New Platforms**, which are Share.Market (a stock broking and mutual funds distribution platform) and Indus Appstore (a Made-In-India Android app store).



Notes:

All metrics are for PhonePe Platform.

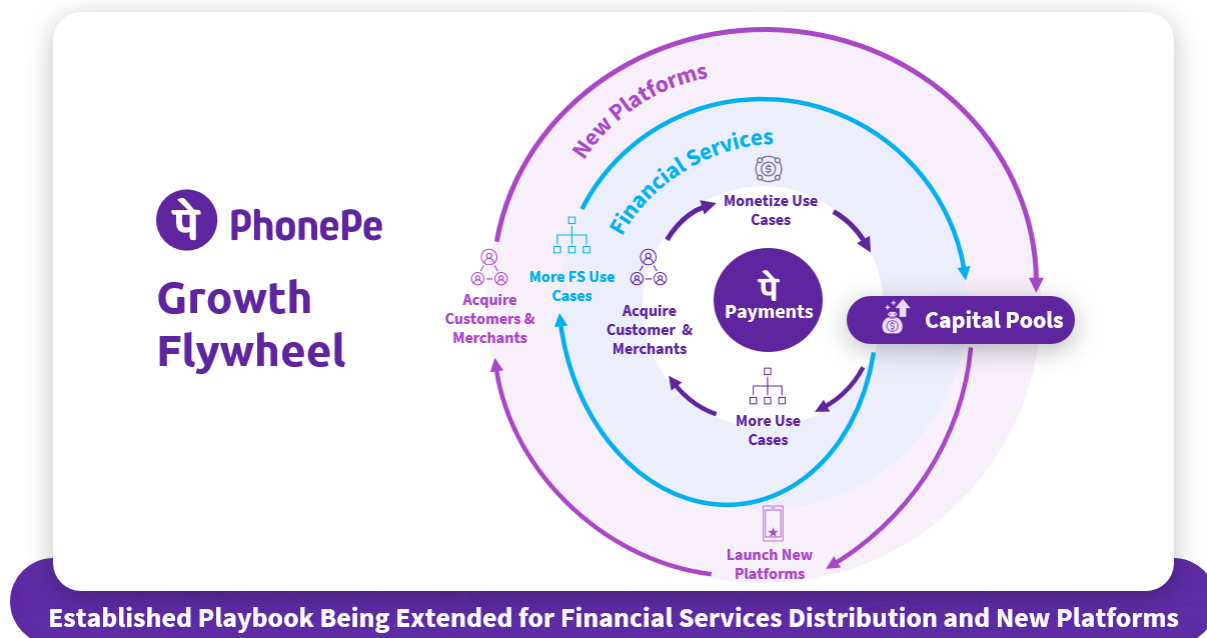
- (1) Life-Till-Date (“LTD”) Registered User Base and LTD Registered Merchant Base is as of September 30, 2025. Customer Transactions, Customer TPV, Merchant Transactions and Merchant TPV are for the six-month period ended September 30, 2025.
- (2) LTD Registered User Base refers to total unique users who have signed up with PhonePe Group by accepting the PhonePe terms & conditions, as of the end of September 2025.
- (3) Customer Transactions refers to the total successful payment transactions by PhonePe customers in the six-month period ended September 30, 2025.
- (4) Customer TPV refers to the total payment value of the Customer Transactions in the six-month period ended September 30, 2025.
- (5) LTD Registered Merchant Base refers to the life-till-date total unique onboarded merchants as of September 30, 2025.
- (6) Merchant Transactions refers to the Total successful payment transactions made to Registered Merchants in the six-month period ended September 30, 2025.
- (7) Merchant TPV refers to the total payment value of the Merchant Payment transactions made to Registered Merchants in the six-month period ended September 30, 2025.

Our Approach to Creating New Businesses and Products

At PhonePe, we strive to build digital platforms with the aim of helping consumers and merchants improve their lives, realise their aspirations and unlock their true potential by giving them access to the digital ecosystem. Through our leadership in the digital payments space, according to the Redseer Report (*chapter 7, page 190*), we have an established track record that is being used to expand further into Financial Services Distribution services and scaling our New Platforms.

Our core operating philosophy is underpinned by a deliberate flywheel strategy — one that systematically drives scale, financial performance, and continuous innovation. Our payments offerings, which are at the core of our ecosystem, serve both consumers and merchants. We believe that as more consumers and merchants associate with our platform and drive transactions, we are able to achieve large business scale and leadership in digital payments. With increasing platform adoption and engagement, we generate rich data and insights that allow us to continuously expand use cases and launch new offerings on the PhonePe platform. Through these expanded offerings we unlock avenues that could grow revenue, profitability and cash flows. We generated revenue from operations of ₹71,148.58 million in Fiscal Year 2025, with a growth in revenue from operations of 40.50% over Fiscal Year 2024, and Adjusted EBITDA of ₹14,771.92 million in Fiscal Year 2025. For the six months period ended September 30, 2025, we generated revenue from operations of ₹39,184.69 million and Adjusted EBITDA of ₹2,539.09 million. We had Bank balances and Investments of ₹63,332.21 million as of March 31, 2025. For a reconciliation of non-GAAP

measures, see “Other Financial Information – Non-GAAP Financial Measures – Reconciliation of non-GAAP measures” on page 380. Building on this foundation, we have diversified into the distribution of Financial Services, which in turn strengthens our overall path to profitability, and further enhances the steady cash generation from our Payments business. This financial strength fuels the next phase of our growth journey which comprises expansion of the New Platforms, Share.Market and Indus Appstore, through which we are expanding into new markets and prospective capital pools, reinforcing the momentum of our flywheel.



Note: FS stands for Financial Services – Distribution of Lending and Insurance products.

Our India-Focused Business

We have been, and intend to continue to be, India-first in focus and ethos. We are domiciled in India, and our platforms are “Made in India, For India, By Indians”. Our multi-tenanted technology infrastructure powers digital payments at national scale and runs entirely on data centres within the country, thus ensuring 100% data residency. Since the launch of the PhonePe app in 2016 through September 30, 2025, we have invested ₹33.73 billion in building this infrastructure – including servers, routers and switches across multiple strategic locations.

We were one of the earliest to adopt India’s Digital Public Infrastructure (“DPI”) initiatives at scale, including UPI, Bharat Connect (formerly BBPS), Open Network for Digital Commerce, Aadhaar and DigiLocker, according to the Redseer Report (*chapter 7, page 189*). Our platforms are built on and for India’s DPI, solving everyday needs such as money transfers, Know Your Customer (“KYC”) services, bill payments, offline payments on brick-and-mortar stores, online payments on apps or websites, through our inclusive technology-driven innovation. As of March 31, 2025, with an extensive reach of 618.40 million LTD Registered User Base (43% of India’s total population of 1,455 million) and 44.87 million LTD Registered Merchant Base (77-80% of the 56-58 million Trade and Services merchant base in India), we are providing population-scale solutions leveraging technology, according to the Redseer Report (*chapter 7, page 191*).

Our products and services are designed to drive inclusive digital payments penetration across all of India including Tier-1¹ and Tier-2+ cities², where Financial Services are most underpenetrated and have substantial Total Addressable Market (“TAM”) for Financial Services, according to the Redseer Report (*chapter 7, page 189*). As of September 30, 2025, 65.22% of our consumers came from Tier-2+ cities. Our merchants are present across 98.61% of pin codes in India. Our apps cater to a diverse and multi-lingual user base across India, supporting the usage of the main features of our PhonePe Consumer app and PhonePe Business app in 11 Indian languages as of September 2025. As of September 30, 2025, without including our sales team, we employ 4,282 full-time employees, including 1,880 employees in our engineering team. In addition, we have a nationwide feet-on-street network of 25,657 sales team members covering 96.96% of India’s pin codes, along with 31,019 agents commissioned through channel partners, which are primarily focused on rural expansion. This reflects our commitment to creating opportunities for Indian talent to drive innovation and deliver technology solutions to Indian users.

¹ As per RBI classification defined in a circular dated 1 July 2015, which considers cities with a population of more than 0.1 million as per the Census 2011 city population data.

² As per RBI classification defined in a circular dated 1 July 2015, which considers cities with a population of less than 0.1 million as per the Census 2011 city population data.

Our Experienced Leadership Team Fostering a Thriving Organisational Culture

At PhonePe, we are driven by the challenge of solving population-scale problems with technology. Our founding team has continued to lead our Company with this long-term vision. Our founders — Sameer Nigam (Whole-time Director and Chief Executive Officer), Rahul Chari (Whole-time Director and Chief Technology Officer) and Burzin Engineer (Chief Reliability Officer) — each have decades of experience in the technology industry. Our Central Leadership Team comprises Senior Management Personnel (SMPs) and Key Managerial Personnel (KMPs), as well as certain heads who support our businesses and corporate functions. The business heads include the chief executive officers and chief business officers of our key businesses — Consumer Payments, Merchant Payments, Lending Distribution and Insurance Distribution services, Share.Market and Indus Appstore. Function heads, on the other hand, include Chief Financial Officer, among other leaders of central functions such as legal, compliance and investor relations. For further information, please see “*Our Management*” on page 271.

We are dedicated to cultivating a thriving workplace environment and have adopted a set of 14 values for our organisation, which are intended to guide our employees’ behaviour every day. At the Company level, our focus is on “perseverance & conviction”, a strong “customer-first” mindset, coupled with a “holistic approach” to problem-solving, to drive “positive disruption” by empowering business models that benefit all ecosystem participants, and the belief that “simplicity breeds scalability”. At the team level, our culture is intended to promote “excellence in people”, encourage “collaboration”, support a “learn fast, fail fast” attitude and maintain a strong “bias for impact”. At an individual level, we value continuous curiosity with “learn more, it’s free” attitude, individual “passion” and “openness of thought”. Underpinning all these principles are our core principles of “integrity” and “transparency” which form the foundation of a high-performance and accountable organisation. For further information, please see “ - *Our Culture and Values*” on page 234.

We also draw on the knowledge of our Board of Directors, which comprises individuals with diverse industry experiences who steer our long-term strategy, governance and organisational health. Our Board includes four non-executive independent directors, including a non-executive independent Chairperson, who have several years of experience in their respective fields and four non-executive nominee directors of WM Digital Commerce Holdings Pte. Ltd. The list of investors in our Company includes our Promoter, WM Digital Commerce Holdings Pte. Ltd, and other established strategic investors, sovereign funds and private equity investors globally. WM Digital Commerce Holdings Pte. Ltd is a member of the Walmart international group of companies.

We believe that our long-term orientation, strong organisational culture, and commitment to high standards of governance promote ethical practices and sustainable growth. Backed by visionary founders, seasoned leadership, and an experienced, independent Board, we are focused on building an enduring company.

Our Robust Governance Model and Regulatory Compliance

Our governance culture is built around a commitment to transparency towards all our stakeholders - regulators, investors, business partners, employees and users. We operate with a focus on corporate governance, which is embedded in our operating model. We follow a three-tiered governance model which is designed to cultivate risk management and provide objectivity and oversight across all business functions. Our governance model comprises:

- ***Business Teams:*** Directly responsible for managing risks within predefined acceptable limits established by our internal risk framework and regulatory obligations as part of day-to-day operations. This enables risk awareness and accountability to be integrated into core decision-making processes.
- ***Compliance and Fraud & Risk Analytics (“FRA”):*** Partner with business teams to enable adherence to regulatory and risk policies, while operating at an arm’s-length from business operations.
- ***Internal Audit Team:*** Operates independently, reporting directly to the Audit Committee, and provides an additional layer of oversight and assurance.

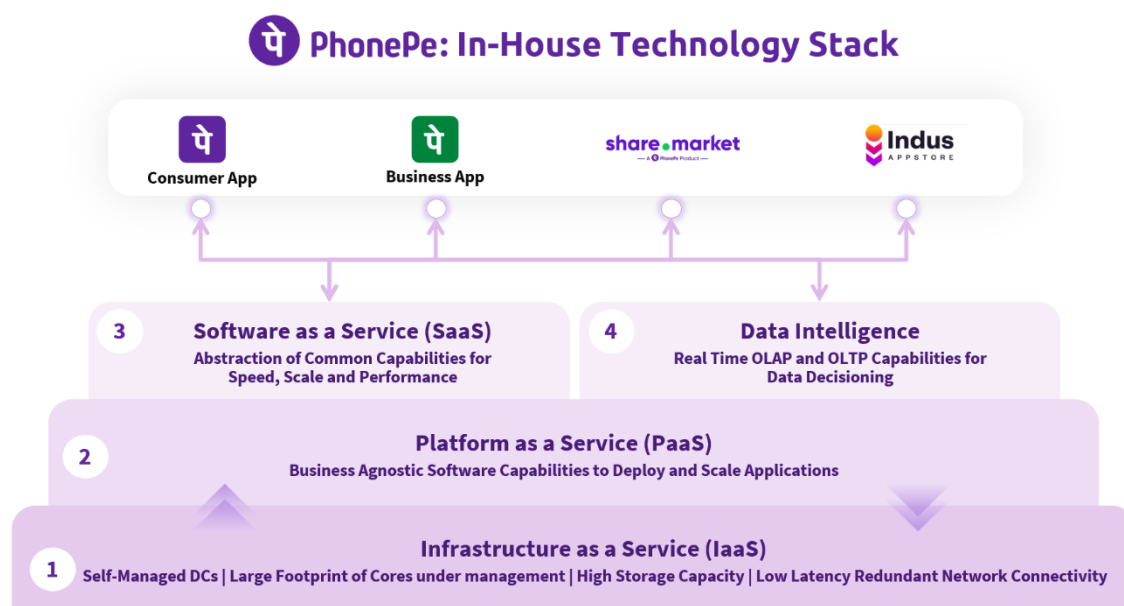
We strive to operate within the applicable regulatory and legal framework, and maintain a strong model of compliance that helps us embrace and adapt to a complex and evolving regulatory landscape in India. We hold multiple licenses from major Indian financial regulators, statutory bodies and industry bodies, including the RBI, SEBI, IRDAI, Association of Mutual Funds in India, the UIDAI, the Stock Exchanges and Depositories. Furthermore, our Board has approved a proposal for one of our Subsidiaries, PFPL, to re-apply to the RBI, for a certificate of registration to commence and carry on business as a type-II non-banking finance company (non-deposit taking) (“**NBFC-ND II**”). Additionally, PFPL has filed an application dated November 4, 2025 with the RBI, for a certificate of registration to commence and carry on business as a type-II non-banking finance company (non-deposit taking).

In addition to being regulated, we also undergo regular audits and assessments by external parties and industry bodies, including NPCI, banking partners, lending partners, stock exchanges, payment networks and other parties. In Fiscal Year 2025, we completed 53 such external audits and certifications, which demonstrate high standards of governance and compliance.

Our In-house Technology Stack

We have built the technology at PhonePe with the core aim of delivering reliability, scalability, security and cost efficiency at scale. At the heart of our approach is a belief that true differentiation comes not just from the application layer but from owning and engineering the entire technology engine - from infrastructure to application and beyond. As the application experience is becoming increasingly commoditised and indistinct, players with an ability to build and control the full technology stack have a powerful competitive moat, according to the Redseer Report (*chapter 7, page 187*), which enables faster, more nimble innovation.

Our technology is built on four foundational layers, each designed to reinforce this differentiation and help us scale with speed, resilience, and trust.



Note: OLAP stands for Online Analytical Processing; OLTP stands for Online Transaction Processing; DC stands for Data Centres.

- 1. Infrastructure as a Service (“IaaS”)**: At the foundation of PhonePe’s technology stack is infrastructure that is self-managed, on-premises and designed for performance, scale and control. The compute layer spans over 1.04 million cores, which are the fundamental processing units of a Central Processing Unit (“CPU”), with 30.95 petabytes of storage under active management as of September 30, 2025. The compute layer is hosted in PhonePe-managed data centres, using custom-configured hardware and networks that offer cost efficiency and reliability. PhonePe employs a mix of air-cooled, direct liquid cooling, and liquid immersion cooling servers to drive energy-efficient operations. We have also built our own software systems for managing computing and storage resources, which contribute to better infrastructure utilisation and performance. This architecture enables complete control over data localisation, cybersecurity protocols, and cost efficiencies. Furthermore, PhonePe enables seamless operations through multi-layered resilience — each data centre has hardware-level redundancy across storage, network, and compute, while cross-site systems run in active-active or active-passive modes with instant switch-over. Each site can independently handle the workload across categories and instruments, if another faces an outage.
- 2. Platform as a Service (“PaaS”)**: Built atop this infrastructure is a PaaS layer that abstracts common infrastructure capabilities into software services that are usable regardless of business use case, enabling rapid and secure application deployment at scale. A dedicated in-house team continuously evolves these central platforms to meet enterprise-grade standards of performance, reliability, and security. The services are designed for population-level scalability and are hardened by serving the demanding needs of the payments business in the past. For instance, the payment processor handled over 303.42 million consumer transactions and 140.40 million merchant transactions daily, with a peak throughput of 22,369 transactions per second in the six months period ended September 30, 2025. The FRA rule evaluation engine processed over 516.45 million evaluations per day with a median latency of 9.4 milliseconds in the six months period ended September 30, 2025. We also managed an event ingestion volume of 141.15 billion total events processed per day as of September 30, 2025. We believe this maturity directly benefits all new business lines by providing a stable, compliant, and high-performing foundation. Security measures, operational controls, and

regulatory compliance frameworks are embedded at the platform level, simplifying adoption for new teams. Applications launched on this stack can rely on scale, observability, and resilient uptime without rebuilding core capabilities. New regulated businesses inherit audit-ready systems, reducing their go-to-market time. In essence, PaaS empowers teams to focus on business logic while leveraging proven infrastructure.

3. **Software as a Service (“SaaS”):** PhonePe’s SaaS layer delivers reusable internal components that are designed for scale, reliability, and high performance. These include critical capabilities such as payments processing, user onboarding, KYC, fraud detection and more — packaged as APIs and internal services that behave like third-party SaaS tools. Built and maintained by dedicated central technology teams, these services are deeply integrated with the rest of the PhonePe technology stack and hardened by the rigorous demands of the payments vertical. Our Company, Subsidiaries and new business verticals can plug into these services without rebuilding foundational components, accelerating innovation cycles and reducing time to market. This also unlocks cost efficiencies as teams can focus on vertical-specific product development without needing to duplicate efforts on common capabilities. Instead of running multiple redundant instances, one central system handles scale for all. For example, as of September 30, 2025, KYC-as-a-Service enabled 144,731 daily KYC verifications. This design philosophy enables applications to receive a strong foundation from day one, with speed, efficiency, and intelligence built in.
4. **Data Intelligence:** The topmost layer of the stack is a data intelligence system that transforms our large-scale data flows into actionable insights for both systems and humans. This is built on a three-pronged architecture comprising real-time intelligence from streaming data, business intelligence from historical data, and a construct called Knowledge Stores that blends the two to deliver contextual decision-making. This Data Intelligence layer powers a range of use cases across the business — from fraud detection and incentive optimisation to personalisation and operational automation. We handled over 12.82 million customer support tickets monthly, with 94.37% resolved through automation in the month of September 2025. “Yatra”, our in-house engine that deepens and broadens customer engagement across payment use cases, tracked 1,086 daily user journeys and triggers 594.93 million real-time nudges that guide users contextually as of September 30, 2025. Real-time intelligence enables fast, localised decisions embedded directly in product journeys, compliance checks, and risk systems, while deeper analytics support strategic decisions and tuning of business processes. Edge Machine Learning (“EML”) models deliver intelligent nudges on the consumer’s device to improve user experience without the data leaving the local device; merchandising engines improve conversion through personalised cross-sell and up-sell; and predictive models are used to optimise marketing campaigns based on long-term user value, improving return on investment and reducing cash burn. The Data Intelligence layer is built on a data mesh architecture that supports scaling across teams while maintaining governance and traceability. As we harness data to drive intelligence across our ecosystem, we take data responsibility seriously, placing emphasis on both data privacy and security. To facilitate data privacy, we follow a consent-based data governance framework in which data use is aligned to specific purposes and underpinned by user consent, including both explicit permissions and consents obtained through acceptance of applicable terms and conditions. Personal information is collected, stored, used, and shared in accordance with applicable laws and regulations. In terms of data security, PhonePe’s Consumer and Merchants Payments data is primarily hosted in self-managed data centres located on third party premises within India, providing control over storage location and compliance with data residency and localisation norms. Our dedicated in-house Information Security and Application Security teams implement end-to-end cybersecurity measures spanning hardware to software, with regular cybersecurity audits to validate adherence to regulatory and industry standards.

Our technology stack has received awards and recognitions such as “Best Tech for Payments” in 2023 at IAMAI’s 13th India Digital Awards and “Best FinTech App” in 2023 and 2024 at IAMAI’s 13th and 14th India Digital Awards, respectively. As of September 30, 2025, we had an engineering, information technology and product team of 1,880 employees dedicated to delivering solutions for our users. Since the launch of the PhonePe app in 2016 through September 30, 2025, we invested a total of ₹33.73 billion towards technology infrastructure to stay ahead of evolving user needs, industry demands, technological advancements and market trends.

Our GenAI Program

Our generative AI (“GenAI”) program is structured around four strategic tracks: enabling infrastructure, development efficiency, organisational productivity, and consumer products. We believe these efforts reflect our commitment to embedding AI across the company to unlock scale, efficiency, and innovation.

- **Enabling Infrastructure:** To build a foundational layer, a dedicated GenAI core group is set up to support these initiatives by unblocking challenges related to model hosting, model routing and data controls. With multiple use cases already in production and many more in proof-of-concept stages, we are aiming to lay a strong bedrock for a scalable, AI-powered future at PhonePe.

- **Development Efficiency:** To enhance developer productivity, we are mapping each stage of the software development lifecycle to GenAI tools that improve speed and quality without compromising governance. These tools assist with code writing, generating standard code updates, creating test cases, and organising technical documentation. They help engineers work faster and more efficiently, while also making it easier for new developers to onboard and access the information they need.
- **Organisational Productivity:** To boost organisational productivity, we are deploying cross-function GenAI tools to improve day-to-day workflows. We are identifying specific automation opportunities across functions such as using image recognition for merchant business profiling, and customer support bots for helping us stabilise operational headcount while increasing output.
- **Consumer Products:** GenAI is being integrated into customer-facing experiences to enhance relevance and engagement. Notable pilots include advanced merchant business profiling based on large language models (“LLM”) driven image extraction, and LLM-powered chat and voice bots for customer service.

Our Platforms

We offer products and services through multiple digital platforms that, together, enable any Indian with access to a mobile phone to “send, spend, manage, and grow” money. These offerings are provided through the PhonePe Platform (PhonePe Consumer app and the PhonePe Business app), Share.Market and Indus Appstore. Our products and services are developed to address large markets, as well as Tier-2+ cities where Financial Services are most underpenetrated and have substantial TAM for Financial Services, according to the Redseer Report (*chapter 7, page 189*).



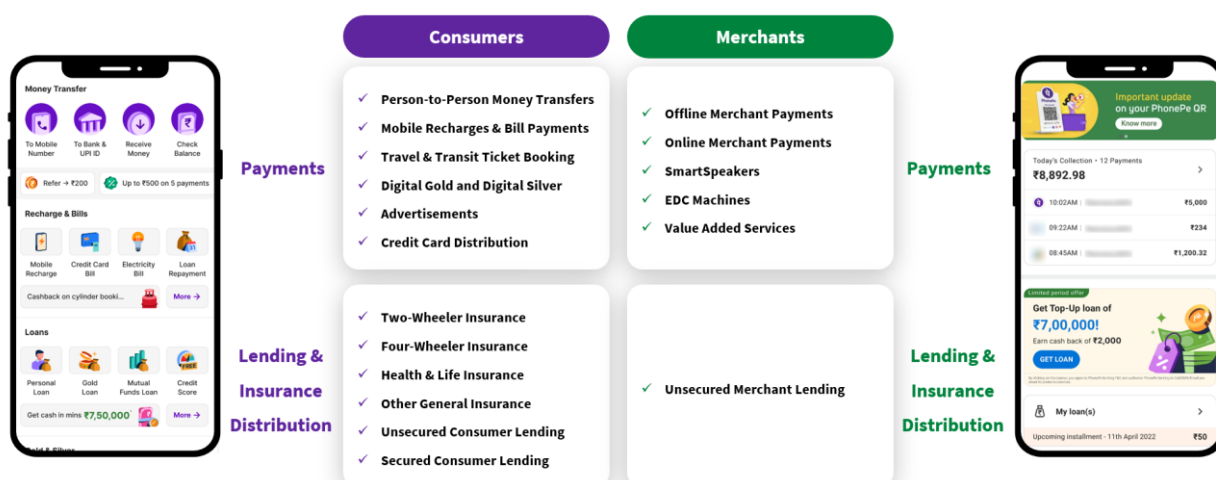
1. PhonePe Platform

Before the launch of UPI, Indian consumers faced challenges in the payments industry such as lack of reliable and simplified payment solutions with high success rates at checkout, according to the Redseer Report (*chapter 2, page 162*). We launched the PhonePe app in August 2016 with the aim to provide a fast, reliable and secure digital payments system that could enable digital payments for millions of users simultaneously and handle the associated challenges such as scale, security and concurrency. The PhonePe app utilises UPI, an instant real-time payment system in India, which was announced through a pilot launch in April 2016 and launched publicly for live app usage in August 2016 by the NPCI. Following the pilot launch of UPI in April 2016, in August 2016, we launched the PhonePe app, India’s first UPI app by a private non-bank player, as per NPCI data, according to the Redseer Report (*chapter 7, page 189*).

Since then, UPI has expanded to become the foundational digital payment rails, which enables seamless transactions across various payment products including Credit on UPI, Wallet on UPI, and Central Bank Digital Currency, according to the Redseer Report (*chapter 2, page 162*). The PhonePe Platform leverages its arrangements with three sponsor payment service provider (“PSP”) partner banks, Yes Bank Limited, Axis Bank Limited, and ICICI Bank Limited, and technology built on top of UPI to power novel payment solutions. We also partner directly with various banks, NBFCs, insurers and other aggregators to offer consumers and merchants a wide array of services.

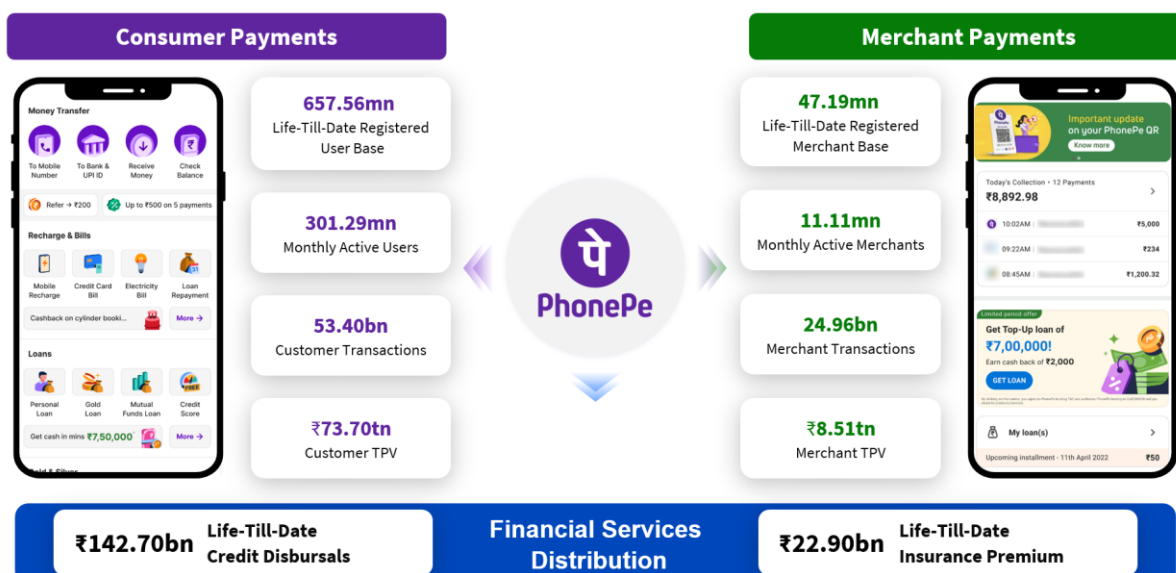
Set out below is an overview of these products and offerings available to our consumers and merchants on the PhonePe Platform.

₹ PhonePe Platform: Serving Consumers and Merchants



Today, we have millions of consumers and merchants who trust the PhonePe brand as demonstrated by the fact that more than 99% of our customers on any given day use our platform again within the next 30 days and, on top of that, over this 30-day window, their transactions on our platform increase over time. We believe this trend was largely driven by our speed, reliability, and security. We further believe that the scale of the PhonePe Platform reflects that we are closely intertwined with key drivers of India's growth. The drivers of India's growth include the rise of a young working population, expanding middle-class households, increasing internet and smartphone penetration, and the rapid adoption of digital services such as payments, e-commerce, financial services and healthcare, according to the Redseer Report (*chapter 2, page 161*). Set out below are certain metrics that illustrate our population-scale and form the basis for our leadership in terms of Consumer Transactions and TPV.

₹ PhonePe Platform: Key Metrics



Note:

See "— Select Consolidated PhonePe Group Operating Metrics" on page 212 for definitions. Data in this chart (besides those in the interfaces) is presented as of September 30, 2025, for the month of September 2025 and for the six months period ended September 30, 2025.

For partners, such as telecom operators, utility billers, insurers, online travel agents, metro rails, and gold and silver sellers, we leverage the PhonePe Platform's advantage: payments data combined with daily interactions across millions of consumers and merchants. This enables intelligent and efficient digital distribution of our partner's product and services. We have also made

a conscious strategic decision to not compete against our partners, and instead focus exclusively on being providers of (i) technology and (ii) intelligent digital distribution solutions.

Presented below are additional details of PhonePe Platform offerings:

A. Consumer Payments

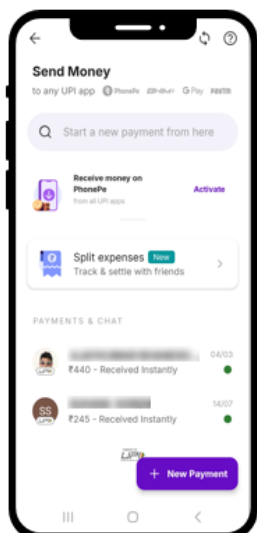
For consumers, the PhonePe app is designed to be an integral part of their daily life, offering a wide range of services. We provide a fast, reliable, and secure digital platform that customers return to during the day for multiple use cases. These comprehensive and multiple touchpoints across digital payments, daily services, and finance create a cycle that drives the growth of the PhonePe Platform among consumers. Our offerings are structured into three key categories:

- **Payments** – including person-to-person money transfers, bill payments (electricity, water, gas, credit card, loan repayments, insurance premiums payments, donations among a total of 33 sub-categories), offline payments through QR scan-and-pay, online payments on various apps and websites, and gift cards.
- **Digital Distribution Services** – including mobile recharges, FASTag, direct-to-home (“DTH”), travel (bus, train, flight and hotel) and transit (metro rails and cabs) booking, digital gold and digital silver transactions, National Pension Scheme investment and vouchers.
- **Others** – such as deals, coupons, and bank balance checking.

PhonePe App: Digital Payment Offerings for Consumers

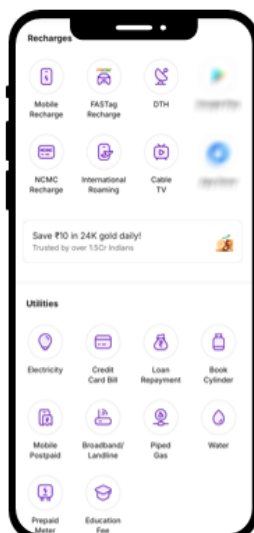
Person-to-Person Money Transfer

Transfer money securely and easily



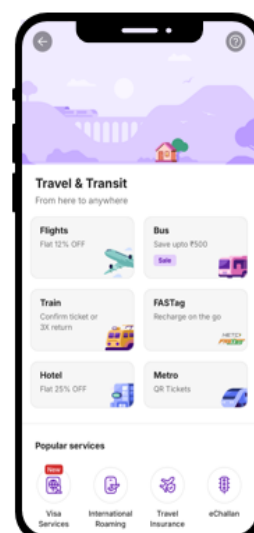
Bill Payments & Mobile Recharges

Pay utility bills, recharge mobile/DTH/FastTag



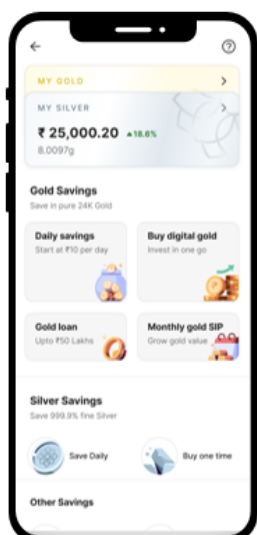
Travel & Transit Ticket Booking

Book travel (bus, flight, train, hotel) on PhonePe



Gold, Silver and NPS

Buy and sell digital gold and silver



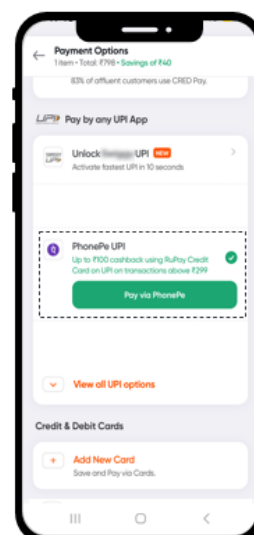
In-Store Merchant Payments

QR code payments at brick-and-mortar outlets



Online Merchant Payments

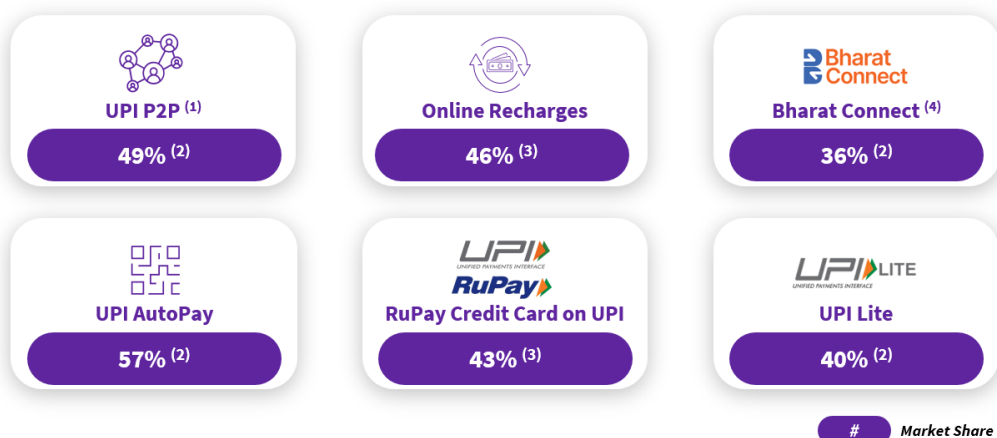
Payments made on 3rd party online merchant apps/sites



Our distribution strength, with both consumers and merchants, has allowed us to successfully launch and scale up a broader bouquet of payments options, such as (i) UPI Circle payments, which allow a primary user to authorise a secondary user, for example a family member or friend, to make transactions from the primary user's bank account with set transaction limits, (ii) Use of RuPay credit cards on UPI, enabling a domestic card network acceptance on UPI rails by linking a user's credit card to the user's UPI ID, (iii) Wallet on UPI, (iv) UPI AutoPay, (v) PhonePe co-branded credit cards, and (vi) International UPI transactions through partnerships in ten international markets as of September 30, 2025 (Singapore, the United Arab Emirates, Qatar, Nepal, Sri Lanka, Bhutan, Mauritius, the United States, the United Kingdom, and European countries such as France), enabling seamless UPI payments for our consumers when they travel abroad.

While we maintain market leadership in overall customer-initiated transactions on UPI, we also hold substantial market share in various other payment use cases and payment instruments, according to the Redseer Report (*chapter 7, page 190*).

₹ PhonePe : Deep Market Penetration Across Payment Use Cases and Instruments



Notes:

Source: Redseer Report

All market share data for Fiscal Year 2025, except for UPI P2P transactions, UPI AutoPay and Bharat Connect (formerly BBPS), which are for the six months period ended September 30, 2025.

⁽¹⁾ P2P stands for person-to-person.

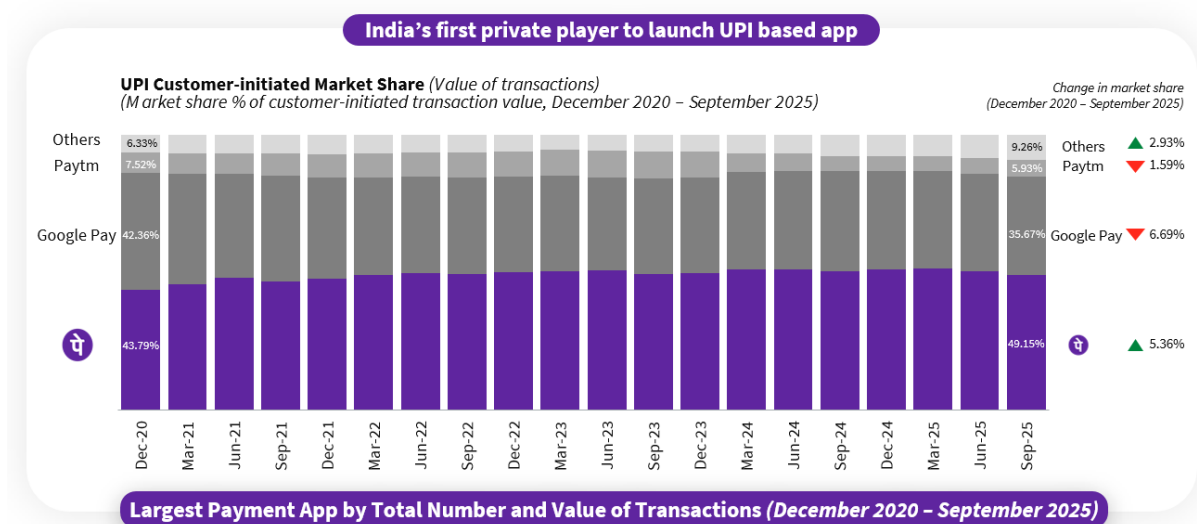
⁽²⁾ Based on Transaction Volume.

⁽³⁾ Based on TPV.

⁽⁴⁾ Bharat Connect stands for the unified bill payments platform (formerly BBPS).

Over the period from December 2020 to September 2025, we have consistently sustained the #1 market position in terms of number of transactions and TPV for customer-initiated transactions in UPI for 58 consecutive months, according to the Redseer Report (*chapter 7, page 189*). The chart below illustrates our leadership in UPI transactions by value, highlighting the sustained strength of our platform.

₹ PhonePe: UPI Market Share Trends



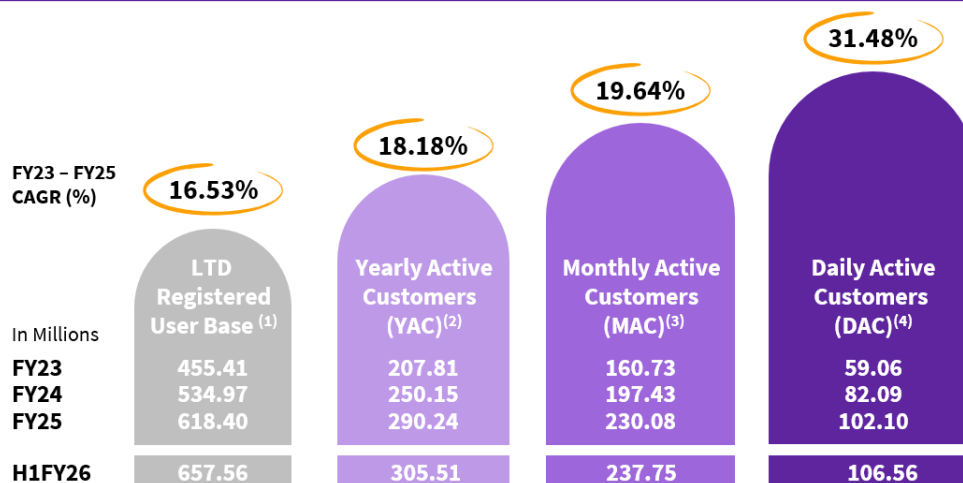
Source: Redseer Report

Note: All numbers are month exits.

Improving Customer Engagement and Conversion: We have consistently increased the conversion of users to active customers in the last three Fiscal Years, reflecting the improving retention, engagement and trust of our platform. Consumer journeys are powered by Yatra - our in-house user journey tracking engine that deepens and broadens customer engagement across payment use cases.

₹ PhonePe: Customer Engagement and Conversion

Strong User to Customer Conversion with Growth Rate in DAC > MAC > YAC > LTD Registered User Base



Notes:

All metrics are for PhonePe Platform.

FY stands for Fiscal Year.

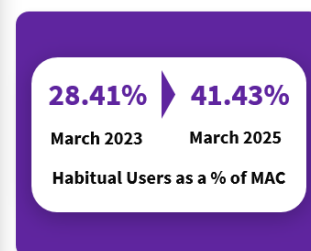
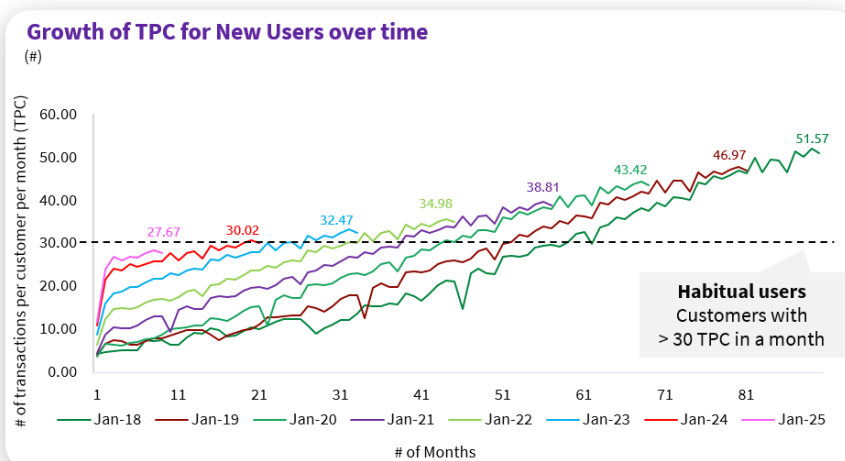
- ⁽¹⁾ LTD Registered User Base refers to total unique users who have signed up with PhonePe Group by accepting the PhonePe terms & conditions, as of the end of the first half of the fiscal year/reporting period.
- ⁽²⁾ YAC refers to the count of unique Registered Users who have done at least one successful payment transaction, in the last 12 months counted from the last month of the first half of the fiscal year/reporting period.
- ⁽³⁾ MAC refers to the count of unique Registered Users who have done at least one successful payment transaction, in the last month of the first half of the fiscal year/reporting period.
- ⁽⁴⁾ DAC refers to the daily average count of unique Registered Users who have done at least one successful payment transaction, averaged for the days of the last month of the first half of the fiscal year/reporting period.

Increased customer engagement on the PhonePe Platform is also demonstrated by our Daily Active Customers (“DAC”) as percentage of Monthly Active Customers (“MAC”), which increased from 36.74% in March 2023 to 44.82% in September 2025.

Increasing retention of customers: For regular users, PhonePe app is embedded in consumers’ daily lives, powering everyday tasks ranging from paying for morning commutes to during-the-day purchases, to evening payments, driving high customer retention. As a result, our 30-day rolling retention rate (the percentage of customers who come back to transact on the PhonePe app within the next 30 days of doing a transaction on any given day) stands at 99.23% as of September 30, 2025, and these users conduct 62.58 transactions on an average within this 30-day window.

Increasing transactions per customer: The average PhonePe customer has multiple interactions with a breadth of services on the PhonePe app throughout the day, underlining the trust placed by consumers and merchants in the PhonePe Platform. The chart below sets out the monthly Transactions per Customer (“TPC”) growth over time for each set of new customers acquired in January of 2018, 2019, 2020, 2021, 2022, 2023, 2024 and 2025, from the time such new customers were acquired.

PhonePe: Transaction Frequency Per Customer



Our TPC cohort metrics demonstrate that (i) each year's new customer cohort's TPC increases over time, indicating higher usage as tenure increases and (ii) newer customers exhibit higher TPC than older customers within the first 12 months itself, indicating much faster adoption of our platform by new users due to higher number of use cases available with each passing year. For more information refer to the TPC table below.

Cohorts ⁽¹⁾	Number of New Users ⁽²⁾	Tenure with PhonePe (months) ⁽³⁾	TPC per month in first month ⁽⁴⁾ (Column A)	TPC per month in September 2025 ⁽⁵⁾ (Column B)	Time to reach 30 transactions per month ⁽⁶⁾ (Column C)
Jan-25	6,754,960	8	11.77	27.67	--
Jan-24	6,957,403	20	10.80	30.02	18 months
Jan-23	7,122,116	32	8.66	32.47	23 months
Jan-22	7,944,446	44	6.42	34.98	31 months
Jan-21	7,530,638	56	4.56	38.81	38 months
Jan-20	6,660,951	68	3.54	43.42	43 months
Jan-19	8,383,911	80	3.96	46.97	51 months
Jan-18	5,616,096	92	4.24	51.57	58 months

Notes:

All metrics are for PhonePe Platform.

(1) Cohorts refer to customers who transacted for the first time on PhonePe in the specified month and fiscal year.

(2) Number of new users is defined as the total users signed up on PhonePe in the particular month, identified by a mobile number.

(3) Tenure with PhonePe represents the number of months from the customer's first transaction to September 30, 2025.

(4) TPC in the first month reflects the average number of transactions made by customers in the cohort during the month that they join PhonePe.

(5) TPC in September 2025 represents the average monthly transactions per customer during September 2025.

(6) Time to reach 30 transactions per customer per month is the number of months taken from the first transaction for a cohort to reach an average of 30 TPC. "--" denotes cohorts that have not yet reached this milestone.

B. Merchant Payments

PhonePe enables both offline stores and online businesses — across their websites and mobile apps — to seamlessly accept Consumer Payments through a wide range of instruments. For merchants, this enhances the customer experience by offering multiple payment options, including QR codes, Smartspeakers, EDC Machines, and PhonePe Payment Gateway services. We support reliable digital payment acceptance with robust transaction settlement and reconciliation capabilities, helping to improve operational efficiency for businesses of all sizes.

We go even beyond payments, offering a comprehensive suite of payments and related services for our merchants such as lending and merchant business solutions. We, along with our lending partners, launched our Merchant Loan Distribution

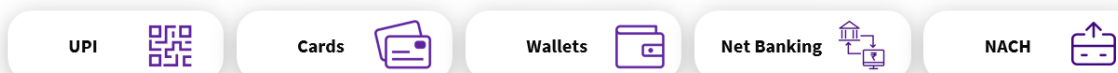
offering in March 2023 to enable credit for merchants' business growth and working capital needs, alongside other solutions that help streamline and grow their day-to-day operations.

₹ PhonePe : Offerings for Merchants

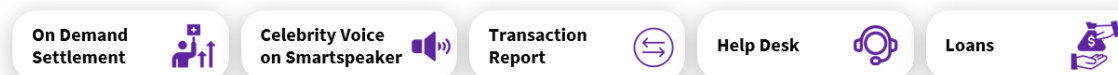
Accepting Payments



All Instrument Acceptance



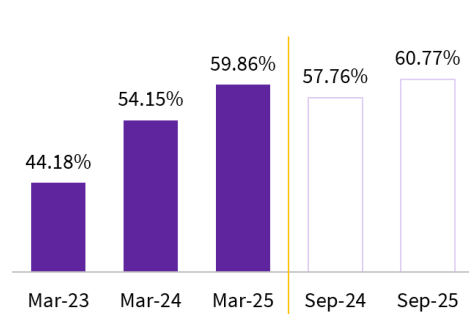
Other Offerings



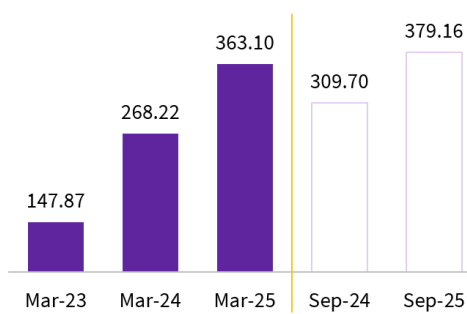
We have achieved significant scale and engagement in our merchant ecosystem. As of September 30, 2025, we had 47.19 million LTD Registered Merchant Base on PhonePe Platform, covering more than 98.61% of all pin codes in India. Of these, 11.11 million merchants engage with us on a monthly basis, and 6.75 million on a daily basis as of September 30, 2025. Our engagement and retention metrics have steadily improved, with our Daily Active Merchants (“DAM”) on PhonePe Platform as a percentage of Monthly Active Merchants (“MAM”) on PhonePe Platform rising to 60.77% in September 2025 from 44.18% in March 2023. Our Transactions per Monthly Active Merchant (“TPAM”) has more than doubled from 147.87 in March 2023 to 379.16 in September 2025.

The charts below highlight DAM as a percentage of MAM and increasing TPAM across March 2023 to September 2025.

Daily Active Merchants (DAM) ⁽¹⁾ / Monthly Active Merchants (MAM) ⁽²⁾
(%) ⁽³⁾



Transactions per Monthly Active Merchant (TPAM) ⁽⁴⁾
(#)



Notes:

All metrics are for PhonePe Platform.

⁽¹⁾ DAM refers to the daily average count of unique Registered Merchants to whom at least one successful payment transaction was made, averaged for the days of the last month of the first half of the fiscal year/reporting period.

⁽²⁾ MAM refers to the count of unique Registered Merchants to whom at least one successful payment transaction was made in the last month of the first half of the fiscal year/reporting period.

⁽³⁾ DAM / MAM is computed as DAM as a percentage of MAM.

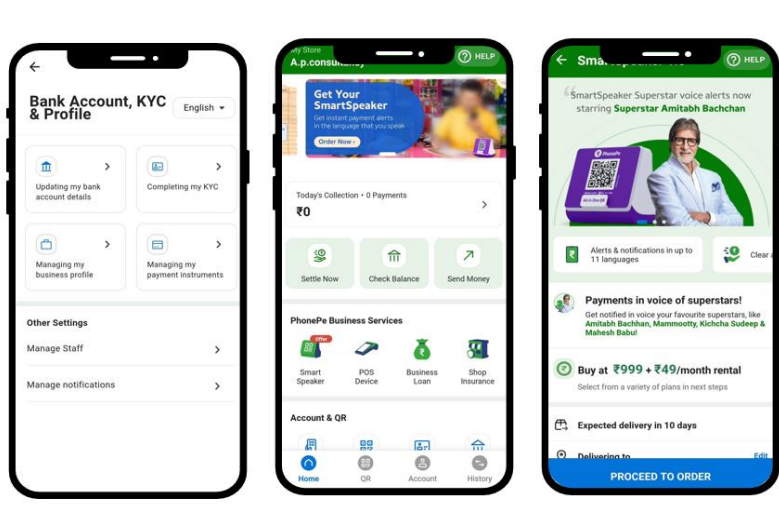
⁽⁴⁾ TPAM for the relevant month is computed as Merchant Transactions in such month divided by monthly active merchants for that month.

The rise in both DAM (from 5.05 million in March 2023 to 6.75 million in September 2025) and TPAM has directly contributed to the growth in Merchant Transactions and Merchant TPV over the years. On Merchant Loans Distribution, we have scaled disbursements over the last three Fiscal Years, increasing from ₹0.11 billion in Fiscal Year 2023 to ₹17.18 billion in Fiscal Year

2024, and to ₹45.07 billion in Fiscal Year 2025. Disbursals rose to ₹38.20 billion for the six months period ended September, 30 2025 as compared to ₹18.38 billion for the six months period ended September 30, 2024. These disbursals led Merchant Lending revenue to increase from ₹1.99 million in Fiscal Year 2023 to ₹716.50 million in Fiscal Year 2024 and to ₹3,280.44 million in Fiscal Year 2025. Merchant Lending revenue reached ₹2,880.87 million for the six months period ended September 30, 2025 as compared to ₹1,325.49 million for the six months period ended September 30, 2024. In building and scaling our merchant business, we have developed two foundational assets that provide notable advantages for PhonePe – not just for the merchant vertical but as cross-leveraged capabilities across the broader organisation: (i) our pan-India sales network, and (ii) the PhonePe Business app and web platform.

- (i) **Sales Network:** As of September 30, 2025, we had a nationwide feet-on-street network of 25,657 sales team members covering 96.96% of India’s pin codes, along with 31,019 agents commissioned through channel partners, which are primarily focused on rural expansion. We believe this extensive on-ground presence is instrumental in building long-term trust with our merchants. Through our ‘feet-on-street’ network, our sales team maintains direct merchant relationships - driving onboarding, support, device deployment, loan distribution and general grievance redressal.
- (ii) **PhonePe Business App:** Our PhonePe Business app and web platform is a purpose-built and comprehensive solution for managing end-to-end payment needs. Merchants can use the platform to set up business profiles, receive transaction confirmations, track settlements and reconciliations, and access integrated credit services. The offering includes features such as self-onboarding, Smartspeakers and EDC Machines integration, and real-time access to transaction and settlement data. As of September 30, 2025, 11.11 million monthly active merchant users (99.64% of MAM on PhonePe Platform) engaged on the PhonePe Business app.

PhonePe Business: Comprehensive Solutions for Merchants

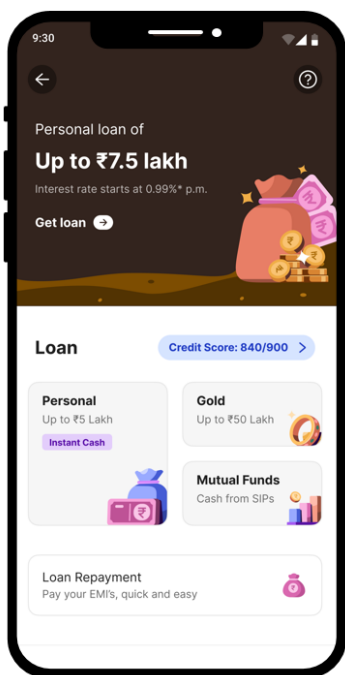


Key Benefits & Features

- ➔ Self onboarding of merchants
- ➔ Request for Smartspeaker & EDC devices
- ➔ Helpdesk for merchant queries & issue resolution
- ➔ Real-time access to transaction & settlement information
- ➔ On demand settlement & celebrity voices
- ➔ Apply for & manage loans directly through the app

C. Lending Distribution

Our foray into Lending Distribution began with merchant loans in March 2023, followed by consumer loans in February 2024, and by secured lending products in April 2024. These are digital offerings, designed to simplify credit access and management for all users across India. For merchants, our platform facilitates the disbursement of collateral-free loans from our partner financial institutions directly into their bank accounts upon approval. The Equated Daily Instalment (“**EDI**”) feature breaks down repayments into equal, daily automated mandate based deductions, making credit more accessible and manageable for small businesses, improving their financial health, and bringing them into the ambit of formal lending. For consumers, we offer fully digital, unsecured personal loans. These products are designed with user-centric features, including competitive interest rates, and flexible tenures, ensuring a transparent borrowing experience. We have also expanded our portfolio to include secured lending products, such as loans against gold, loans against mutual funds, and vehicle loans, distributed on behalf of our partner financial institutions. As of September 30, 2025, we have enabled total consumer and merchant loan disbursals of ₹142.70



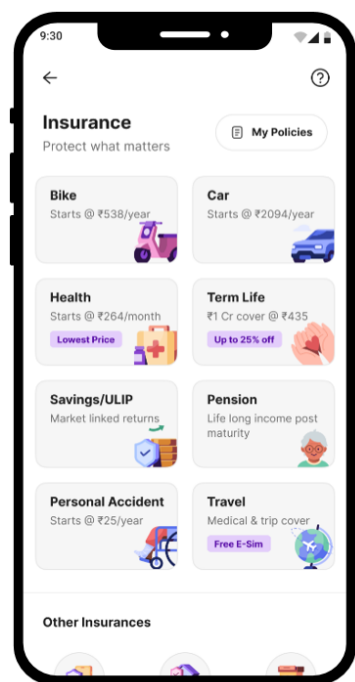
billion. We have been able to distribute loans across 98.91% of pin codes as of September 30, 2025, going beyond Tier-1 and Tier-2 cities into the hinterlands of the country.

Our ability to operate at scale and deliver differentiated value in the lending space is rooted in the breadth and depth of the PhonePe ecosystem. The vast footprint gives us a large reach and understanding of the Indian consumers and merchants. We believe the ubiquity of usage, evidenced by 90.27 billion Customer Transactions and 42.66 billion Merchant Transactions in Fiscal Year 2025, generates a unique and rich dataset.

We believe our competitive edge in the Lending Distribution business is anchored in a set of differentiated capabilities that help us operate effectively at scale. Transactions through our expansive footprint fuel our data intelligence capabilities in offering the right products, enabling repayment and collections. Our distribution is further enhanced by our Customer Relationship Management (“CRM”) platform, which powers cross-channel orchestration across the lending lifecycle—from demand generation and loan offer communication to timely reminders and repayment nudges. This system helps optimise conversions and improve engagement across borrower journeys. On the repayments front, we offer an integrated model that includes our EDI repayment construct for merchants, enabling frictionless daily repayments through automated deductions. Additionally, we are also able to offer a mandate-based auto-pay capability for consumers in facilitating debits from the bank account. On the collections front, we have a widespread omni-channel collections presence to collect dues, reduce portfolio

delinquencies and strengthen fraud prevention for our lending partners. By leveraging early warning signals derived from user behaviour and transaction patterns, our platform enables timely and targeted interventions that improve collection outcomes. We believe this supports the expansion of lending products to additional geographies and underserved customer segments. We maintain partnerships with NBFCs and other financial institutions to broaden credit access, particularly for underserved consumer and merchant segments—thereby expanding the total addressable credit market. These collaborations are underpinned by our “low-code” integration infrastructure, which reduces partner onboarding time and accelerates go-live timelines—helping lending partners bring new products to market faster. We are live with 56 partners across consumer lending, merchant lending and secured lending products as of September 30, 2025, ensuring loan offers to a vast consumer and merchant base.

D. Insurance Distribution



We launched our Insurance Distribution business in March 2020 with travel and COVID-19 insurance products. This was followed by the launch of two-wheeler and four-wheeler motor insurance in September 2020, and later, a diverse portfolio of other insurance offerings including health, life, shop insurance and micro-insurance products such as firecracker insurance, cyber insurance, and Kumbh Mela insurance in Fiscal Year 2025. Our goal is to make insurance accessible, affordable, and frictionless for consumers while enabling insurers to serve India’s digitally active population more efficiently. We believe that we can become a trusted platform for insurance in India by solving for accessibility and affordability, while bringing in transparency and enabling best-in-class service when customers need it most.

As of September 30, 2025, we had sold 18.49 million cumulative insurance policies, with a total premium value of ₹22.90 billion, on behalf of our 29 insurer partners. According to the Redseer Report (*chapter 7, page 190*), as of Fiscal Year 2025, PhonePe had a market share of 20-25% in the non-assisted two-wheeler digital insurance market of ₹12.5-16.0 billion and 12-15% market share in the non-assisted four-wheeler digital insurance market of ₹24.0-30.0 billion in terms of premium value. The “non-assisted digital insurance” market for both two-wheeler and four-wheeler excludes Point of Sales Person (“POSP”) model of insurance that are sold through agents. According to the Redseer Report, PhonePe was among the early players to introduce monthly premium options through UPI for health insurance among digital payment industry peers and offered it through its partners that capture a majority share in the health insurance market. Monthly premium option through UPI has since

become a popular feature offered by many platforms, according to the Redseer Report (*chapter 7, page 191*).

PhonePe offers a fully digital, self-serve insurance journey that is simple and transparent. Our distribution model gives users access to a broad range of products from multiple insurers. For insurers, the platform provides access to a large, digitally active

user base with lower distribution costs, enabling them to reach customer segments and locations that are difficult to serve through traditional models. The digital journey enables structured data entry while reducing the need for manual inputs.

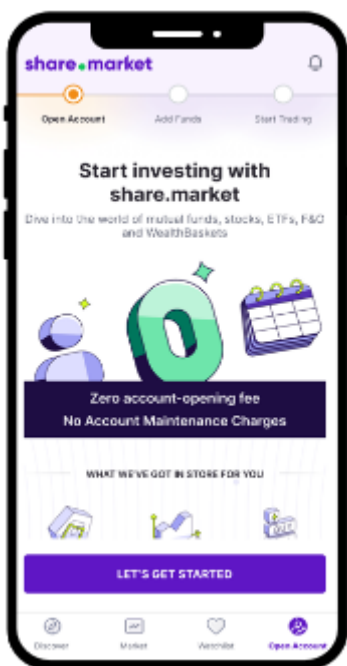
Our data infrastructure further supports Insurance Distribution by enabling use of behavioural and transactional indicators for product configuration. Pre-filled forms and verified user data help streamline the purchase journey. On the insurer side, data signals support segmentation, risk assessment, and targeting across products, geographies, and cohorts. The platform also allows insurers to test and refine offerings using real-time user feedback and interaction patterns.

2. New Platforms

We have invested in building, and are rapidly scaling, two New Platforms focused on the Indian market, further unlocking the flow of money and access to goods and services digitally.

A. *Share.Market*

Launched in August 2023, Share.Market is a stock broking and mutual funds distribution platform, offered through a separate app, for investors to explore, invest and trade in stocks, exchange traded funds (“ETFs”), futures and options, pre-built “WealthBaskets” of stocks and ETFs and mutual funds, among others. Share.Market helps Indians in their digital investing and wealth management journeys through research-led intelligence combined with ease of execution and convenience.



Share.Market addresses the Equities and Derivatives and Asset Management market opportunity. According to the Redseer Report (*chapter 7, page 189*), in Fiscal Year 2025, the TAM for Equities and Derivatives traded value is ₹225 trillion and for Asset Management in terms of assets under management (“AUM”) is ₹84 trillion.

Share.Market’s “right to play” (i.e., our ability to enter and participate meaningfully in the market) stems from PhonePe Platform’s large and engaged consumer base along with advanced technology capabilities and full integration with the PhonePe app’s robust payments stack – such as direct debit from bank accounts – enabling seamless and convenient consumer journeys.

Share.Market’s “right to win” (i.e., our ability to succeed and stand out in the market) is anchored in providing quantitative research and assistance, seamlessly embedded across all product flows, from generating investment ideas to execution and tracking. We believe this is complemented by assisted journeys and context-aware customer support.

As of September 30, 2025, the AUM of our Mutual Funds distribution business stood at ₹58.38 billion with 2.33 million SIPs being executed every month. Furthermore, as of September 30, 2025, we have opened 1.26 million demat accounts through Share.Market, of which 37.48% were sourced via the PhonePe Platform – underscoring the strength of our distribution network and the synergistic value of cross-leveraging the core PhonePe Platform to drive the adoption of new apps under the New Platforms strategy.

B. *Indus Appstore*

Launched in February 2024, Indus Appstore is India’s first and only indigenous app store created by a private player, according to the Redseer Report (*chapter 7, page 191*). The Indus Appstore is an Android-based mobile app marketplace that enables



users to browse, download, and update mobile applications and play digital games on the platform. It supports app discovery and downloads across a wide range of app categories, offering a convenient experience for multiple use cases.

The Indus Appstore draws on the strengths of the PhonePe Group to deliver a unique proposition in a large and fast-growing market. Its competitive advantage is derived from the strategic synergies with our existing ecosystem. These include brand trust, reach and payments infrastructure such as payment gateways for in-app billing needs. In addition, it leverages our central technology platforms for use cases such as data analytics, and user engagement tools. Together, these factors enhance the app store's functionality and user experience, providing a strong foundation for user and developer acquisition.

The platform's "right to win" (i.e., our ability to succeed and stand out in the market) is driven by a strategy that addresses local market needs. For developers, Indus Appstore offers reach to millions of users, free listing, multi-lingual storefront, actionable analytics, local and fast customer support and flexibility to choose any third-party payment gateway without any restrictions for their in-app billing needs. For consumers, Indus Appstore provides access to popular apps and games in 12 Indian languages in addition to English as of September 30, 2025, regional voice search, content-led discovery, easy login and seamless portability.

We have partnered with multiple leading original equipment manufacturers ("OEMs") - Xiaomi India, Motorola, Lava and Alcatel - to embed Indus Appstore on all their smartphones

sold in India.

Our Consolidated PhonePe Group Financial Performance

We have been focused on executing our financial strategy on the back of two key financial pillars: (i) consistent revenue growth with diversification of revenue streams, and (ii) continued improvement in profitability and cash generation. These two pillars have been instrumental in guiding our approach during the period from Fiscal Year 2023 to Fiscal Year 2025, with the goal of achieving revenue scale and diversification, rapid growth, profitability and cash generation.

- (i) *Consistent Revenue Growth with Diversification of Revenue Streams:* We have demonstrated growth at scale with revenue from operations increasing from ₹29,142.87 million in Fiscal Year 2023 to ₹71,148.58 million in Fiscal Year 2025, representing a compound annual growth rate ("CAGR") of 56.25%.

(Amount in ₹ million, unless otherwise stated)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,			CAGR
	2025	2024	2025	2024	2023	From Fiscal Year 2023 to Fiscal Year 2025
Revenue from operations	39,184.69	32,075.16	71,148.58	50,641.33	29,142.87	56.25% ⁽¹⁾

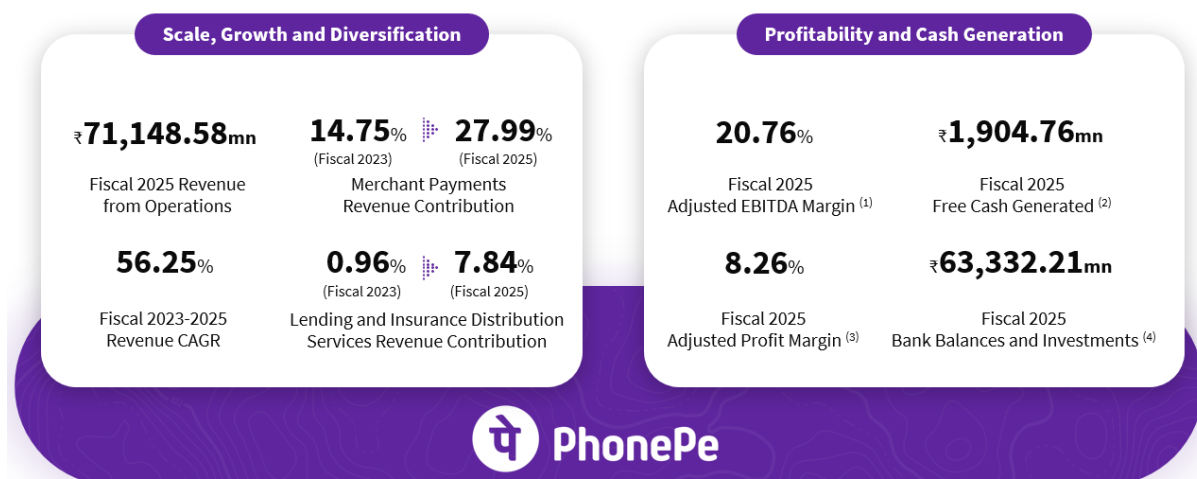
Note:

⁽¹⁾ The CAGR of revenue from operations from Fiscal Year 2023 to Fiscal Year 2025 is calculated as dividing the revenue from operations in Fiscal Year 2025 by the revenue from operations in Fiscal Year 2023, raised to one divided by two years, and subtracted by one.

This robust top-line growth has been strategically complemented by the successful diversification of our business. The revenue contribution from our Merchant Payments business increased substantially from 14.75% in Fiscal Year 2023 to 27.99% in the Fiscal Year 2025 and 30.78% in the six months period ended September 30, 2025. In addition, the contribution from our Lending and Insurance Distribution services as a percentage of revenue from operations grew from 0.96% in Fiscal Year 2023 to 7.84% in the Fiscal Year 2025 and 11.55% for the six months period ended September 30, 2025.

- (ii) *Focus on Improvement in Profitability and Cash Generation:* This period of high growth has been approached with a focus on maintaining financial discipline. Our restated profit/ (loss) was ₹(17,274.10) million in Fiscal Year 2025 and improved by ₹10,686.59 million between Fiscal Year 2023 and Fiscal Year 2025. Our Profit/ (loss) Margin improved from (90.68)% for Fiscal Year 2023 to (22.64)% for Fiscal Year 2025. We achieved profitability on an Adjusted EBITDA and Adjusted profit basis in Fiscal Year 2024 and further strengthened our financial position by becoming Adjusted EBIT profitable and generating Free cash in Fiscal Year 2025. For a reconciliation of non-GAAP measures, see "Other Financial Information – Non-GAAP Financial Measures – Reconciliation of non-GAAP measures" on page 380.

PhonePe : Key Financial Highlights



Notes:

- ⁽¹⁾ Adjusted EBITDA margin percentage is derived by dividing Adjusted EBITDA by revenue from operations.
- ⁽²⁾ Free cash generated refers to the aggregate of net cash flows generated from/ (used in) operating activities, purchase of property, plant and equipment, including capital advances, capital work in progress and other intangible assets, proceeds from sale of property, plant and equipment, payment of principal portion of lease liabilities and interest on lease liabilities.
- ⁽³⁾ Adjusted profit margin percentage is derived by dividing Adjusted profit/ (loss) by total income.
- ⁽⁴⁾ Bank balances and Investments represents aggregate of current investments, cash and cash equivalents, bank balances other than cash and cash equivalents and non-current bank deposits.
- ⁽⁵⁾ For a reconciliation of non-GAAP measures, see "Other Financial Information – Non-GAAP Financial Measures – Reconciliation of non-GAAP measures" on page 380.

We seek to maintain a minimum cash buffer and balance the dual objectives of profitability and long-term growth, in line with our financial pillars. We will reinvest in driving continued growth of the PhonePe Platform while also further building and scaling up the New Platforms. We believe this will help us achieve our objectives of continued growth as well as diversification of our revenue streams across different services on the PhonePe Platform and the New Platforms.

Select Consolidated PhonePe Group Operating Metrics

The following table sets forth certain operating metrics for the years indicated:

Metrics	Unit	As of and for the six months period ended September 30,		As of and for the fiscal year ended March 31,		
		2025	2024	2025	2024	2023
LTD Registered User Base ⁽¹⁾	million	657.56	578.59	618.40	534.97	455.41
Yearly Active Users (YAU) ⁽²⁾	million	420.74	378.84	402.90	349.02	301.12
Monthly Active Users (MAU) ⁽³⁾	million	301.29	270.56	290.33	252.42	207.52
Daily Active Users (DAU) ⁽⁴⁾	million	156.00	133.27	148.41	121.01	92.76
Yearly Active Customers (YAC) ⁽⁵⁾	million	305.51	271.81	290.24	250.15	207.81
Monthly Active Customers (MAC) ⁽⁶⁾	million	237.75	212.85	230.08	197.43	160.73
Daily Active Customers on (DAC) ⁽⁷⁾	million	106.56	91.38	102.10	82.09	59.06
Customer Transactions ⁽⁸⁾	billion	53.40	41.96	90.27	62.36	39.67
Customer TPV ⁽⁹⁾	₹ trillion	73.70	61.98	132.70	100.22	69.55
Monthly Active Merchants (MAM) ⁽¹⁰⁾	million	11.11	11.27	11.31	11.45	11.43
Daily Active Merchants (DAM) ⁽¹¹⁾	million	6.75	6.51	6.77	6.20	5.05
Merchant Transactions ⁽¹²⁾	billion	24.96	19.93	42.66	26.96	15.81
Merchant TPV ⁽¹³⁾	₹ trillion	8.51	7.01	15.00	11.00	7.55

Notes:

The metrics included in the table above are for the PhonePe Platform.

- ⁽¹⁾ Total unique users who have signed up with PhonePe Group by accepting the PhonePe terms & conditions, as of the end of the first half of the fiscal year/reporting period.
- ⁽²⁾ Count of unique Registered Users, who have either opened the PhonePe app or initiated a transaction, in the last 12 months from the last month of the first half of the fiscal year/reporting period.
- ⁽³⁾ Count of unique Registered Users, who have either opened the PhonePe app or initiated a transaction, in the last month of the first half of the fiscal year/reporting period.
- ⁽⁴⁾ Daily average count of unique Registered Users who have either opened the PhonePe app or initiated a transaction, averaged for the days of the last month of the first half of the fiscal year/reporting period.

- (5) Count of unique Registered Users who have done at least one successful payment transaction, in the last 12 months counted from the last month of the first half of the fiscal year/reporting period.
- (6) Count of unique Registered Users who have done at least one successful payment transaction, in the last month of the first half of the fiscal year/reporting period.
- (7) Daily average count of unique Registered Users who have done at least one successful payment transaction, averaged for the days of the last month of the first half of the fiscal year/reporting period.
- (8) Total successful payment transactions by PhonePe customers in the first half of the fiscal year/reporting period.
- (9) Total payment value of the Customer Transactions in the first half of the fiscal year/reporting period.
- (10) Count of unique Registered Merchants to whom at least one successful payment transaction was made in the last month of the first half of the fiscal year/reporting period.
- (11) Daily average count of unique Registered Merchants to whom at least one successful payment transaction was made, averaged for the days of the last month of the first half of the fiscal year/reporting period.
- (12) Total successful payment transactions made to Registered Merchants in the first half of the fiscal year/reporting period.
- (13) Total payment value of the Merchant Payment transactions made to Registered Merchants in the first half of the fiscal year/reporting period.

Select Consolidated PhonePe Group Financial Metrics

The following table sets forth certain financial metrics for the periods/fiscal years indicated:

Metrics	Unit	For the six months period ended September 30,		For the fiscal year ended March 31,		
		2025	2024	2025	2024	2023
Total income ⁽¹⁾	₹ million	41,745.07	34,597.08	76,313.82	57,222.00	30,834.34
Revenue from operations ⁽²⁾	₹ million	39,184.69	32,075.16	71,148.58	50,641.33	29,142.87
Growth in revenue from operations (% , YoY / PoP) ⁽³⁾	%	22.17%	NA	40.50%	73.77%	NA
Adjusted EBITDA ⁽⁴⁾⁽¹⁴⁾	₹ million	2,539.09	5,047.98	14,771.92	6,518.81	(3,754.59)
Adjusted EBITDA Margin ⁽⁵⁾⁽¹⁴⁾	%	6.48%	15.74%	20.76%	12.87%	(12.88%)
Adjusted EBIT ⁽⁶⁾⁽¹⁴⁾	₹ million	(3,138.32)	(1,414.06)	1,168.81	(4,646.85)	(9,120.47)
Adjusted EBIT Margin ⁽⁷⁾⁽¹⁴⁾	%	(8.01)%	(4.41)%	1.64%	(9.18)%	(31.30)%
Restated profit/ (loss) before share of profit of associate, exceptional item and tax ⁽⁸⁾	₹ million	(18,947.61)	(12,203.19)	(17,627.15)	(20,320.91)	(28,228.00)
Restated profit/ (loss) ⁽⁹⁾	₹ million	(14,444.22)	(12,032.05)	(17,274.10)	(19,961.71)	(27,960.69)
Profit/ (loss) Margin ⁽¹⁰⁾⁽¹⁴⁾	%	(34.60)%	(34.78)%	(22.64)%	(34.88)%	(90.68)%
Adjusted profit/ (loss) ⁽¹¹⁾⁽¹⁴⁾	₹ million	(660.28)	1,120.42	6,304.52	1,969.95	(7,387.57)
Adjusted profit/ (loss) Margin ⁽¹²⁾⁽¹⁴⁾	%	(1.58)%	3.24%	8.26%	3.44%	(23.96)%
Net cash flows generated from/ (used in) operating activities	₹ million	(1,172.71)	10,126.52	12,019.84	(6,291.52)	(7,682.50)
Free cash generated/ (used) ⁽¹³⁾⁽¹⁴⁾	₹ million	(5,218.33)	2,501.61	1,904.76	(20,850.74)	(22,306.54)

Notes:

The metrics included in the table above are for the overall PhonePe Group.

(1) Total income means revenue from operations and other income.

(2) Revenue from operations means revenue generated by our Company from sale of services and other operating revenue.

(3) Growth in revenue from operations percentage is calculated as a percentage of revenue from operations of the relevant fiscal period/ year minus revenue from operations of the preceding fiscal period/ year, divided by revenue from operations of the preceding fiscal period/ year.

(4) Adjusted EBITDA is calculated as restated profit/ (loss), before other income, finance costs, depreciation and amortisation expense, share of profit of associate, net of taxes, exceptional item, total tax expense/ (credit) and share based payments.

(5) Adjusted EBITDA margin percentage is derived by dividing Adjusted EBITDA by revenue from operations.

(6) Adjusted EBIT is calculated as restated profit/ (loss), before other income, finance costs, share of profit of associate, net of taxes, exceptional item, total tax expense/ (credit) and share based payments.

(7) Adjusted EBIT margin percentage is derived by dividing Adjusted EBIT by revenue from operations.

(8) Restated profit/ (loss) before share of profit of associate, exceptional item and tax is calculated as restated profit/ (loss) before share of profit of associate, net of taxes, exceptional item and total tax expense/ (credit).

(9) Restated profit/ (loss) means profit / (loss) for the relevant fiscal period/ year.

(10) Profit/ (loss) margin percentage is derived by dividing restated profit/ (loss) by total income.

(11) Adjusted profit/ (loss) is calculated as restated profit/ (loss), before exceptional item and share based payments.

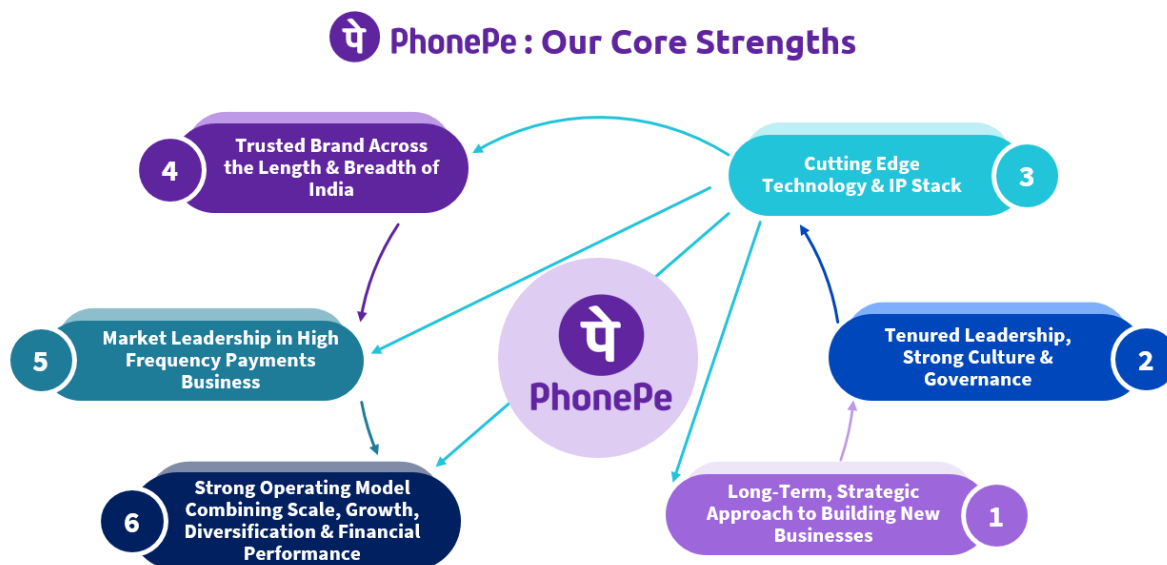
(12) Adjusted profit/ (loss) Margin percentage is derived by dividing Adjusted profit/ (loss) by total income.

(13) Free cash generated/ (used) refers to the aggregate of net cash flows generated from/ (used in) operating activities, purchase of property, plant and equipment, including capital advances, capital work in progress and other intangible assets, proceeds from sale of property, plant and equipment, payment of principal portion of lease liabilities and interest on lease liabilities.

(14) For a reconciliation of non-GAAP measures, see "Other Financial Information – Non-GAAP Financial Measures – Reconciliation of non-GAAP measures" on page 380.

Our Competitive Strengths

Set forth below is a summary of our key strengths, which are intricately linked and reflect our differentiated approach to building digital platforms for India.



1. Long-Term and Strategic Approach to Building New Businesses

At PhonePe, we believe our long-term orientation stems from the conviction and commitment of our founding team to solve meaningful, large-scale problems for India, such as payments, financial services, merchant solutions and app distribution. From early in our business, we have focused on building for scale, sustainability, and societal impact. We believe this stability has created deep organisational memory, strategic clarity and execution consistency.

This long-term mindset is visible in our key decisions. For instance, the strategic choice to invest in building our own data centres, rather than relying on third-party cloud services, reflects our conviction in owning mission-critical infrastructure. This investment enables compliance with India's data localisation norms, improves cost and performance.

2. Highly Tenured Leadership Team with Strong Focus on Organisational Culture and Governance

Our Company is led by its founding team with decades of experience in the technology industry, supported by a seasoned executive team and an experienced, independent Board, with a long-term orientation, strong organisational culture and a commitment to high standards of governance. For more details, refer "*Our Business – Our Experienced Leadership Team Fostering a Thriving Organisational Culture*" on page 196.

3. Cutting-Edge Technology and Intellectual Property Stack

We have built an in-house technology stack across infrastructure, platform, software and data intelligence layers, designed for performance, reliability, scalability, security and cost efficiency at population-scale, with ownership and control across the full technology engine. For more details, refer "*Our Business – Our In-house Technology Stack*" and "*– Our Technology Infrastructure*" on pages 198 and 227, respectively.

4. Trusted Brand across the Length and Breadth of India

PhonePe is India's most downloaded Android mobile app owned by an Indian company (in the 'Finance' category) with the highest number of Daily Active Users at 156.00 million in the six months period ended September 30, 2025, as per Sensor Tower data, according to the Redseer Report (*chapter 7, page 191*). The strength of the PhonePe brand is also reflected in independent third-party accolades received such as "Best Brands 2024" at Times Group BFSI Best Brands 2024. Trust from our users is best reflected in how their engagement deepens with time. As shown in the table on page 217 in "*Our Business Offerings*", our TPC continues to increase steadily over a 30-day window, underscoring

how user activity on PhonePe strengthens the longer they are with us. This pattern of growing engagement is anchored by strong repeat behaviour: of our 106.56 million daily active customers in September 2025, 99.23% return to the platform within the next 30 days, choosing PhonePe again and again for their everyday payments. Importantly, this trust extends across the length and breadth of the country: of our 657.56 million LTD Registered User Base, 65.22% come from Tier-2+ cities, which we believe makes PhonePe a genuine reflection of India itself. We believe over the years, PhonePe has become synonymous with payments, a position built on this deep, broad-based trust. We believe our consumers and merchants trust the PhonePe brand for its reliability, security and user experience. According to the Kantar BrandZ Most Valuable Indian Brands Report 2024, PhonePe is the Category Leader and Most Valuable Brand in the Payment Networks category in India. We believe that we have been able to gain this trust of our users by establishing strong relationships with them.

5. *Market Leadership in a High-Frequency Payments Business*

India's digital Consumer Payments TPV reached ₹301 trillion (approximately US\$3.5 trillion) in Fiscal Year 2025 and is projected to grow at 15-18% CAGR reaching ₹602-681 trillion (US\$ 7.1-8.0 trillion) by Fiscal Year 2030, while digital person-to-merchant ("P2M") payments reached ₹112 trillion (US\$ 1.3 trillion) in Fiscal Year 2025 and is projected to grow at 20-22% CAGR reaching ₹278-302 trillion (US\$ 3.3-3.6 trillion), according to the Redseer Report (*chapter 7, page 188*). In the six months period ended September 30, 2025 and Fiscal Year 2025, we were the largest online transaction platform in India in terms of TPV according to the Redseer Report (*chapter 7, page 189*). Over the period December 2020 to September 2025, PhonePe has consistently sustained the #1 market position, in terms of number of transactions and TPV for customer-initiated transactions in UPI for 58 consecutive months, as per NPCI data, according to the Redseer Report (*chapter 7, page 189*).

We believe our market-leading scale and position in the Indian digital payments market is difficult to replicate, and creates substantial opportunities for us to capture a large share of the future growth in India's large and fast-growing digital payments landscape. This leadership in India's digital payments is built on our combination of technological capabilities, executional excellence, brand trust, strategic long-term approach to capital investments, and a stable management team.

We believe that our scale and market presence have helped us build a market-leading distribution network that reaches across India at population-scale, evidenced by PhonePe's LTD Registered User Base of 657.56 million and the LTD Registered Merchant Base of 47.19 million. Our consumer and merchant base extends beyond metro and Tier-1 cities to population segments in Tier-2+ cities, where Financial Services are underpenetrated, enabling us to participate in India's growth opportunity across the country.

6. *Strong Operating Model Combining Scale, Growth, Diversification, and Financial Performance*

We have been focused on executing our financial strategy through revenue growth with diversification and improvement in profitability and cash generation, supported by scale across consumer and merchant businesses and a disciplined approach to platform monetisation. For more details refer "Management's Discussion and Analysis of Financial Condition and Results of Operations – Our Business Model" on page 388.

Our Growth Strategies

While we have already built, and are operating, an ecosystem of multiple digital platforms at population scale including India's largest digital payments platform, according to the Redseer Report (*chapter 7, page 189*), we intend to continue investing in increasing our user base along with the addressable market and further scale up our platforms by leveraging our competitive strengths and advantages. The strategies included below have been taken on record and approved by our Board of Directors, by way of their resolution dated September 23, 2025. In addition to this, in the ordinary course of business over the course of the relevant year, our Board of Directors, from time to time, have discussions and note on strategies of the Company.

Our key growth strategies are:

1. *Grow the PhonePe Platform Profitably*

We are committed to growing our digital payments business. India's TAM for digital Consumer Payments TPV is ₹301 trillion in Fiscal Year 2025 and is projected to be ₹602-681 trillion by Fiscal Year 2030, according to the Redseer Report (*chapter 2, page 164*).

A. *Expand and Monetise Consumer Base in Digital Payments Business by Deepening Penetration and Distribution*

We are dedicated to enabling market creation and expansion, rather than mere participation in the existing market opportunity. We aim to bring more users into the Indian digital ecosystem through our innovative, inclusive and diverse product offerings, thereby contributing to overall market expansion and growth. The user base for smartphones in India is 692-706 million in Fiscal Year 2025 with a penetration of 48-49% based on total population of 1,455 million and is further projected to reach 960-1,080 million by Fiscal Year 2030, reflecting a 7-9% CAGR, according to the Redseer Report (*chapter 1, page 159*), thereby bringing more smartphones used by Indians for us to target. Additionally, feature phone users in India are estimated at 200-300 million in Fiscal Year 2025, accounting for approximately 14-21% penetration, according to the Redseer Report (*chapter 1, page 159*). In furtherance of this, in June 2025, we purchased conversational engagement platform Gupshup's "GSPay" technology stack for enabling UPI-based payments for feature phones. Beyond feature phone solutions, we are also focused on future consumer-facing opportunities such as enabling all forms of credit on UPI, building transit solutions across all modes of transportation, and expanding consumer touchpoints through smart and connected devices across homes and vehicles. We are committed to continuously enhancing and refining our product offerings to drive adoption of our PhonePe app and close the gap between our Year Active Customers ("YAC") and the overall number of the smartphone users in India. As of March 31, 2025, we have 290.24 million YACs, representing 41-42% of the 692-706 million smartphone population in India, according to the Redseer Report (*chapter 7, page 191*). We believe this presents significant headroom for growth as we deepen our penetration and expand our reach within the Indian digital ecosystem.

UPI has become the digital payment rails of the country and with our market leadership in UPI payments, according to the Redseer Report (*chapter 2, page 164*), we are well positioned to leverage this trend. UPI has become a household phenomenon by powering payments for millions of users in use cases like money transfers, utility payments, offline and online Merchant Payments, according to the Redseer Report (*chapter 2, page 164*).

We believe PhonePe's brand equity, network effect, seamless onboarding and user journeys allow us to acquire customers efficiently and in turn gives us significant leverage in scaling our new product offerings in digital payments.

B. Monetise Merchant Base in Digital Payments Driven Business by Deepening Engagement and Introducing New Products and Value-Added Services

Over the years, we have introduced offerings that cater to merchants' evolving needs, help improve their business operations and user experiences while creating new business opportunities, which drives higher daily engagement with our merchants. Specifically, to capitalise on the evolution of business models that align with India's digital-led economic growth, we have distinct and targeted strategies for offline as well as online merchants.

For online merchants, we offer payment solutions that seamlessly integrate into their businesses. We aspire to provide unique offerings to online merchants which improve their customer experience thereby enabling a longer lock-in and deeper engagement with us. For instance, PhonePe PG Bolt, a feature of our digital payment gateway product, is designed to facilitate a one-click in-app payment experience through UPI, Cards and PhonePe Wallet. This offering eliminates the need for redirection out of the merchant's app or website to complete the transaction. It provides greater control over the payment experience for the merchant and a seamless and fast checkout experience for customers. Our advanced digital payment solutions, combined with PhonePe's extensive user base, facilitates merchants in their business by enabling them to reach and serve their customers more effectively.

For offline merchants, we are focused on developing solutions that address their unique operational and financial needs. This includes introducing more device form-factors that bridge the functionality, utility and hardware gap between traditional EDC machines and Smartspeakers, allowing for more flexible and cost-effective payment acceptance. We plan to offer a comprehensive merchant business solution that streamlines core retail operations, optimises inventory and procurement processes, and strengthens customer engagement. By equipping merchants with integrated tools that drive sales growth, improve supplier workflows, and deliver actionable data-based business insights, the platform is intended to enhance overall store productivity, unlock monetisation opportunities and deepen our role in the merchant ecosystem.

C. Grow Financial Services Distribution Businesses

We have broadened PhonePe Platform's offering to include Lending and Insurance Distribution services to capture the large opportunity in India's financial services sector. There exists substantial opportunity in India's financial services sector, according to the Redseer Report (*chapter 7, page 188*). The TAM for Insurance is ₹12 trillion in Fiscal Year 2025 and projected to be ₹19-21 trillion by Fiscal Year 2030 and the TAM for Lending is

₹115 trillion in Fiscal Year 2025 and is projected to be ₹207-226 trillion by Fiscal Year 2030, according to the Redseer Report (*chapter 7, page 189*). Driving sustained growth of our Financial Services Distribution business is also a key part of our revenue diversification strategy.

We intend to expand our Lending Distribution business, in partnership with financial institutions, by expanding our partnership with existing credit providers and adding more partners, advancing up the value chain through innovative distribution and building relevant capabilities, including origination, repayments and collections. Using data insights, tech capabilities, and distribution scale, we aim to offer targeted credit products to consumers and merchants, enable seamless repayments and collections, and help lending partners expand credit access—particularly to underserved and new-to-credit segments—through fast, low-code integrations.

We also plan to continue growing our Insurance Distribution business by launching products for our insurer partners based on data insights on our new, underserved and unserved cohorts of users. Further, to improve insurance purchasing experience, we intend to simplify communications on product features, provide tele-assistance in vernacular languages and build a robust recommendation engine to enable easier product selection.

2. *Invest in New Platforms to Diversify our Business and Revenue Streams, with the Objective to Unlock Large New Market Opportunities*

Our proven track record of building and scaling up the PhonePe Platform, a large base of users across India, and a scalable technology stack built in-house, gives us confidence to invest in and build the New Platforms for consumers in a reliable, scalable, secure and cost-efficient manner. We plan to continue investing in New Platforms targeting digital investing and wealth management – Share.Market and an indigenous mobile app store built for India – Indus Appstore. Each of these is a large TAM opportunity which we plan to capitalise, leveraging our in-house technology stack and the distribution and scale of PhonePe Platform, powered by a strong leadership and governance at the bedrock.

3. *Continue our Focus on Delivering Growth, Positive Profit and Generation of Free Cash*

We believe our digital payments business will remain the cornerstone of expanding our user base, revenue growth and continued monetisation. We aim to also diversify through the expansion of our Lending and Insurance Distribution services as well as New Platforms. We intend to increase the mix of higher-margin products through cross-sell and up-sell initiatives, thereby enhancing our profit position in addition to driving revenue growth.

We will continue to make investments in New Platforms to capture new and large market opportunities and drive long-term top-line and bottom-line growth. We intend to primarily utilise our Bank balances and Investments and any Free cash generated by the PhonePe Platform to invest in the New Platforms. We seek to maintain a minimum cash buffer and balance the dual objectives of profitability and long-term growth, in line with our financial pillars. For a reconciliation of non-GAAP measures, see “*Other Financial Information – Non-GAAP Financial Measures – Reconciliation of non-GAAP measures*” on page 380.

As a Company, we intend to retain our focus on balancing growth with financial performance, pursuing our long-term strategic goal of building an ecosystem of multiple population-scale digital platforms for Indians*.

**Our Board of Directors, by way of resolutions dated June 11, 2024 and September 23, 2025, inter-alia, approved the incorporation of a wholly owned subsidiary and two step down subsidiaries, and approved the strategies for expansion, respectively.*

Our Business Offerings

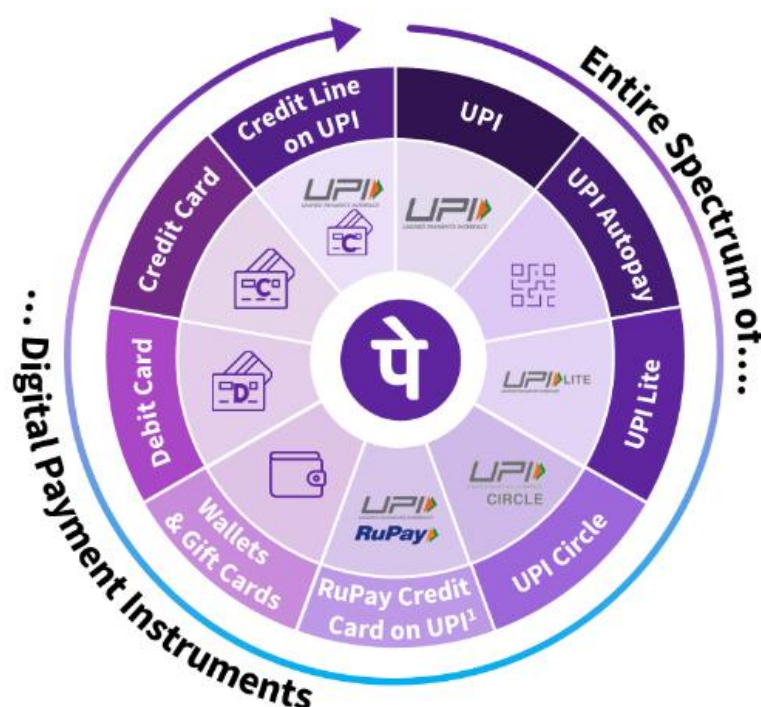
Our portfolio of digital platforms includes: (i) the PhonePe Platform for Consumer Payments along with Digital Distribution Services, Merchant Payments, Lending Distribution and Insurance Distribution services and (ii) two New Platforms, which are Share.Market (a stock broking and mutual funds distribution platform) and Indus Appstore (a Made-In-India Android app store).

(i) *The PhonePe Platform*

The PhonePe Platform’s suite of Payment services enables consumers and merchants to conduct transactions, whether on an online or an offline merchant. With robust infrastructure and a user-friendly interface, the PhonePe Platform has become a trusted partner for individuals and businesses alike, driving the adoption of digital payments and contributing to the financial inclusion of millions.

Consumer Payments

The PhonePe Platform offers customers the choice of using a host of payment instruments across a wide array of use cases. These diverse payment methods provide optionality for consumers and empower them to choose the payment instrument that suits their individual needs and preferences for any given transaction.



Note:

(1) Includes EMIs on RuPay Credit Card on UPI.

Unified Payments Interface (UPI)

The PhonePe app utilises UPI, which is a system that powers multiple bank accounts into a single mobile application (of any participating bank), merging several banking features, seamless fund routing and Merchant Payments into one hood enabling immediate money transfer through mobile device round the clock 24 hours a day, 365 days a year. NPCI conducted the pilot launch of UPI with 21 member banks on April 11, 2016. In addition to core bank account-based UPI transactions, UPI offerings on the PhonePe app include:

- **UPI Autopay:** The AutoPay functionality supports recurring payments, allowing customers to set up recurring e-mandates using any UPI application for payments such as mobile bills, electricity bills, EMI payments, entertainment/over-the-top subscriptions, insurance, mutual funds, and more.
- **UPI Lite:** This is a payment solution which is designed to process low value transactions that are below ₹1,000 in a faster and pin-less manner. The solution runs off existing UPI ecosystem protocols for mobile phones to enable commonality, compliance and system acceptance while providing adequate risk mitigation. UPI Lite experience is intended to be a customer-friendly approach reducing load on core banking systems in real-time.
- **UPI Circle:** This is a solution where a payer can extend the authorisation to transact from their UPI account to an individual with required limits. It enables a secondary user to perform transactions from the payer's account with minimum intervention and with adequate risk mitigations. This is a payment solution for users who do not use UPI due to lack of enablement or wariness of digital payments such as unbanked young adults or senior citizens who may need oversight and assistance.

Cards

- **Pay through Credit Cards/Debit Cards:** Customers can make payments using credit cards and debit cards on the PhonePe app, benefiting from the convenience and security of card transactions. Cards can also be securely tokenised on the platform for specific use cases under the Card-on-File Tokenisation ("COFT") framework, enabling faster and safer checkout experiences. As of September 30, 2025, 26.21 million users have tokenised their cards on the PhonePe platform.

- *RuPay Credit Cards on UPI:* RuPay Credit Cards can be linked to a UPI ID, thus enabling seamless, safe, and secure payment transactions. This offers a digitally enabled credit card lifecycle experience for customers, enhancing ease-of-use and increasing opportunities to utilise credit cards. Merchants benefit from increased consumption by participating in the credit ecosystem with acceptance of credit cards via asset-lite QR codes.
- *Credit Cards Distribution:* We also provide co-branded credit cards in partnership with credit card issuers, including SBI Card and HDFC Bank, as well as fixed-deposit-backed credit cards in partnership with Utkarsh Small Finance Bank.

PhonePe: Credit Cards Distribution



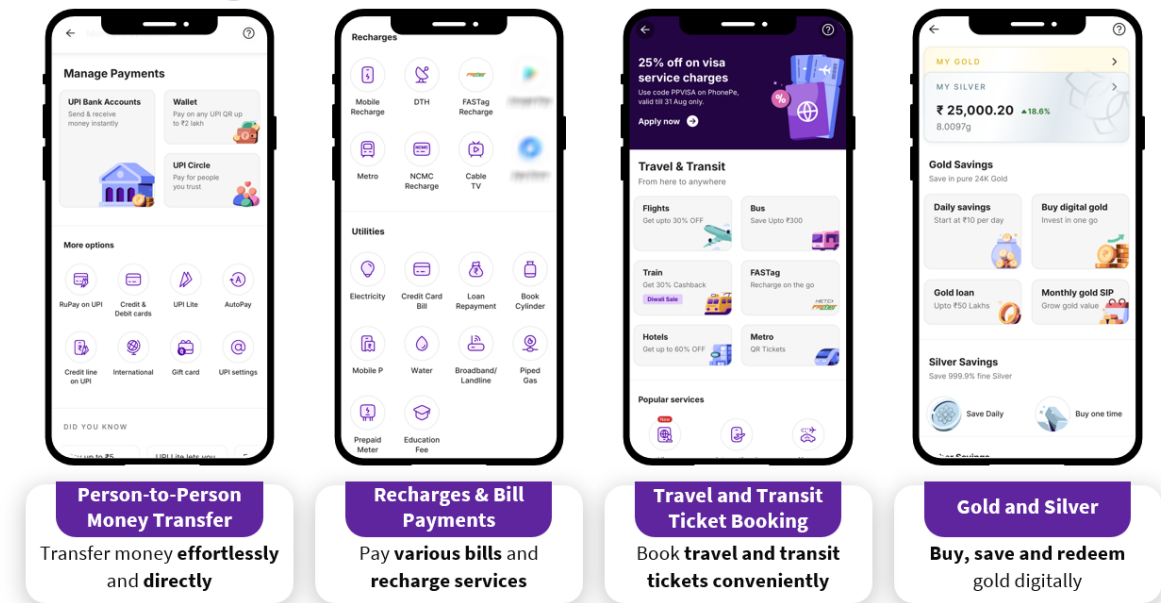
- *Device Tokenisation:* Our device tokenisation solution for credit and debit cards allows users to tokenise their cards on the PhonePe app. These card tokens can be used across various use cases on the PhonePe app, including mobile recharges, bill payments, travel bookings, insurance purchases and at online merchants where PhonePe Payment Gateway services are integrated.

Wallet (PPI)

- *Wallet:* The PhonePe Wallet, a Prepaid Payment Instrument (“PPI”), offers customers the convenience to make fast and one-click payments through pre-loaded digital wallets. After completing KYC procedures, users can increase their wallet limits, perform person-to-person money transfers directly to other wallets and send money to bank accounts, thereby enhancing their transactional capabilities.
- *Wallet on UPI:* The PhonePe Wallet is integrated with UPI, making it fully interoperable on UPI rails. This enables users to pay using their wallet balance at any UPI QR or transfer money to any UPI handle, thereby enhancing versatility and ease of use.

We offer a diverse array of Payment services designed to meet the needs of our consumer base. These include:

PhonePe: Diverse Array of Payment Services



- **Person-to-Person Money Transfer:** Enables money transfers easily and directly from the bank account or PhonePe wallet of one person to another.
- **Mobile Recharges and Bill Payments:** Pay various bills, like electricity, broadband, credit card bills, loan repayments, mobile recharges and top-ups for use cases such as mobile talk time and internet data packs along with high velocity categories like FASTag and DTH.
- **Travel and Transit Ticket Booking:** Our travel and transit ticket booking solutions provide users with a convenient way to manage their travel needs directly through the PhonePe app. With a suite of bus, flight, train, hotel and metro ticket booking, customers can enjoy a hassle-free travel and transit experience. Customers also have access to exclusive offers, on PhonePe, for travel and transit ticket booking solutions.
- **Digital Gold and Digital Silver:** On the PhonePe Platform, we offer our customer base affordable, convenient and secure gold savings options. The PhonePe Platform facilitates the purchase of 99.99% purity-certified 24K gold digitally by customers from existing players in this space. The gold that is purchased is stored securely in bank-grade lockers. Apart from one-time purchases starting from an amount as low as ₹5, users can also save in gold via daily or monthly SIPs with the flexibility to save in amounts starting from ₹10. Customers can also sell their gold holdings anytime. We also provide customers the option to redeem their gold holdings in the form of physical gold coins and jewellery. As of September 30, 2025, 13.83 million customers have purchased gold from the PhonePe platform. We have also launched the purchase of silver in November 2025, allowing customers to buy silver as one time purchases or via digital daily SIPs.
- **Advertise on the PhonePe App:** Our advertising platform allows businesses to reach a vast audience of users. With options such as brand advertisements and rewards, merchants can increase visibility and drive user engagement. Our platform offers targeted advertising solutions, enabling businesses to reach the right customer segments based on factors such as location, spending power, and category affinity.
- **Consumer Paying to Merchants**
 - **Scan-and-Pay:** Pay at brick-and-mortar stores like petrol stations, restaurants, and grocery stores by scanning a QR code.
 - **Online Payments:** Pay at any online merchant (such as shopping, food, travel, entertainment etc.) using PhonePe as the payment method to enable a smooth and convenient checkout experience.

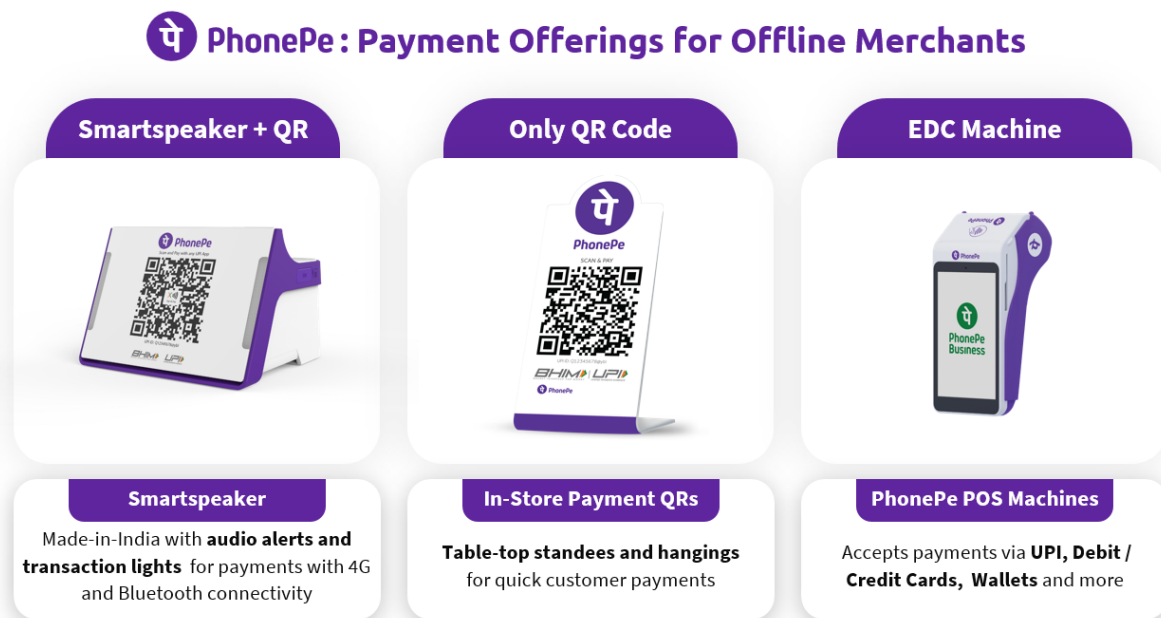
Merchant Payments

Our Merchant Payments services are designed to empower businesses and merchants of various sizes to accept digital payments seamlessly and securely. We offer a range of solutions tailored to meet the diverse needs of our merchant partners. PhonePe

enables both offline merchants and online businesses spanning from small businesses operating an app or website to kirana stores to large enterprises. We offer payment solutions to merchants operating businesses across a wide range of categories, including grocery, food, lifestyle, fuel and utilities.

Offline Merchants Payments

We offer a range of solutions for offline merchants, enabling them to accept digital payments with ease. With our interoperable QR solutions, merchants across the length and breadth of the country have access to a reliable, low-cost payment acceptance solution. We are dedicated to enhancing the user experience by offering features such as instant payment confirmations, transaction history tracking, and personalised offers and rewards.



- **Smartspeaker:** The PhonePe Smartspeaker is a device that delivers instant audio confirmations for payments—making it easier for merchants to stay on top of transactions. With multi-language support, long battery life, and quick installation, Smartspeaker is built for the fast-paced needs of offline businesses. Apart from multi language support, the device comes with features such as audio confirmations in the voices of national and regional celebrities, designed to aid the adoption of the product across the country. In high-traffic stores, it is difficult to track the amount paid without constantly checking the app, especially during peak hours. The Smartspeaker addresses this challenge faced by many merchants by announcing payments in real time. It is also ideal for situations where the business owner is not physically present—while payment alerts go to the owner’s app, store staff get immediate confirmation through the device, ensuring smoother operations, staff accountability, and fewer payments related disputes. By enabling hands-free payment tracking at checkout, the Smartspeaker helps create a more efficient and trusted payment experience. In addition to enhancing the trust and efficiency related to the payment collection process, the Smartspeaker also serves as a communication medium with merchants. Along with the PhonePe business app, merchants receive notifications of important alerts pertaining to their business through the Smartspeaker device.
- **EDC Machine:** The PhonePe EDC Machine is a versatile, all-in-one payment solution that enables merchants to accept digital payments via UPI, Credit and Debit Cards, PhonePe Wallet, and RuPay Credit cards on UPI. With its user-friendly interface and support for multiple payment modes—including card swipe, EMV chip, tap-and-pay, and dynamic QR—it enhances convenience at the checkout counter. By offering customers the flexibility to pay the way they prefer, especially for high-value transactions where credit cards may be required, EDC Machine aims to significantly improve the in-store payment experience. It is particularly valuable at stores where UPI alone may not suffice. Merchants also benefit from simplified payment reconciliation and smooth settlements across channels, making it a valuable tool for efficient and professional payment management.
- **Billing POS Integrated Solutions:** We offer integrated payment solutions that seamlessly connect with the billing software and invoicing systems used by enterprises. These solutions serve as a reliable and efficient mechanism for high-volume retail environments, enabling cashiers to collect the exact payable amount with reduced errors. By linking payments directly to invoices, they simplify reconciliation, reduce manual effort, and improve overall accuracy. This not only enhances operational efficiency but also delivers a smoother checkout experience for both staff and customers.

Online Merchants: Payment Gateway

The PhonePe Payment Gateway provides online merchants with a reliable and secure platform to accept payments from their customers on their websites or mobile apps. By integrating PhonePe Payment Gateway into their business, merchants can offer their customers a smooth and hassle-free checkout experience.

With features such as instant onboarding and access to our developer-friendly Application Programming Interfaces (“APIs”) and plugins, online merchants can complete our onboarding process and integrate PhonePe Payment Gateway solutions into their businesses in a fast and hassle-free manner. PhonePe Payment Gateway solutions are meant to serve merchants of various sizes operating their businesses across various categories, such as retail, travel, food, financial services, government platforms and utilities.

PhonePe Payment Gateway offers support for many payment instruments, including UPI, Credit and Debit Cards, Netbanking, RuPay Credit Cards on UPI and PhonePe Wallets. Merchants can offer payment solutions to their consumers on their platform and can also offer the ability to pay through Payment Links and Dynamic QR Codes.

With PhonePe Payment Gateway solutions, online merchants can offer one-time and recurring payment options to their consumers using UPI AutoPay. Merchants also have access to device tokenisation solutions from PhonePe Payment Gateway that enable consumers to make payments to merchants with tokenised cards on their devices. This eliminates the need for consumers to tokenise their cards at individual merchants and makes the payment process fast and seamless.

PhonePe Business App / Web Platform

The PhonePe Business app / web platform provides a comprehensive solution for merchants to manage their end-to-end payment needs, including payment alerts, setting up their business profile, transaction confirmations, settlements and reconciliation. Merchants can also request for QR codes and Payment Devices and seek support for their queries or issues through the app / web platform. Small merchants have access to innovative offerings like “on demand settlements” to better manage their cash flows. The PhonePe Business app empowers merchants with the freedom and flexibility to manage multiple outlet formats effortlessly. It provides customisable access rights to staff, enabling operational control to be maintained while safeguarding security and smooth workflows.

Eligible merchants also have access to loans from various lenders via the PhonePe Business app through a fully-digital process and little paperwork.

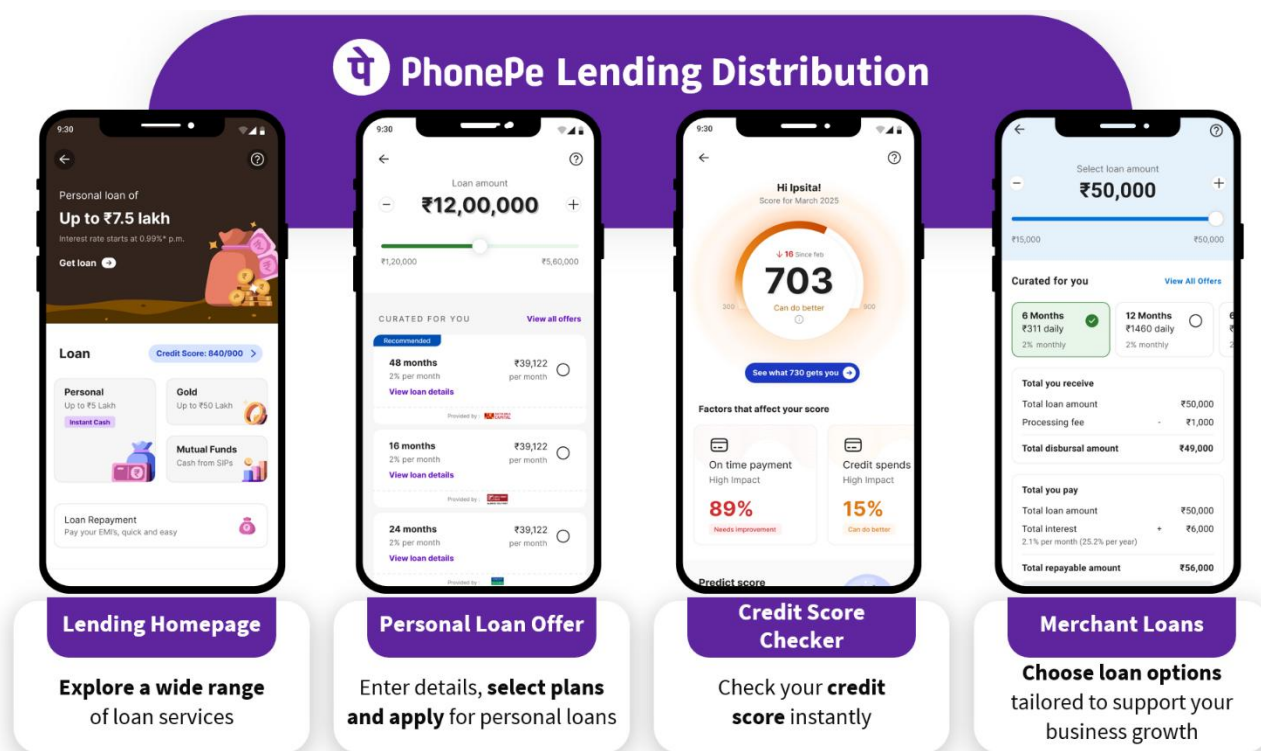
Lending Distribution

We offer a comprehensive suite of lending solutions for both consumers and merchants, operating as a Lending Service Provider (“LSP”) (“**Lending Distribution**”). Our focus is on building an intelligent and scalable lending ecosystem by advancing distribution and offering digital-first servicing, intelligent targeting, digital repayments and collections capabilities to our bank and NBFC partners. Our Lending Distribution business operates on a marketplace model, creating a mutually beneficial ecosystem for consumers, merchants and lending partners.

Pursuant to the DL Directions, issued on November 28, 2025, LSPs are permitted to enter into default loss guarantee (“**DLG**”) contractual arrangements with lenders, to compensate for losses incurred by the lenders due to defaults by the borrowers, up to a pre-specified percentage of the identified loan portfolio not exceeding 5% of the total amount disbursed out of the identified loan portfolio. For further details, please refer to the “*Key Regulations and Policies*” section on page 235. Our Subsidiary, PLSPL, entered into DLG arrangements with certain lenders starting in Fiscal Year 2026. As of 31st December 2025, three of our loan portfolios are covered under default loss guarantee with total Assets Under Management (“**AUM**”) amounting to INR 10.32 billion.

For consumers and merchants, we provide access to credit for diverse needs through a unified platform that enables easy access and comparison of a wide range of loan products, all within a seamless and digital experience. This provides choice, convenience, and transparency in their borrowing journey.

For bank and NBFC partners, we enable expanded reach through our user base and payment capabilities to manage repayment and collections and provide a platform to offer seamless application journeys. We are able to open access to segments and geographies beyond the traditional lending models.



Launched in February 2024, our Consumer Lending Distribution platform provides seamless and rapid access to a diverse range of loan products through a fully digital journey. Characterised by its simplicity and convenience, the service enables users to discover and apply for loans directly via their mobile phones, eliminating the need for physical branch visits in this regard. Users benefit from complete loan lifecycle management within the app, including 24/7 digital access, foreclosure processes (as per lender policies), and the ability to view statements.

Our consumer lending offerings on behalf of our bank and NBFC partners encompass both secured and unsecured loan categories, distributed through our partnerships:

- **Unsecured Lending:** This includes products such as personal loans that offer users access to funds for various personal needs without requiring collateral.
- **Secured Lending:** We also facilitate the distribution of secured loan products, where users can avail credit against collateral such as mutual funds, gold and vehicles (bike and car loans).

Access to Credit Reports

We also promote financial literacy by offering credit score services, including free credit reports, detailed insights, and score predictors to help users improve their credit health without impacting their score. We have, as of September 30, 2025, been able to help 61.79 million customers to look at their Credit report, understand the credit score and health and take an informed financial decision.

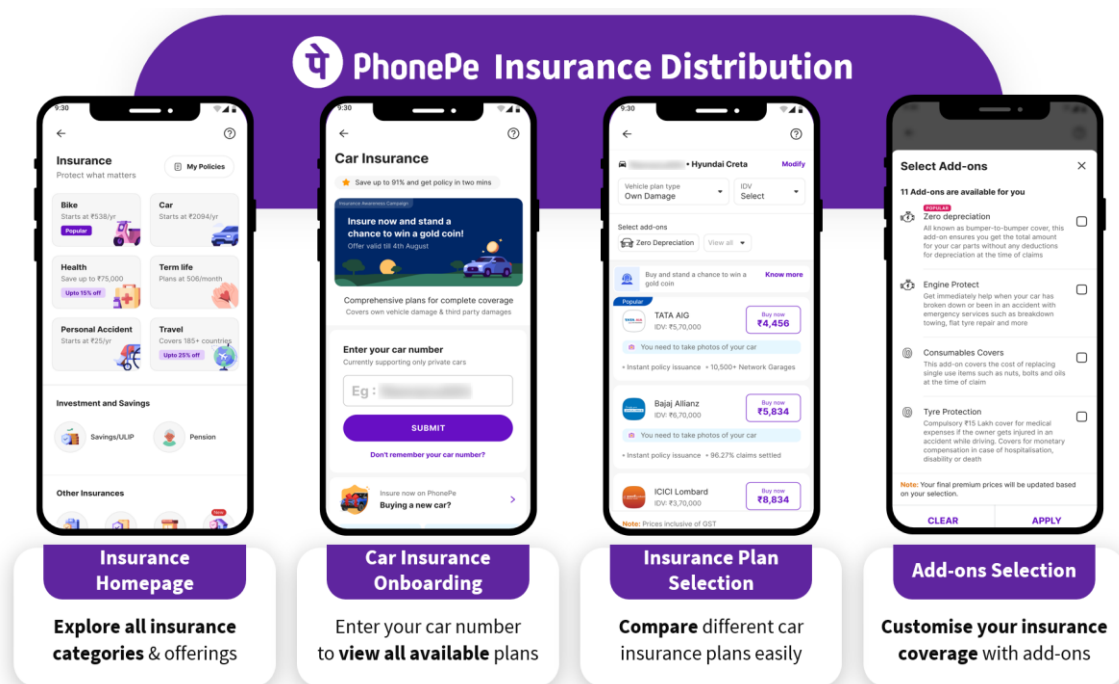
Merchant Lending Distribution

Launched in March 2023, our Merchant Lending product is specifically designed to address the unique financial needs and cash flow dynamics of small and micro merchants, which according to the Redseer Report, constitute about 99% of the total MSME merchants in India (*chapter 3, page 177*). With a merchant network of 47.19 million, a Payment Device base of 9.19 million as of September 30, 2025, and partnerships with banks and NBFCs, we are well positioned to capitalise on the Merchant Lending distribution opportunity. We have created a payments flow-based EDI product for our merchants working with the lending partners. Through our partnerships, we enable merchants to access quick and flexible unsecured loans with quick disbursal directly into their bank accounts upon approval by the lending partners. This service is primarily offered without requiring collateral, enabling business growth without tying up valuable assets. Merchants benefit from competitive offers by our partners, transparent foreclosure terms, and the convenience of automated mandate based EDI repayments, providing enhanced flexibility in managing their financial obligations. Merchants are assisted in the loan journey by our feet-on-street network of 25,657 sales

team members (as of September 30, 2025) that open up the micro-merchants segment through a hybrid (physical and digital) sales journey.

Insurance Distribution

Our Insurance Distribution business offers users access to a wide range of Insurance products directly through the PhonePe app on behalf of our insurance partners (“**Insurance Distribution**”). Our digital-first approach simplifies the insurance buying process, making it an attractive alternative to brick-and-mortar sales offices or traditional insurance sales agents. We offer comprehensive support in accessing third-party Insurance products and liaising with insurers across the customer lifecycle, including advisory, personalised product recommendations, pre- and post-purchase assistance and our dedicated relationship managers who provide support during claims. PhonePe users enjoy a hassle-free experience with minimal documentation, as all forms and documents are submitted online, and policy documents are delivered electronically. The insurers' determinations are instant (except for cases where medical underwriting or financial underwriting is required (for example, financial eligibility verification for life insurance policies)), and users receive their insurance policy documents electronically in moments after the transaction is completed. Additionally, users can compare and analyse multiple policies from different insurer partners, enabling them to make informed decisions based on coverage, features, and premiums.



To meet the diverse needs of our customers, we offer a comprehensive selection of Insurance products from 29 insurer partners as of September 30, 2025, across a range of categories including the following:

- **Motor Insurance:** Comprehensive, third-party and own damage Insurance products, with choice of optional add-ons and features to enhance coverage for two-wheelers and four-wheelers.
- **Health Insurance:** Features comprehensive plans covering inpatient hospitalisation, pre- and post-hospitalisation medical expenses, daycare procedures, domiciliary treatments, Ayurveda, Yoga, Unani, Siddha and Homeopathy (AYUSH) treatments. Includes a choice of add-ons such as maternity and newborn baby cover, outpatient department and teleconsultation, consumables inclusion for the complete family, all with the flexibility of affordable monthly premium payments.
- **Life Insurance:** Includes term life insurance, which offers financial protection against premature death with an option to buy add-ons to enhance coverage on accidental death or to accelerate pay-out in case of critical illness, and personal accident insurance, covering accidents causing total disability or accidental death.
- **ULIP and Pension:** Offers Unit Linked Insurance Plans (“**ULIPs**”) and pension plans that combine life insurance protection and market-linked wealth creation, enabling policyholders to invest in equity, debt or balanced funds based on personal financial goals, with features such as fund switching, waiver of premium and tax benefits.
- **Travel Insurance:** Provides coverage for unforeseen financial necessities during international trips, including medical expenses for illness and injury, accidental death and disablement and trip disruptions such as trip delay, trip cancellation, loss of baggage, loss of passport and missed flight connection.

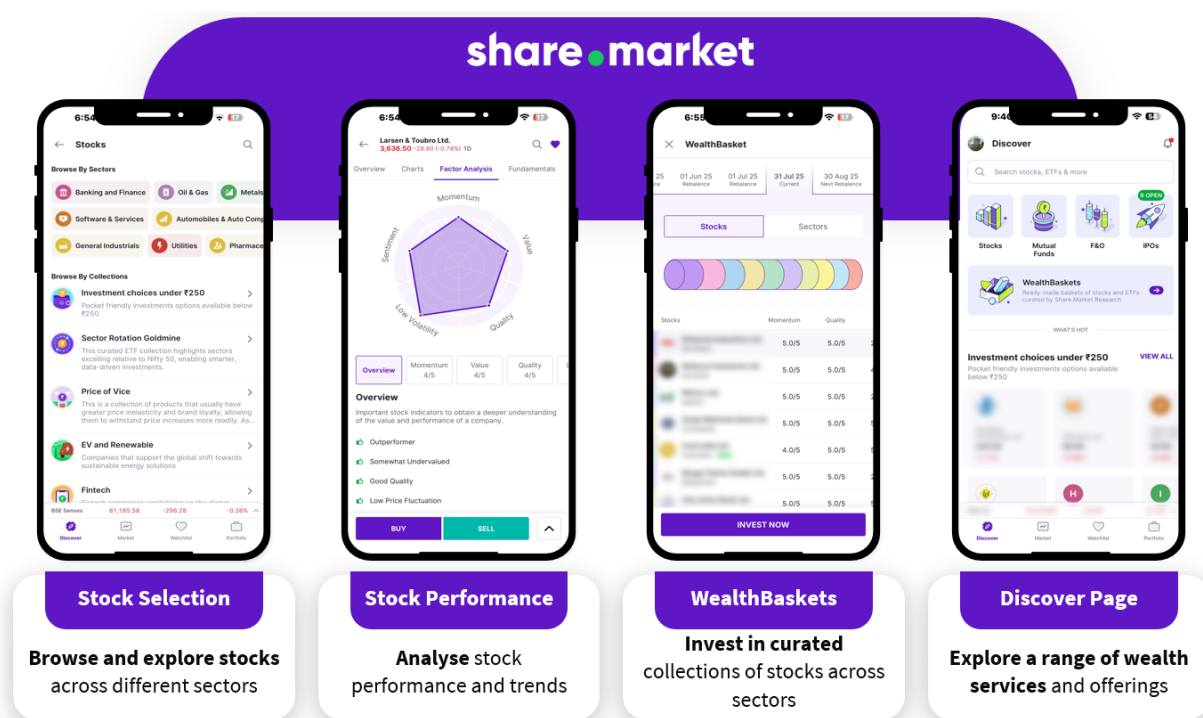
- **Sachet Insurance:** Bite-sized insurance for specific risks at affordable premiums such as accident, dengue and malaria insurance, hospital cash insurance, firecracker insurance, Kumbh/Mela insurance, cyber insurance and home insurance.
- **Shop Insurance:** Protects shop owners against risks such as fire, burglary, natural and manmade disasters. It covers the shop's structure and contents—including stock of goods, plant and machinery, office and electronic equipment, and furniture—providing financial support during unforeseen events. This helps business continuity and safeguards the owner's livelihood.

(iii) Our New Platforms

Building on the success of our PhonePe Platform, we have made investments in the New Platform, which are emerging business lines that we believe are critical to fostering India's long-term success.

Share.Market

We entered the stock broking business in August 2023 to expand our presence in the Indian capital markets and further penetrate the retail individual customer segment. The platform is built on three key foundations: (i) leveraging the PhonePe distribution strength, (ii) extending multi-tenanted platforms across login, payments, CRM and analytics, and (iii) our research stack.



While enabling access to a broader consumer base is an opportunity for the sector, according to the Redseer Report (*chapter 5, page 183*), Share.Market focuses on providing access to knowledge and research at scale by Share.Market Research, our team of SEBI-registered Research Analysts, which provides actionable intelligence from ideation to execution across all product offerings mentioned below.

Stock Broking

Share.Market allows investors to explore, invest in, and trade a variety of products, including:

- **Stocks:** Customers can buy and sell equities listed on the NSE and BSE. Research insights are available through in-house factor rating systems on quality, momentum, value, size, yield, volatility and sentiment.
- **IPO:** Customers can apply for IPO shares in primary equity markets. Quick summarised views of the companies, financials, strengths and weaknesses are available on Share.Market.
- **ETFs:** These are investment funds that hold a diverse range of assets such as stocks, debt, or commodities. ETFs are traded on stock exchanges and provide diversified exposure to specific markets, indices, or sectors including in-house curated multi-asset ETF collections.

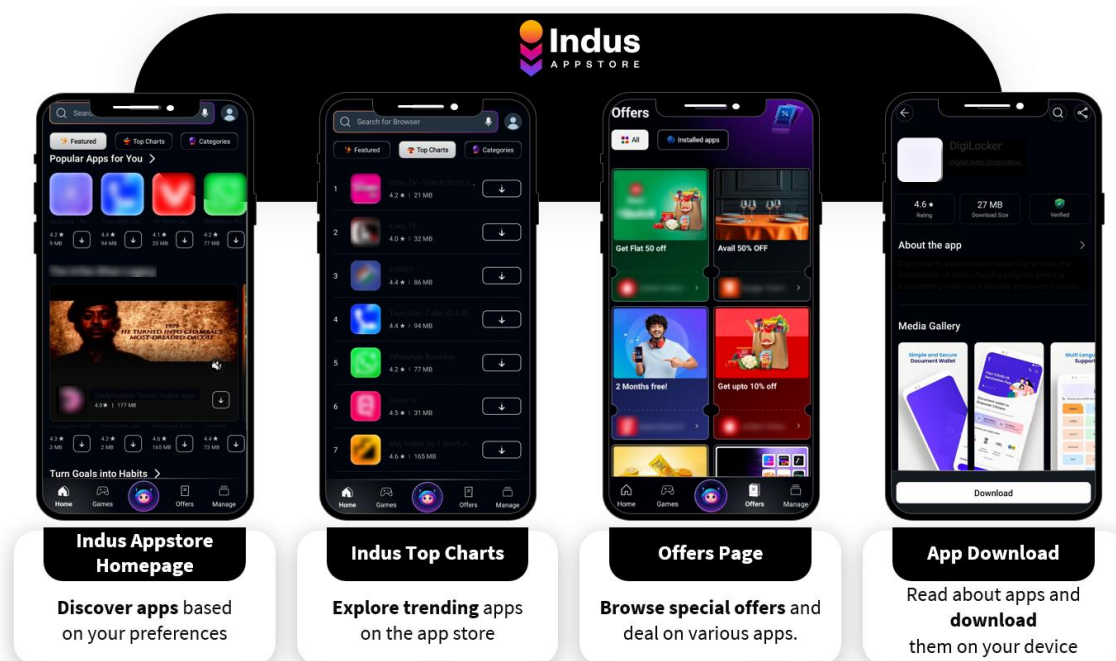
- *Futures and Options:* These derivative contracts enable customers to take positions based on a view on the future price movements of underlying assets, including stocks and equity indices. For most products, the Share.Market Platform provides a visual trading experience through charts.
- *WealthBaskets:* Our “WealthBaskets” are pre-built collections of stocks and ETFs curated by Share.Market Research, our team of SEBI-registered Research Analysts. We believe these are ideal for investors seeking curated model portfolios to invest for the long term.

Mutual Funds Distribution

We distribute mutual funds on behalf of asset management companies across categories such as equity, debt, hybrid, among others, wherein investors can seamlessly invest via SIP or lump sum investments. Leveraging our research capabilities, the Share.Market Platform also offers intelligence driven actionable insights such as CRISP (Consistency, Risk and Investment Style of the Portfolio), a tool to help investors with fund selection and mutual fund portfolio management.

Indus Appstore

The Indus Appstore is our Android-based mobile app store for users to browse, download, and update mobile applications and play digital games on the platform. Launched in February 2024, we are in the development phase, focused on expanding the Indus Appstore’s availability to customers.



Indus Appstore is a “*Made For India*” Appstore that aims to build a platform that caters to developers and consumers alike. This offering reinforces our core belief in product innovation and promoting free market competition in the Indian consumer internet economy.

Indus Appstore localises the experience for India’s vast and diverse consumer base, enabling convenient app discovery in 12 Indian languages in addition to English as of September 30, 2025, according to the Redseer Report (*chapter 7, page 191*). By delivering a unique, experience-led discovery journey enriched with video and audio content, it aims to transform how consumers find and engage with apps.

Indus Appstore allows large and small app developers to compete and be discovered through a discovery-led approach that provides consumers with relevant and personalised content. On Indus Appstore, developers are free to choose any third-party payment gateway of their choice for their in-app billing needs. We believe that consumers and app developers should have a choice in deciding where to download apps from and which payment tools they wish to use and that app stores should not insist on app developers exclusively using their in-house payment solutions.

Our Technology Infrastructure

At PhonePe, our technology stack has been engineered ground-up with ownership of layers—from infrastructure to applications—to enable high-performance, reliable, and secure systems at scale. It is structured across four foundational layers that together power our diverse and growing set of businesses.

The Infrastructure-as-a-Service (IaaS) layer comprises a fully self-managed, on-premises setup that spans compute, storage, and networking, housed in PhonePe-operated data centres. The Platform-as-a-Service (PaaS) layer is built on top of this base, offering foundational software capabilities such as security, observability, and deployment tooling that can be reused across teams. The Software-as-a-Service (SaaS) layer includes modular domain specific services for common business needs like onboarding, payments, and compliance, allowing new teams of our Company and Subsidiaries to plug in without building from scratch. At the top, sits the Data Intelligence layer, which blends real-time data streaming, time-series analytics, and contextual knowledge stores to generate actionable intelligence for both systemic and human decision making.

This architecture offers strategic advantages that span four key areas:

- *Governance & Control:* By operating our own infrastructure, we maintain deep control over data localisation, cybersecurity, and compliance. Audit-ready systems, embedded regulatory frameworks, and multi-layered security are integrated across layers—from PaaS services that enforce observability and traceability, to SaaS modules that deliver KYC and fraud controls. The Data Intelligence layer is built on a mesh architecture that enables scalable data governance while keeping decision-making tightly integrated with operational systems.
- *Efficiency & Cost Optimisation:* The self-managed IaaS layer enables meaningful savings on compute and storage, while platform services eliminate the need to replicate core infrastructure capabilities across teams. Shared application services reduce duplication across our Company and Subsidiaries and improve reuse, while our data intelligence systems drive automation in everything from support ticket handling to fraud risk management. Together, these systems improve resource utilisation and reduce both capital and operational expenditure.
- *Flexibility & Scale:* Each layer of the stack is modular, designed to serve both the core business and emerging verticals with minimal change. The platform abstracts hardware dependencies and backend complexity, allowing engineering teams to adopt new tools or launch products faster without compromising on reliability. This composable architecture makes it easier to onboard new group companies or expand into new categories, without having to rebuild foundational services or infrastructure.
- *Speed & Innovation:* Owning the stack end-to-end allows us to move faster, experiment more safely, and roll out updates and new offerings with greater agility. Application teams can focus entirely on business logic, leveraging pre-built services and scalable infrastructure. Data intelligence built directly into workflows allows faster decision-making, personalised experiences, and tighter feedback loops, accelerating product cycles and improving customer outcomes.

The following table provides an overview of the scale and efficiency of our technology stack:

	Unit	As of September 30, 2025
Scale		
Number of cores	million	1.04
Total memory	petabyte	16.51
Data Warehouse Storage	petabyte	30.95
Members in engineering, information technology and product team	number	1,880
Transaction processing capacity at peak	transactions per second	22,369
Peak requests processed per second	number	781,161.00
Events processed per day	billion	141.15
Risk and fraud detection evaluations per day	million	516.45
Efficiency		
Server cost per transaction (including server depreciation)	₹	0.06
Median transaction processing time	second	1.29
95 th percentile transaction processing time	second	2.40

Sales and Marketing

We design our sales and marketing activities to reach more consumers and merchants and strengthen consumer mindshare, engagement, service expansion and lifetime value by promoting multiple services.

Our thoughtful, engaging, and responsible marketing initiatives contribute to building awareness and strengthening our presence across the length and breadth of the country. We promote our platform's unique benefits and its services through a cost-efficient multi-channel approach, which balances long-term brand building with current business requirements. Our consumer-oriented marketing is focused on three key pillars: (i) brand development using high-reach media channels such as public relations and television, (ii) platform adoption via digital marketing, and (iii) discovery of new services through merchandising on our Platforms.

On the merchant side, our sales and marketing efforts are primarily driven by our on-ground sales and service team. This team currently covers 96.96% of the country's pin codes. We have achieved this extensive reach through the adoption of innovative sales and service models. This approach features direct, in-person engagement with merchants, allowing us to build strong relationships, deliver timely support, and provide regular solution upgrades. Our sales force is well-equipped to understand merchant needs, offer tailored solutions, and enable smooth integration of our offerings into merchants' operations—ultimately driving higher merchant satisfaction and retention. As of September 30, 2025, we had a nationwide feet-on-street network of 25,657 sales team members and 31,019 agents commissioned through channel partners focused on rural expansion. Our sales team maintains direct merchant relationships - driving onboarding, support, device deployment, loan distribution and general grievance redressal.

Customer Support

PhonePe follows a four-level (L1–L4) grievance redressal framework for customers and merchants, starting with 24×7 support across in-app, web and call channels, which further extends to escalation with the RBI Ombudsman. Each level has clear response and resolution timelines to ensure accountability and transparency, with Level 3 overseen by designated nodal officers. In parallel, we focus on addressing issues at their root through continuous product and interface enhancements to reduce friction at source, thereby enabling a seamless and self-sufficient customer experience.

Competition

We face substantial competition within India's Financial Services market, which, according to the Redseer Report (*chapter 7, page 187*), has companies that have digital payments offerings such as Consumer Payments and Merchant Payments, and other offerings such as Lending Distribution, Insurance Distribution and Mutual Fund Distribution. The digital payments industry includes payment companies that provide B2C offerings such as Consumer UPI Payments, Wallet Payments, among others, and payment companies that provide B2B offerings such as Offline Merchant Acquisitions, Online Payment Aggregator, among others, according to the Redseer Report (*chapter 7, page 187*). Furthermore, we face competition from Financial Services companies that provide offerings among Lending Distribution, Insurance Distribution, and Mutual Fund Distribution, along with a few offerings from Consumer and Merchant Payments, according to the Redseer Report (*chapter 7, page 187*). In addition, our Indus Appstore business, faces competition from Google and others, which operate mobile application distribution platforms on Android, according to the Redseer Report (*chapter 7, page 191*).

Human Resources

As of September 30, 2025, we employed a total of 12,338 full-time employees. The following tables provide an overview of our full-time employees and contracted staff by function as of September 30, 2025.

	Number of Full-time Employees	Number of Contracted Staff
Engineering, Technology and Product	1,880	155
Sales and Business Development	8,056	17,601
Enabling and Corporate Functions	2,402	1,600
Total	12,338	19,356

We recognise that our employees are critical to our success, and we grant stock options to eligible employees with a view to attracting and retaining talent, encouraging employees to align individual performance with the Company's objectives and promoting their participation in the growth of our Company. Accordingly, we maintain the PSOP, PFSOP 2025 and the PhonePe Award Schemes. Stock options that we grant under the PSOP are subject to continued employment with us and any other applicable conditions or criteria determined by our Board.

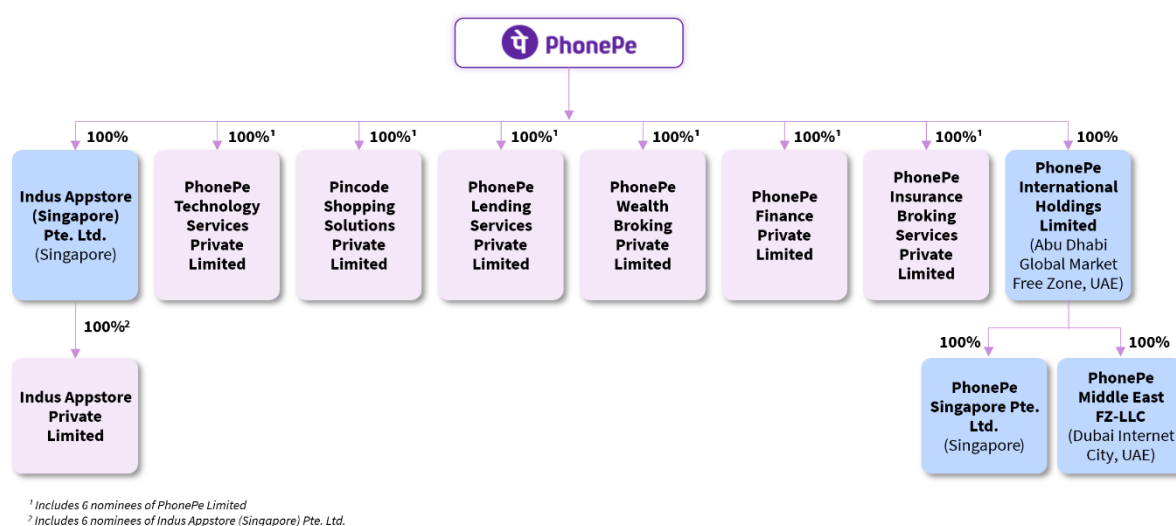
At PhonePe, our people philosophy is deeply rooted in our culture and values, which are centred on continuous learning, and a deep sense of trust and belonging. These principles shape our talent strategy and define how we attract, develop, and retain high-calibre talent capable of driving innovation and scalable impact. Our talent acquisition strategy has a multi-channel

approach. We leverage targeted outreach through niche job boards, social platforms, and industry forums to attract specialised talent. Simultaneously, diversity and inclusion are embedded in our hiring philosophy to cultivate a diverse workforce that reflects the customers we serve. We believe deepening expertise is foundational to excellence. Through our structured capability-building platform, PhonePe University, we offer curated learning journeys and mentorship for PhonePe personnel from entry level to senior leaders. This is complemented by Greenhouse platform, our internal mobility platform that enables employees to explore cross-functional opportunities and transition into new roles, accelerating growth while retaining institutional expertise.

We have institutionalised a structured approach to culture and values across the employee lifecycle, starting from pre-joining engagement to onboarding, manager assimilation, and ongoing ways of working. Cultural reinforcements are driven through visible workplace cues, structured manager enablement programs, and leadership-led interventions that promote inclusive behaviours and psychological safety. To foster a strong sense of belonging and inclusion, we have built supportive employee communities such as Employee Resource Groups, Safe Space forums, and dedicated networks. These platforms enable peer connection, mentorship, and development beyond formal structures. Together, we believe, these efforts are intended to ensure that PhonePe remains a purpose-driven, future-ready organisation where employees are empowered to learn and thrive.

Our Corporate Structure

The following chart sets forth the corporate structure of our Company as of the date of the Updated Draft Red Herring Prospectus – I.



Intellectual Property

Trademarks

As of the date of this Updated Draft Red Herring Prospectus – I, our Company had 237 trademarks registered in the name of the Company, under Trade Marks Act, 1999, as amended (“**Trademarks Act**”) in classes 9, 35, 36, 38, 39 and 42 and our Company has made 129 trademark applications that are pending in India in classes 9, 35, 36, 38, 39 and 42, five trademark applications that have been accepted/accepted and advertised in India in classes 9, 35, 36, and 39, two trademark applications that have been objected in India in classes 9 and 42, one trademark application that has been abandoned in India in class 35, one trademark application that has been refused in India in class 9, 37 trademark applications that have been opposed in India.

As of the date of this Updated Draft Red Herring Prospectus – I, our Subsidiaries have one trademark that has been registered in India under our Company in class 9, four trademarks have been registered in India under our Company in class 35, five trademarks have been registered in India under Indus Appstore Private Limited in class 9, two trademarks have been registered in India under Indus Appstore Private Limited in class 38, four trademarks have been registered in India under Indus Appstore Private Limited in class 42, one trademark that has been registered in India under Indus Appstore Private Limited in classes 9, 35, 36, 38 and 42, one trademark has been registered in India under Indus Appstore (Singapore) Pte. Ltd. (currently Indus Appstore Private Limited) in class 9, one trademark has been registered in India under Indus Appstore (Singapore) Pte. Ltd. (currently Indus Appstore Private Limited) in class 35, seven trademarks that have been registered in India under the name ‘Wealth Technology & Services Private Limited’, (currently PhonePe Wealth Broking Private Limited) in class 36, five trademarks have been registered in India under the name ‘Wealth Technology & Services Private Limited’ (currently PhonePe Wealth Broking Private Limited) in class 42, one trademark application under the name ‘Wealth Technology & Services Private

Limited’ (currently PhonePe Wealth Broking Private Limited) that has been accepted in India in class 42, one trademark application under Indus Appstore Private Limited that has been accepted in India in class 9, one trademark application under MoFirst Solutions Private Limited (currently Indus Appstore Private Limited) that has been objected in India in class 9, one trademark application under the name ‘Wealth Technology & Services Private Limited’ (currently PhonePe Wealth Broking Private Limited) that has been objected in India in class 42 and one trademark application under Indus Appstore Private Limited that has been opposed in India in class 35.

Further, as of the date of this Updated Draft Red Herring Prospectus – I, our Company had 126 trademarks registered in the name of our Company in 20 countries outside India and the European Union in classes 9, 35, 36, 38 and 42, 26 pending trademark applications in six countries outside India in classes 9, 35, 36, 38 and 42, four trademark applications that have been refused in Vietnam and Macao in classes 9, 35, 36, 38 and 42 and one trademark application that has been abandoned in China under class 9, 35, 38 and 42 and one trademark application that has been opposed in China under class 36. Further, our Subsidiaries do not have any registered trademarks or pending trademark application outside India.

Copyrights

As of the date of this Updated Draft Red Herring Prospectus – I, our Company has three copyrights registered in the name of the Company under the Copyright Act, 1957, as amended (“**Copyright Act**”). Further, as of the date of this Updated Draft Red Herring Prospectus – I, our Company and Subsidiaries do not have any copyrights registered or pending outside India.

Patents

As of the date of this Updated Draft Red Herring Prospectus – I, our Company had filed two patent applications under the Patents Act, 1970 in India, out of which one patent application has been refused and one patent application has been abandoned. Further, as of the date of this Updated Draft Red Herring Prospectus – I, our Company has filed three patent applications that are pending in India and three patent applications that are pending outside India, under the Patent Cooperation Treaty (“**PCT**”). Further, our Company had filed two patent applications in India out of which one patent application has been refused and one patent application has been abandoned.

As of the date of this Updated Draft Red Herring Prospectus – I, one of our Subsidiaries, Indus Appstore Private Limited has five patents granted in the United States of America and one of our Subsidiaries, Indus Appstore (Singapore) Pte. Ltd. has five patents registered in five countries outside India (these patents have been registered in its former name, i.e., OSLabs Pte. Ltd., prior to its acquisition) and three patents registered in India. In relation to these patents, Indus Appstore (Singapore) Pte. Ltd. has transferred the patent rights to Indus Appstore Private Limited, however, the transfer requests are yet to be filed in the respective jurisdictions. Indus Appstore Private Limited (under its former name OSLabs Technology (India) Private Limited) and Indus Appstore (Singapore) Pte. Ltd. (under its former name OSLabs Pte. Ltd.) has filed two patent applications that are pending in India, respectively and Indus Appstore (Singapore) Pte. Ltd. (under its former name OSLabs Pte. Ltd.) has filed five patent applications that have expired in India. Further, one of our Subsidiaries, Indus Appstore Private Limited has one patent application pending under the PCT (which has been filed in its former name, i.e., OSLabs Technology Private Limited, prior to its acquisition).

Additionally, one of our Subsidiaries, Indus Appstore (Singapore) Pte. Ltd. (in its former name) has 28 patents applications, under the PCT, in 16 countries outside India and the European Union, which are under examination or have been refused, withdrawn, abandoned, published, lapsed, cancelled or expired, as of the date of this Updated Draft Red Herring Prospectus – I.

Designs

As of the date of this Updated Draft Red Herring Prospectus – I, our Company does not have any designs registered or pending, outside India. Further, our Subsidiaries do not have any designs registered in India, but have five design applications that are pending in India under currently Indus Appstore Private Limited (which has been filed under its former name i.e., OSLabs Technology (India) Private Limited) and one design application that is refused in India under Indus Appstore Private Limited (which has been filed under its former name i.e., OSLabs Technology (India) Private Limited), one of our Subsidiaries, Indus Appstore Private Limited has one design registered in the United Arab Emirates (in its former name, i.e., OSLabs Technology (India) Private Limited), one design registered in the European Union and Indus Appstore Private Limited has five design applications pending in India and one design application that is refused in India and one design under examination in the United States of America.

Defensive Publication

Our Company has published one defensive publication under the Defensive Publication series of “Technical Disclosure Commons Technical Disclosure Commons” on October 9, 2025.”

Properties and Facilities

We operate entirely out of leased premises or co-working spaces and do not own the underlying property for any of our offices in India, including our registered office and corporate office. Our registered and corporate office is located at Office-2, Floor 5, Wing A, Block A, Salarpuria Softzone, Bellandur Village, Varthur Hobli, Outer Ring Road, Bangalore South, Bangalore 560 103, Karnataka, India, which is held on a lease hold basis, under a lease arrangement that is valid until August 14, 2026 and which we are in the process of extending up to 2031. In addition to our Registered and Corporate Office, we also operate out of 118 offices, co-working spaces and facilities in 54 cities as of the date of this Updated Draft Red Herring Prospectus – I.

The following table provides an overview of each of our leased properties and facilities pursuant to the relevant lease agreements as of the date of this Updated Draft Red Herring Prospectus – I:

Name of entity	Number of properties/ facilities/ offices	Tenure (range)	Whether premise availed from a related party (Yes/No)	Start date	Details of the lessors / service providers / co-working space providers	Monthly consideration (in ₹, unless specified)
Company	68	4 months to 5 years/ until termination in writing by the parties	No	Start dates range from August 15, 2021 to January 20, 2026	• Amba Enterprises; • Aurbis Business Parks Private Limited; • Awfis Space Solutions Limited; • Baner 87 Realty; • Bansal's Instaa Office Private Limited; • Blooming Co-working Spaces; • Chanda Kumar Jain, Ajit Kumar Jain and Rishab Chandra Jain; • Cocoweave Work Cafe; • Coimbatore Innovation and Business Incubator (CIBI); • CoworkIn Space Solutions Private Limited; • Dwaraka Starline Private Limited; • E-city Bioscope Entertainment Private Limited; • Evergreen Hospitality LLP; • Excluzo Business Centre; • Flexi Hub Space; • Highness Construction Private Limited; • IBC Knowledge Park Private Limited; • Incubex Business Consulting Services Private Limited; • Incuspaze Solutions Private Limited; • Indiqube Spaces Limited; • Innov8 Workspaces India Limited; • iSprout Business Centre Private Limited; • Knot Office Solutions Private Limited; • Kontor Space Limited; • Landsworth Infrastructure;	The monthly consideration ranges between ₹0.02 million to ₹24.21 million.

Name of entity	Number of properties/ facilities/ offices	Tenure (range)	Whether premise availed from a related party (Yes/No)	Start date	Details of the lessors / service providers / co-working space providers	Monthly consideration (in ₹, unless specified)
					• Laverro Infra Services Private Limited; • Max Office; • Minimalign Global (OPC) Private Limited; • My Branch Services Private Limited; • My First Office (a proprietorship of Mr. Dasari Sumanth); • Nammakacheri LLP; • Next 57 Coworking; • Next57 Coworking Private Limited; • Pengune Cowork LLP; • Prashant Chaudhary; • Qdesq Realtech Private Limited; • Ram Prakash Gupta; • Regus Management Group, LLC; • S M Professional Services Private Limited; • S P Electronics; • SAS Developers & Engineers; • Sector 7 Workspaces Private Limited; • Shreem Coworks LLP; • S Jain Ventures Limited; • Softzone Tech Park Limited; • Space Entrepreneurship Centre Private Limited; • Srishi Infrastructure Solutions Private Limited; • Think Space Co-Working Private Limited; • Urban Ventures; • Vaibhav laxmi Properties Private Limited; • Wegrow Business Facilitators LLP; • Working Kulture and • Xerica Widening Horizons LLP.	
PhonePe Insurance Broking Services Private Limited	3	11 months to 5 years	Yes*	Start dates range from August 1, 2023 to September 1, 2025	• Aurbis Business Parks Private Limited; • Softzone Tech Park Limited; and • Our Company.	The monthly consideration ranges between ₹0.047 million to ₹4.51 million.
PhonePe Technology Services Private Limited	1	11 months	Yes	May 1, 2025	Our Company	The monthly consideration is ₹0.06 million.
PhonePe Finance	1	11 months	Yes	May 1, 2025	Our Company	The monthly consideration is ₹ 0.03 million.

Name of entity	Number of properties/ facilities/ offices	Tenure (range)	Whether premise availed from a related party (Yes/No)	Start date	Details of the lessors / service providers / co-working space providers	Monthly consideration (in ₹, unless specified)
Private Limited						
Indus Appstore Private Limited	2	11 months/ Until termination in writing by the parties	Yes	December 24, 2024 to May 1, 2025	Our Company	The monthly consideration ranges between ₹0.008 million to ₹3.55 million.
PhonePe Lending Services Private Limited	14	11 months to 2 years/ Until termination in writing by the parties	Yes*	Start dates range from December 23, 2024 to September 1, 2025	- Indiqube Spaces Limited; and - Our Company	The monthly consideration ranges between ₹0.007 million to ₹7.86 million.
Pincode Shopping Solutions Private Limited	24	11 months to 2 years/ Until termination in writing by the parties	Yes*	Start dates range from September 25, 2023 to August 8, 2025	- Indiqube Spaces Limited; and - Our Company	The monthly consideration ranges between ₹0.004 million to ₹8.08 million.
PhonePe Wealth Broking Private Limited	3	11 months to 2 years / Until termination in writing by the parties	Yes*	Start date ranges from December 24, 2024 and December 5, 2025	- Qdesq Realtech Private Limited; - Wegrow Business Facilitators LLP; and - Our Company	The monthly consideration ranges between ₹0.01 million to ₹8.23 million.
PhonePe International Holdings Limited	1	12 months	No	September 22, 2025	Bloom Business Services LLC	The monthly consideration is AED 9,180
PhonePe Middle East FZ-LLC	1	12 months	No	October 21, 2025	Dquarters FZLLC	The monthly consideration is AED 7,500

*Certain of the properties is provided on sub-lease by our Company (being a related party to the entity).

Additionally, we operate seven data centres across two states in India, namely, Maharashtra and Karnataka. These data centres are operating on a colocation services model from NTT Global Data Centers and Cloud Infrastructure India Private Limited, pursuant to statements of work commencing from dates ranging from January 7, 2021, to August 1, 2025, and for periods ranging from one year to five years. The monthly consideration ranges between ₹ 5.97 million to ₹ 27.71 million. Our Company is not taking any services from any related party for these data centres.

We are required to pay security deposits, specified monthly rentals and maintenance charges for the duration of the relevant agreement, subject to periodic escalations at agreed rates, and electricity, internet, water and telephone charges with applicable taxes, in accordance with the terms of our lease deeds.

Insurance

We maintain insurance policies that we believe are customary for companies operating in our industry. Our principal types of coverage, including “property all risks”, electronic equipment (including portable electronic equipment), comprehensive general liability, stockbrokers’ indemnity, crime policy, marine insurance policies, directors and officers’ liability, professional indemnity policy for our Insurance Distribution business, cyber insurance, fidelity and terrorism. We believe that the level of insurance we maintain is appropriate for the risks of our business.

Social Initiatives

We offer the option for our customers to make donations through our PhonePe Platform. As a company, we run campaigns on the PhonePe app from time to time where PhonePe users can choose to donate meals and rations to underprivileged families, support a child’s education and women’s welfare, among others.

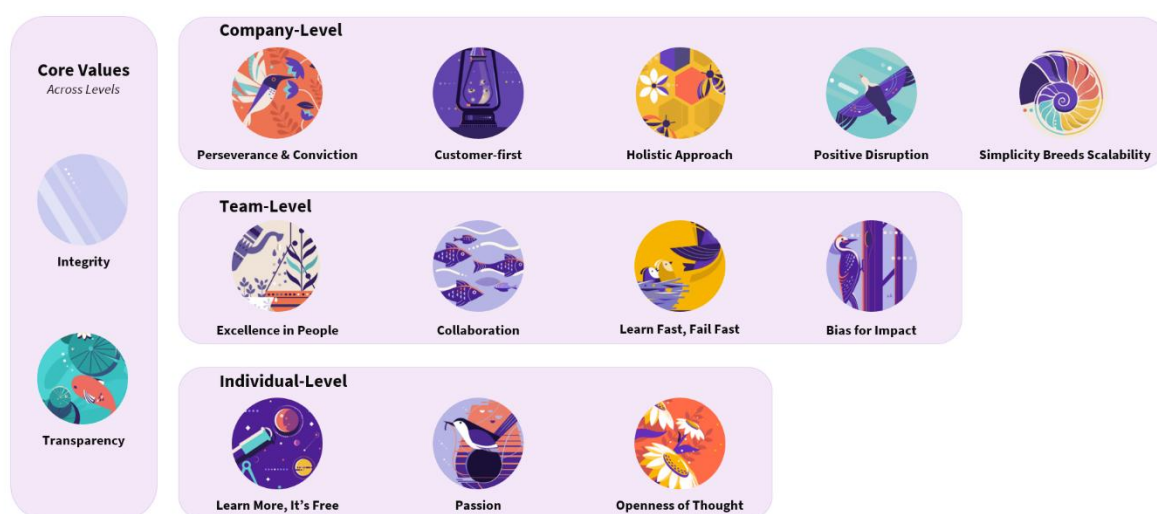
Our Culture and Values

We believe that our long-term commitment to building a multi-generational company, fostering a strong organisational culture, and maintaining high standards of corporate governance promotes ethical business practices and sustainable growth.

We have adopted a set of 14 values that is intended to continue to guide our employees' behaviour every day, with "integrity" and "transparency" as our core values.

At the Company level, our focus is on "perseverance & conviction", a strong "customer-first" mindset, coupled with a "holistic approach" to problem-solving, to drive "positive disruption" by empowering business models that benefit all ecosystem participants, and the belief that "simplicity breeds scalability". At the team level, our culture promotes "excellence in people", encourages "collaboration", supports a "learn fast, fail fast" attitude and maintains a strong "bias for impact". At an individual level, we value continuous curiosity with a "learn more, it's free" attitude, individual "passion" and "openness of thought". Underpinning all these principles are our core principles of "integrity" and "transparency" which form the foundation of a high-performance and accountable organisation.

PhonePe: Culture and Values



Regulatory Compliance

We are collectively registered with and have multiple licenses from Indian financial regulators, statutory bodies and industry bodies, such as the RBI, SEBI and IRDAI as well as from the Association of Mutual Funds in India, the UIDAI, the Stock Exchanges and Depositories. For further details, see "*Key Regulations and Policies*" on page 235.

KEY REGULATIONS AND POLICIES

The following is an overview of the relevant sector-specific laws and regulations which are applicable to our Company and our Subsidiaries. The information detailed below has been obtained from publications available in the public domain. The description of laws and regulations set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, and remain subject to judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions.

Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For details, see “Government and Other Approvals” beginning on page 449.

Given below is a brief description of certain relevant legislations that are currently applicable to the business carried on by our Company and our Subsidiaries.

Key Regulations applicable to the Company and its Subsidiaries

I. Reserve Bank of India (“RBI”)

(a) The Payment and Settlement Systems Act, 2007 (“PSS Act”) and Payments and Settlement Systems Regulations, 2008 (“PSS Regulations”)

The PSS Act and allied rules and regulations (including without limitation, the PSS Regulations) provide that no person can commence or operate a payment system except and in accordance with an authorization issued by the RBI. A 'payment system' has been defined under the PSS Act to mean a system that enables a payment to be effected between a payer and a beneficiary, involving clearing or payment or settlement service or all of them. Payment service providers who operate a payment system are required to procure an authorization from the RBI in order to operate the payment system.

Payment system operator (“PSO”) authorizations are sought for specific types of payment systems regulated by the RBI.

The PSS Regulations and RBI guidelines issued thereunder outline the manner in which applications and authorisations under the PSS Act must be made. The PSS Regulations / RBI guidelines issued thereunder also make it mandatory for every PSO to submit returns, documents and other information as required, to the RBI’s Department of Payment and Settlement Systems, Central Office on an ongoing basis. Additionally, the PSS Regulations / RBI guidelines also specify requirements pertaining to the format of payment instructions and annual compliances.

(b) The Framework for Outsourcing of Payment and Settlement-related Activities by Payment System Operators, 2021 (“PSO Outsourcing Framework”)

Under the RBI’s PSO Outsourcing Framework, PSOs are required to comply with the mandates in relation to its outsourcing activities, as applicable. The term 'outsourcing' is defined as the use of a third party (whether in India or outside) to perform activities on a continuing basis, including short-term arrangements, that would normally be undertaken by the PSO itself. Amongst other requirements, the PSO Outsourcing Framework restricts PSOs from outsourcing its core management functions, including risk management and internal audit, compliance and decision-making functions such as determining compliance with KYC norms, and requires certain key provisions to be incorporated in the outsourcing agreements with its vendors.

(c) Master Directions on Prepaid Payment Instruments, 2021 (“MD-PPI”)

The MD-PPI has been issued for the purpose of establishing a framework for the authorisation, regulation, and operation of entities issuing and operating prepaid payment instruments (“PPI”) in India.

The MD-PPI, inter alia, regulates the issuance and operation of PPIs that facilitate purchase of goods and services, financial services, remittance facilities, etc., and includes PPIs in the nature of prepaid gift instruments, and PPIs issued under co-branding arrangements.

The National Payments Corporation of India (“NPCI”) has also prescribed requirements in relation to PPI interoperability applicable to digital wallets.

The MD-PPI also refers to applicability of other circulars issued by the RBI such as the RBI circular issued on September 20, 2019 on the Harmonisation of Turn Around Time and customer compensation for failed transactions using authorised Payment Systems (“**TAT Circular**”) (including PPIs), Online Dispute Resolution System for Digital Payments, 2020 etc.

(d) RBI Circular on ‘Access for Non-banks to Centralised Payment Systems’ dated July 28, 2021 (“CPS Circular”)

Under the CPS Circular, the RBI allows non-bank entities to participate in the RBI-operated Centralised Payment Systems (“**CPS**”) viz. Real Time Gross Settlement (**RTGS**) and National Electronic Fund Transfer (**NEFT**) systems. Such non-bank entities are required to comply with various incorporation, system and net-worth requirements to obtain access to CPS.

(e) Master Direction on Regulation of Payment Aggregator, 2025 (“PA Master Directions”)

The RBI issued the PA Master Directions on September 15, 2025, repealing inter alia the Guidelines on Regulation of Payment Aggregator and Payment Gateways, 2020 (and associated clarifications dated March 31, 2021). The PA Master Directions came into effect immediately, except for certain provisions in relation to merchant due diligence and escrow operations, for which different effective dates have been specified. Under the PA Master Directions, in addition to regulating online payment aggregators (“**Online PA**”) (*which is defined as a payment aggregator that facilitates transactions where the acceptance device and payment instrument are not present in close proximity while making the transaction*), the RBI has also brought offline payment aggregators (“**Payment Aggregator – Physical**” or “**Physical PA**”) under its purview. Physical PA has been defined as a payment aggregator that facilitates transactions where both the acceptance device and payment instrument are physically present in close proximity while carrying out a transaction. The PA Master Directions clarify that any authorised PA also carrying out the Physical PA business is required to intimate the RBI for issuance of the revised certificate of authorisation covering both Physical PA and Online PA business.

The PA Master Directions require entities seeking authorisation to commence or carry on payment aggregator business, to maintain a net worth of ₹150 million at the time of the application, as well as attain and subsequently maintain a net worth of ₹250 million by the end of the third financial year of grant of authorization. PAs will also be subject to the other requirements under the PA Master Directions - such as those relating to merchant due diligence, security and risk management, baseline technology standards, the execution of agreements with merchants (that must also contain certain mandatory provisions), and reporting of suspicious transactions. PAs are also governed by certain other acts and regulations such as the PSO Outsourcing Framework, and the regulations referred to under the PA Master Directions such as the TAT Circular.

(f) RBI Circular on ‘Tokenisation – Card Transactions’ dated January 8, 2019 and Related Circulars Issued in this Series (collectively, “Tokenization Notifications”)

PAs, as token requestors, are also required to comply with the Tokenization Notifications, which require entities in the card transaction, other than card issuers or networks, to refrain from storing actual card data with effect from October 1, 2022 and to purge any such previously stored card data. The Tokenization Notifications discuss the permissibility and implementation of credit and debit card tokenization, both from a device and card-on-file (“**COF**”) tokenization perspective. Under the Tokenization Notifications, the responsibility for issuing both device and COF tokens is on the card networks and card issuers.

(g) Master Directions - Reserve Bank of India (Bharat Bill Payment System) Directions, 2024 (“BBPS MD”)

RBI has issued the BBPS MD in supersession of the erstwhile Implementation of Bharat Bill Payment System (BBPS) - Guidelines originally issued in 2014. The BBPS MD read with the BBPS Procedural Guidelines (along with annexures and Standard Operating Procedures), *inter alia* applies to Bharat Bill Payment Operating Unit (“**BBPOUs**”) and has been issued with a view to further streamline the process of bill payments, enable greater participation, and enhance customer protection in the system.

(h) Reserve Bank of India (Commercial Banks – Credit Cards and Debit Cards: Issuance and Conduct) Directions, 2025 (“Cards MD”)

The RBI issued the Cards MD on November 28, 2025 (as amended from time to time and read with the RBI notification dated November 28, 2025 extending it to PSOs) to, *inter alia*, govern the issuance of co-branded credit cards issued by commercial banks (as defined in the Cards MD), and prescribes restrictions on the functions that may be carried out by a co-branding partner. The Cards MD does not apply directly to a co-branding partner, and requirements in the Card MD relevant to co-branding partners are passed on contractually by partner card issuers. Basis this, the co-

branded card must explicitly indicate that it has been issued under a co-branding arrangement. The co-branding partner is prohibited from advertising/marketing any co-branded card as its own product and the co-branding partner's role under such arrangements is limited to marketing and distribution and the card issuers are liable for the acts of the co-branding partner, including with respect to ensuring timely delivery of cashbacks, discounts and offers advertised by the co-branding partner. After the co-branded card is issued, the co-branding partner is not permitted to be involved in any processes or controls concerning the card, except acting as the initial point of contact for grievances.

Under the Cards MD, commercial banks issuers must ensure that in cases where the proposed co-branding partner is a financial entity, the said entity has obtained necessary approvals from its regulator for entering into the co-branding arrangement.

(i) *RBI Circular on 'Storage of Payment System Data' dated April 6, 2018 ("Payments Data Localization Circular")*

Under the Payments Data Localization Circular, the RBI requires PSOs to ensure that all payments data relating to payment systems including end-to-end transaction details, information collected, carried, processed as part of the message and payment instructions, is localized in India.

(j) *Procedural guidelines and circulars issued by the NPCI for the Unified Payments Interface ("UPI")*

UPI is an instant payment system developed by the NPCI which merges several banking features, including accessibility of multiple bank accounts, enabling peer-to-peer transactions, seamless fund routing and merchant payments into a single application. The UPI ecosystem consists of numerous stakeholders including banks, merchants, customers, payment service providers etc.

The NPCI has issued various procedural guidelines and circulars governing all stakeholders involved in the UPI ecosystem including banks, third-party application providers ("TPAP"), and payment facilitators. The circular/guidelines issued by the NPCI govern various aspects which are critical to the UPI ecosystem including, functional and interoperability compliance requirements, risk and information security requirements, technology and operational compliance, pricing and transactional limits in UPI, transaction reconciliation and dispute settlement and BHIM UPI branding guidelines.

The NPCI had introduced a cap of 30% on UPI transaction volumes per TPAP ("**Volume Cap**") to mitigate concentration risks and ensure a balanced ecosystem. Since issuance, the implementation of this Volume Cap has been extended multiple times, and most recently, the timeline has been extended until December 2026.

(k) *Master Directions on Cyber Resilience and Digital Payment Security Controls for non-bank Payment System Operators, 2024 ("Cyber Resilience MD")*

The RBI issued the Cyber Resilience MD on July 30, 2024 with the objective of ensuring that authorised non-bank PSOs are resilient to existing and emerging information systems risks and cyber security risks. Under the Cyber Resilience MD, PSOs are required to *inter alia* (a) formulate a board approved Information Security ("IS") policy to manage potential IS risks covering all applications and products concerning payment systems; (b) prepare a board-approved cyber crisis management plan; (c) define key risk indicators to identify potential risk events; and (d) assess the effectiveness of its security controls through key performance indicators. The Cyber Resilience MD also prescribes baseline IS measures and controls pertaining to inventory management, identity and access management, network security, application security life cycle, security testing, vendor risk management, data and cloud security, incident response mechanisms, employee training, securing application program interfaces, developing a business continuity plan and other security measures. The Cyber Resilience MD also sets out instructions pertaining to digital payment security measures and controls in relation to mobile, card and PPI payments.

The Cyber Resilience MD prescribes that 'Large non-bank PSOs' (i.e., Clearing Corporation of India Limited, NPCI, NPCI Bharat Bill Pay Limited, card payment networks, non-bank ATM networks, white label ATM operators, large PPI issuers, Trade Receivables Discounting System operators, BBPOUs and PAs) must put in place the necessary compliance structure to ensure adherence to the Cyber Resilience MD.

(l) *Reserve Bank of India (Commercial Banks – Know Your Customer) Directions, 2025 ("KYC MD")*

The RBI issued the KYC MD (as amended from time to time) to ensure that *inter alia* PSOs adhere to certain customer identification procedures while undertaking transactions exceeding specified thresholds, and to monitor customer transactions in order to ensure the regulated entities' compliance with the PMLA, PMLR (defined below) which aim to ensure integrity and stability of the financial system by preventing banks and other financial institutions from being used as a channel for money laundering / terrorist financing.

The KYC MD requires regulated entities to, *inter alia*, adopt a board-approved KYC policy and implement necessary programmes to combat money laundering and terror financing. Primarily, the KYC policy framework adopted must include (i) customer acceptance and customer identification policies which ensure that appropriate due diligence measures are undertaken to identify customers at the time of commencement of an account based relationship with the customer and on an ongoing basis; (ii) a risk management policy for risk-based categorisation of customers; (iii) robust record management systems to ensure compliance with the KYC MD; and (iv) a transaction monitoring mechanism to ensure that transactions are consistent with the entity's knowledge of the customer, their business and risk profile, as well as to enable monitoring of specific categories of transactions as mandated by the KYC MD. The KYC MD is applicable to entities undertaking KYC of its customers who wish to operate full KYC PPIs.

(m) Reserve Bank - Integrated Ombudsman Scheme, 2021 and 2026, and the Reserve Bank of India (Non-Bank Prepaid Payment Instruments Issuers - Internal Ombudsman) Directions, 2026

The RBI issued the Reserve Bank – Integrated Ombudsman Scheme, 2026, in supersession of the Reserve Bank - Integrated Ombudsman Scheme, 2021 on January 16, 2026 (“**Ombudsman Scheme**”). This Ombudsman Scheme will come into effect from July 1, 2026 – however, the Reserve Bank - Integrated Ombudsman Scheme, 2021 will continue to apply to any complaints made prior to July 2026, as well as to any appeals and execution of awards made originally under the erstwhile scheme. The Ombudsman Scheme provides cost-free redress of customer complaints involving deficiency in the services rendered by the specified RBI regulated entities (such as non-bank PPI issuer entities), where (a) the regulated entity fails to respond to such complaint, or where such deficiency is not resolved to the satisfaction of the customer within the prescribed period in the Ombudsman Scheme by such entity, and (b) the complaint is brought to the RBI ombudsman within the period specified in the Ombudsman Scheme. The Ombudsman Scheme provides for the details on how such complaints can be filed, and will be handled by the RBI ombudsman, including the powers granted by RBI to the ombudsman on decision making in relation to such complaints. Each regulated entity is required to appoint a Principal Nodal Officer who is responsible for representing the regulated entity in respect of complaints and each regulated entity is also mandated to display the salient features of the Ombudsman Scheme in all branches/places where the business is transacted.

Further, the RBI issued the Reserve Bank of India (Non-Bank Prepaid Payment Instruments Issuers - Internal Ombudsman) Directions, 2026 on January 14, 2026 (“**PPI Internal Ombudsman Directions**”) which apply to Non-Bank Prepaid Payment Instruments Issuers having more than one crore Prepaid Payment Instruments outstanding as on March 31, 2025, or thereafter. Under the PPI Internal Ombudsman Directions, eligible PPI issuers are required to appoint at least one Internal Ombudsman (“**IO**”), subject to such terms of their appointment, qualifications, responsibilities, etc as set out thereunder. The PPI Internal Ombudsman Directions further require instating a fully automated complaints management system, with all partially resolved or wholly rejected complaints auto-escalated to the office of the IO for review within specified timelines.

(n) RBI Notification on “Prevention of financial frauds perpetrated using voice calls and SMS – Regulatory prescriptions and Institutional Safeguards” (“PFF Notification”)

The PFF Notification released on January 17, 2025, aims to mitigate the risks involved in unsolicited commercial communications, especially in the financial sector, amid the surge in digital frauds and the proliferation of scams through customers’ personal mobile numbers. It is applicable to, *inter alia*, PAs and PSOs (collectively referred to as “**RE**”). Under the PFF Notification, REs are required to use Mobile Number Revocation List (“**MNRL**”) available on the Digital Intelligence Platform developed by the Department of Telecommunications, Ministry of Communications, GoI. The MNRL, a list of permanently disconnected mobile numbers published monthly on the Digital Intelligence Platform, allows entities to clean up their database and/or seek updates from their customers. Other compliance requirements under the PFF Notification include developing standard operating procedures, sharing customer information with the Digital Intelligence Platform, and use of “1600xx” numbering series to make transactional or service calls and the “140xx” numbering series to make promotional voice calls, as well as other requirements set out by the TRAI (defined below) that are annexed to the PFF Notification.

(o) Reserve Bank of India (Authentication Mechanisms for Digital Payment Transactions) Directions, 2025 (“Authentication Directions”)

The Authentication Directions published by the RBI on September 25, 2025 and effective from April 1, 2026 (for domestic transactions), applies to PSOs and payment system participants. These directions define a ‘*Factor of Authentication*’ as “*credential of the customer which is used for authentication. The factors of authentication can be from “something the user has”, “something the user knows” or “something the user is” and may comprise, inter-alia, password, SMS based OTP, passphrase, PIN, card hardware, software token, fingerprint, or any other form of biometrics (device native or Aadhaar based)*”. It lays down the following principles for authentication of payment

instructions which PSOs must adhere to - (a) there must be a minimum of two distinct factors of authentication; (b) for transactions other than card present transactions (i.e., for transactions where the card and acceptance infrastructure are not in close proximity while making the transaction), at least one factor must be dynamic (i.e., unique to that transaction); (c) the authentication must be robust i.e., the compromise of one factor should not affect the reliability of the other.

(p) *Prevention of Money-Laundering Act, 2002 (“PMLA”) and PML (Maintenance of Records) Rules 2005 (“PMLR”)*

The PMLA read with the PMLR deals with the: (a) offence of money-laundering based on certain predicate offences, and contains provisions in that regard; including checks to ensure that controls are in place to prevent and curb money laundering, PMLA recognizes certain entities such as banks, financial institutions, securities intermediaries and persons carrying on a designated business or profession as 'reporting entities' (“**Reporting Entity**”). The Company, PWBPL, and PIBSPL as Reporting Entities, are required to comply with a host of requirements under the PMLA and the PMLR, including in relation to identity verification, maintenance of records, reporting of recorded transactions, appointment of officers, furnishing of information, audit.

(q) *Department of Telecommunications (“DoT”) and Telecom Regulatory Authority of India (“TRAI”)*

(a) *TCCCPR*

Companies are required to ensure compliance with the Telecom Commercial Communications Consumer Preference Regulations, 2018 and the Telecom Commercial Communications Customer Preference (Second Amendment) Regulations, 2025 (collectively, the “**TCCCPR**”), which regulates unsolicited commercial calls and messages. Under the TCCCPR, ‘commercial communications’ are defined as any call or message sent over the public telecommunications network with the primary purpose of informing about, advertising or soliciting business for *inter alia* goods or services. Service messages/calls, transactional messages/calls and promotional messages/calls are all viewed as commercial communications regulated under the TCCCPR. Further, the entity sending commercial communications would have to register itself with an authorized telecom service provider (“**TSP**”) in India in the prescribed manner. Once registered, promotional communication may be sent to recipients, only according to their preferences registered in the Customer Preference Registration Facility maintained with the TSP, or if the explicit digital consent of the recipient has been obtained by the sender of commercial communications in accordance with the TCCCPR (unless otherwise provided in the TCCCPR). For service communications about product or service information to the existing customers and for transaction communication, the explicit consent of the customer is not required, whereas for service communication that facilitate ongoing purchase(s), a time bound explicit consent is required. There are also other compliance requirements that are required to be put in place in relation to commercial communication such as content, consent templates and form requirements (for instance, use of registered headers) for commercial communication which are to be registered with the TSP. Additionally, as per RBI notification dated January 17, 2025, entities registered with TSPs to send commercial communications are *inter alia* also required to transition to the 140xx and 1600xx number series for promotional messages and transaction / service messages respectively.

(b) *M2MSP*

Entities engaged in Machine-to Machine (“**M2M**”) services are required to comply with the Guidelines for the registration process of M2M service providers (“**M2MSP**”) and Wireless Personal Area Network/Wireless Local Area Network Connectivity Providers for M2M services, issued vide DoT circular dated February 8, 2022 (“**M2MSP Guidelines**”) and other terms and conditions issued by DoT from time to time regarding M2M services. Amongst other things, the M2MSP Guidelines detail the general terms and conditions for registration, including eligibility criteria, requirements around sourcing telecom resources from authorized licensees, adhering to KYC guidelines, maintaining customer details, and ensuring quality of service.

(r) *Reserve Bank of India (Commercial Banks – Credit Facilities) Directions, 2025 & Reserve Bank of India (Non-Banking Financial Companies– Credit Facilities) Directions, 2025 (collectively the “Digital Lending MDs”)*

The digital lending ecosystem in India is regulated by the RBI through *inter alia*, the Digital Lending MDs. The Digital Lending MDs issued on November 28, 2025 has withdrawn/repealed the erstwhile Reserve Bank of India (Digital Lending) Directions, May 8, 2025 pursuant to the RBI’s repeal / withdrawal of 9445 circulars and subsequent consolidation in 244 new master directions under RBI circular – “*Consolidation of Regulations – Withdrawal of circulars*” dated November 28, 2025.

Entities that *inter alia* facilitate the distribution of loan products on behalf of its partner banks and non-banking financial companies (“**Authorised Lenders**”) are classified as lending service providers (“**LSP**”). While the Digital

Lending MDs are directly applicable to Authorised Lenders, LSPs are contractually obligated to comply with these guidelines through its agreements with the Authorised Lenders. These guidelines govern the digital lending operations of both Authorised Lenders and their outsourced partners (such as LSPs), particularly in scenarios where digital technologies are used to deliver lending services efficiently.

The LSP performs certain functions on behalf of, and as an agent of, the Authorised Lenders — such as customer acquisition, services incidental to underwriting and pricing, loan servicing, monitoring, and recovery of specific loans or loan portfolios. Digital lending apps (“DLA”), which are defined as mobile or web-based applications on a standalone basis or as a part of suite of functions of an application that offers user interfaces for digital lending services. Given its role in managing the customer interface through the DLA, the LSP must adhere to several key compliance obligations. These include restrictions on involvement in the flow of funds between borrowers and Authorised Lenders, data collection and privacy requirements, grievance redressal mechanisms, and other contractual duties as specified by their arrangements with the Authorised Lenders.

The list of all DLAs associated with Authorised Lenders has been made publicly available on the RBI website for ease of verification by the customers. The Digital Lending MDs stipulates certain requirements to be fulfilled by an entity providing LSP services to multiple Authorised Lenders to ensure transparency, neutrality, and borrower protection in the digital lending ecosystem. Some of these requirements include the provision of a digital view of all the loan offers matching borrower’s requirements, following a consistent mechanism for similarly placed borrowers and products and providing certain minimum details along with the relevant key fact statements for each of the matching loan offers.

As and when the LSP enters into default loss guarantee (“DLG”) arrangements with Authorised Lenders to compensate for losses incurred by the Authorised Lenders up to a pre-specified percentage of the identified loan portfolio, the relevant provisions of the Digital Lending MD will become applicable to the LSP through contractual obligations imposed by the Authorised Lenders. DLG is a contractual arrangement between an Authorised Lender and a LSP under which the LSP agrees to compensate the Authorised Lender for loan losses due to default by the borrowers, up to a pre-specified percentage of the loan portfolio, not exceeding five percent of the amount of the pre-agreed loan portfolio. The definition also covers implicit guarantees that function similarly by being tied to the performance of the loan portfolio. The guidelines require that DLG arrangements be formalized through explicit, legally enforceable contracts. These contracts must detail the extent of the guarantee, the form in which it is maintained with the Authorised Lender, and the timeline for invocation. Additionally, LSPs are required to disclose on their websites the total number of loan portfolios covered under DLG and the corresponding value of each on a monthly basis.

According to the Digital Lending MD, Authorised Lenders may only accept DLGs in specific forms: cash deposits with the Authorised Lender, fixed deposits with a scheduled commercial bank with a lien in the Authorised Lender's favour, or a bank guarantee in favour of the Authorised Lender. The Authorised Lender is responsible for identifying non-performing assets within the underlying portfolio and for provisioning them in line with applicable asset classification norms, irrespective of any DLG cover available at the loan portfolio level. The guidelines also specify that the DLG must be invoked within a maximum overdue period of 120 days. The DLG agreement entered into between the LSP and the Authorised Lender must remain valid for at least the longest tenor of the loan in the underlying loan portfolio. Furthermore, Authorised Lenders are required to adopt a board-approved policy governing DLG arrangements, covering eligibility criteria for DLG providers, the scope and extent of DLG cover, procedures for monitoring and reviewing the arrangement, and details of fees payable to the DLG provider.

- (s) ***Reserve Bank of India (Commercial Banks – Managing Risks in Outsourcing) Directions, 2025 & Reserve Bank of India (Non-Banking Financial Companies – Managing Risks in Outsourcing) Directions, 2025 (collectively “Outsourcing Directions”)***

Outsourcing by commercial banks (as defined in the ***Reserve Bank of India (Commercial Banks – Managing Risks in Outsourcing) Directions, 2025***) and NBFCs (as defined in the ***Reserve Bank of India (Non-Banking Financial Companies – Managing Risks in Outsourcing) Directions, 2025***) were previously regulated under specific guidelines and master directions, depending on the licensed entity carrying out the outsourcing or the activity being outsourced. For instance, (a) outsourcing of financial services by all banks was regulated by the RBI’s ‘*Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by Banks, 2006*’; (b) outsourcing of financial services by NBFCs was regulated by the RBI’s ‘*Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023*’; and (c) outsourcing of IT services by all regulated entities was regulated by the RBI’s ‘*Master Direction on Outsourcing of Information Technology Services, 2023*’. However, these guidelines and frameworks have been withdrawn/repealed and consolidated into the Outsourcing Directions pursuant to the RBI circular – “*Consolidation of Regulations – Withdrawal of circulars*” dated November 28, 2025

Chapter III of the respective Outsourcing Directions regulates the outsourcing of financial services by commercial banks and NBFCs, with the chapters from both master directions being substantively similar. Under this chapter,

although commercial banks and NBFCs are permitted to outsource certain activities, the ultimate responsibility for ensuring the integrity, confidentiality, and compliance of these outsourced functions continues to rest with the commercial bank or NBFC, respectively. The Outsourcing Directions aims to ensure that commercial banks and NBFCs uphold robust risk management practices and maintain regulatory compliance when outsourcing financial services to third-party vendors. *Inter alia*, in relation to the outsourcing of financial services, the Chapter III of the Outsourcing Directions outlines key risk areas banks and NBFCs must monitor while outsourcing: strategic risk, reputational risk, compliance risk, operational risk, legal risk, and concentration risk. Commercial Banks and NBFCs are required to conduct thorough due diligence on service providers, enter into comprehensive contracts that clearly define the scope and responsibilities, and put in place robust oversight mechanisms. Outsourced entities must maintain confidentiality and ensure data security, with clear restrictions on data sharing without customer consent.

Chapter III of the Outsourcing Directions apply to LSPs by virtue of their contractual obligations under LSP arrangements with the partnering commercial banks or NBFCs, as applicable, in order for the lending partner to ensure that in respect of financial services, the LSP operates in alignment with the RBI's regulatory expectations, including safeguarding customer data, ensuring service quality, and enabling oversight and audit access. These obligations form an integral part of the outsourcing arrangement, thereby ensuring the LSP meets the same standards of governance, risk management, and accountability as the commercial bank or NBFC itself in the delivery of outsourced services.

Separately, Chapter IV of the Outsourcing Directions (each chapter being substantively similar) aims to ensure effective risk management when IT services are outsourced. Outsourcing of IT services means use of a service provider, whether affiliated or third-party, to perform or support IT activities (like IT infrastructure management, network and security solutions, application development, data center management, cloud computing services etc.) that would normally be undertaken by the commercial bank or NBFC itself. Chapter IV of the Outsourcing Directions also regulates and lists out the provisions for material outsourcing of IT services i.e., outsourcing activities which (i) if disrupted, would have a significant impact on the regulated entity's business operations; and (ii) may have material impact on the regulated entity's customers. While the compliance responsibility lies with the regulated entity, the outsourced service providers are bound by these directions through contractual obligations, making them accountable for meeting the same regulatory and operational standards as the regulated entities. Regulated entities such as partner commercial banks and NBFCs are likely to contractually pass on these requirements to service providers like LSPs, where the LSP is involved in the provision of IT outsourcing services.

II. Securities and Exchange Board of India ("SEBI")

(a) Securities and Exchange Board of India Act, 1992 (the "SEBI Act")

The SEBI Act was enacted to establish SEBI, with the aim of protecting investors, promoting market development, and regulating the securities market. It *inter alia* provides for the registration and oversight of persons associated with the securities market and market intermediaries such as stockbrokers, depository participants, and investment advisers. SEBI issues regulations, circulars, and guidelines to govern these entities and is empowered to impose penalties, suspend or cancel registrations, initiate prosecutions, and conduct inspections to ensure compliance with legal and regulatory standards.

(b) Securities Contracts (Regulation) Act, 1956 (the "SCRA")

The SCRA, which is the foundational enactment for securities market in India, along with rules and regulations framed thereunder define and govern transactions in securities (*as defined under the SCRA*) as well as provide a framework to establish stock exchanges and for the framing of the bye laws by exchanges. They also define what kind of transactions in securities are permissible in India.

(c) Securities Contracts (Regulation) Rules, 1957 (the "SCRR")

The SCRR has been enacted under Section 30 of the SCRA to give effect to various provisions of the SCRA. The SCRR, *inter alia*, provides for the manner of recognition and regulation of a stock exchange, and enumerates the regulatory powers of stock exchanges. It also provides for qualifications of members of recognized Stock Exchanges and listing of securities on a stock exchange.

(d) Securities Market Code Bill, 2025

The Government of India has introduced a bill to enact the Securities Market Code, 2025 to consolidate and amend the laws relating to the securities markets and for matters connected therewith or incidental thereto. Once enacted, this Code would amend and consolidate the SCRA, SEBI Act and the Depositories Act.

(e) ***Securities and Exchange Board of India (Intermediaries) Regulations, 2008 (“Intermediaries Regulations”)***

The Intermediaries Regulations regulate intermediaries including stockbrokers, registrar and share transfer agent, merchant banker, portfolio manager, investment adviser and research analysts. The Intermediaries Regulations *inter alia* empower SEBI to take actions including suspension of certificate of registration and expulsion from stock exchange membership against registered intermediaries who have failed to comply with any conditions subject to which a certificate of registration has been granted to them or contravenes any of the provisions of the securities laws or directions, instructions or circulars issued thereunder. The actions include (a) disposing of the proceedings without any adverse action, (b) suspension of certificate of registration for a specified period, (c) cancellation of certificate of registration, (d) prohibition of taking up new assignment or contract or launching a new scheme for a specified period, (e) debarment of a branch or an office from carrying out activities or an officer from being employed or associated with any registered intermediary or other registered person for the period specified in the order, or (f) issuance of a regulatory censure to the noticee. Further the Intermediaries Regulations provide for special procedure for action on expulsion from membership of the stock exchange(s) or clearing corporation(s) or termination of all the depository participant agreements with depository(ies).

(f) ***Securities and Exchange Board of India (Certification of Associated Persons in the Securities Market) Regulations, 2007***

The SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007 provide that any category of associated persons (as defined in terms of the said regulations) may be required to obtain certifications for engagement or employment with intermediaries by SEBI. Through several notifications, SEBI has required approved users and sales personnel of trading members in currency derivative and equity derivative segments, distributors of mutual fund products, key managerial personnel of merchant bankers, compliance officers of intermediaries, research analysts and certain persons associated with stock brokers, trading members or clearing members to obtain the prescribed certification from National Institute of Securities Markets.

(g) ***Securities and Exchange Board of India (Stock Brokers) Regulations, 2026 (“Broker Regulations”)***

The Broker Regulations governs the registration, obligations and responsibilities of stock brokers and clearing members in Indian securities market aimed at establishing framework for registration of stock brokers and clearing members. The Broker Regulations stipulates the conditions for granting or refusing a certificate of registration required by a stock broker and the appointment of a compliance officer responsible for monitoring compliance with SEBI acts, rules, regulations, and exchange bye laws, and handling investor grievance redressal.

Stock Exchange Rules, Regulation, Byelaws and Notices issued from time to time

Being a trading and clearing member of NSE and BSE, PWBPL, is governed by the applicable rules, regulations, bye laws and notices of such exchanges, as amended from time to time. The relevant exchange is empowered under the SCRA to make its own bye-laws and rules to deal with its members and regulations to govern/ regulate the relations between the members and the constituents.

(h) ***Securities and Exchange Board of India (Research Analysts) Regulations, 2014 (“Research Analysts Regulations”)***

The Research Analysts Regulations lay down, amongst other things, requirements to obtain a registration certificate issued by SEBI to operate as a research analyst such as eligibility criteria, conditions for grant of certificate to research analysts and its general obligations and responsibilities. Further, every research analyst is required to abide by the code of conduct as specified under the Research Analysts Regulations. Research Analysts are also required to comply with the Master Circular for Research Analysts dated June 27, 2025, which prescribes comprehensive guidelines for research analysts. It provides for a mechanism for grievance redressal systems for investor complaints, compliance with advertisement code, procedure for seeking prior approval in cases of change in control and administration and supervision of research analysts through stock exchanges. SEBI has granted BSE Limited the recognition to administer and supervise the operations of a research analysts and investment advisers and also formulate bye-laws, SOPs, FAQs, etc. for this purpose.

(i) ***Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (“Depositories and Participants Regulations”)***

The Depositories and Participants Regulations, issued in terms of the powers conferred on SEBI under the Depositories Act, 1992, provides for the manner of application for registration as a depository and a depository participant with SEBI. The Depositories and Participants Regulations *inter alia* highlights rights and obligations of depositories, participants, issuers, manner of surrender of certificate and creation of pledge, etc. It further prescribes the mechanism

for investor protection, evaluation of internal systems, manner for handling share registry work and liability of a participant or a depository in case of default. PWBPL is registered with Central Depository Services Limited as a depository participant and hence will also be governed by the byelaws, operating instructions, communiques, etc. issued by CDSL in this regard.

(j) *Securities and Exchange Board of India Mutual Funds Regulations, 1996 (“SEBI Mutual Funds Regulations”) (to be superseded by the Securities and Exchange Board of India (Mutual Funds) Regulations, 2026 with effect from April 1, 2026) and Revised Code of Conduct for Intermediaries of Mutual Funds by Association for Mutual Funds in India (“AMFI Guidelines”)*

The SEBI Mutual Funds Regulations govern the law pertaining to the business of mutual funds in India. For mutual funds appointing agents / distributors, it must be ensured that such agents/distributors are mandatorily registered with the Association of Mutual Funds in India and hold a valid AMFI Registration Number (“ARN”). In case firms/companies are engaged as mutual fund distributors, the requirement of certification from National Institute of Securities Markets is made applicable to the persons engaged in sales or distribution of mutual fund products. AMFI from time-to-time issues guidelines for intermediaries in alignment with any regulatory guidance prescribed by SEBI. The primary objective of the AMFI Guidelines is to ensure that mutual fund intermediaries do not use unethical means to sell, market, or induce any investor to buy units of their scheme(s) and mobilize funds on the strength of professional fund management and good practices. The AMFI Guidelines are mandatory, and all such intermediaries are required to strictly comply with the code of conduct prescribed by AMFI.

AMFI has prescribed the Code of Conduct (“Code”) for Mutual Fund Distributors (“MFDs”) in India, with effect from April 2022, which primarily guides the operations of such MFDs in the securities market. It emphasizes the fiduciary duty of MFDs to prioritize investor interests, exercise due diligence, and provide suitable advice. MFDs must avoid conflicts of interest and disclose any affiliations with AMCs. It mandates compliance with SEBI regulations, AMFI guidelines, and KYC norms.

Further, MFDs must maintain adequate infrastructure, internal controls, and records. The Code also addresses obligations regarding handling investor information and data privacy, adhering to agreements with AMCs. It covers training requirements, cooperation with regulatory bodies, and notification of any changes in MFD status.

(k) *Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”)*

The PIT Regulations prohibit trading in securities while in possession of unpublished price sensitive information (“UPSI”). The PIT Regulations also prohibit the communication or procurement of UPSI, except where such communication is in furtherance of legitimate purposes, performance of duties, or discharge of legal obligations.

The PIT Regulations prescribe a comprehensive framework of trading restrictions and compliance protocols for persons who may have access to UPSI. These include, without limitation, establishment of Chinese walls, pre-clearance of trades, implementation of trading plans, maintenance of restricted lists, prescribed disclosure requirements, and mechanisms for identification and protection of UPSI. In addition, the PIT Regulations require listed companies, mutual funds, intermediaries, and fiduciaries to formulate a code of conduct governing trading by their directors, officers, employees, and connected persons, as well as to maintain a structured digital database recording details of persons with whom UPSI is shared.

(l) *Securities and Exchange Board of India Master Circular on Know Your Customer (KYC) norms for the securities market dated October 12, 2023*

The extant regulatory framework governing KYC norms for all SEBI registered intermediaries mandates such intermediaries to verify the identity and address of clients, conduct customer due diligence and ensure that no account is opened in a fictitious name. Such KYC checks must be conducted at the time of account opening as well as on an ongoing basis, including verification through KYC Registration Agencies, periodic updating of client records, risk categorization, and enhanced due diligence for high-risk clients. SEBI registered intermediaries also have obligations relating to identification of beneficial owners, reporting of suspicious transactions to the FIU-IND, record-keeping of KYC documents, and ongoing monitoring of transactions to detect and prevent money laundering or terrorist financing.

(m) *Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (“SEBI PFUTP Regulations”)*

The SEBI PFUTP Regulations prohibit manipulative, fraudulent, and unfair practices in connection with securities markets. It defines various categories of prohibited activities including market manipulation, price rigging, misleading statements, and artificial transactions designed to create false market impressions. The SEBI PFUTP Regulations

empowers SEBI to investigate suspected violations, issue cease-and-desist orders, and impose monetary penalties and market access restrictions. It also establishes the basis for disgorgement of ill-gotten gains and provides for restitution to affected investors harmed by fraudulent practices.

(n) ***Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)***

The SEBI Listing Regulations delineate ongoing compliance obligations and disclosure requirements for companies with listed securities. It establishes requirements, *inter alia* for financial disclosures, corporate governance standards, investor grievance mechanisms, and timely reporting of material events. The SEBI Listing Regulations mandates specific committee compositions, independent director requirements, and related party transaction approvals. It prescribes formats and timelines for periodic submissions to exchanges and requires the appointment of qualified compliance officers to ensure adherence to regulatory requirements.

(o) ***Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”)***

The SEBI ICDR Regulations regulates the issuance of capital and disclosure requirements for companies raising funds through various channels including, *inter alia*, initial public offer, further public offer, rights issue and qualified institutions placement. It sets out the guidelines and frameworks that companies must follow to issue securities to the public. It also outlines the disclosure requirements pertaining to all material information, risks, and details about the financial position of the company.

(p) ***Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEB & SE Regulations”)***

The SEBI SBEB & SE Regulations governs the share-based employee benefit schemes of equity listed companies. It is applicable to an equity listed company that seeks to issue sweat equity shares or has a scheme: (i) for direct or indirect benefit of employees; (ii) involving dealing in or subscribing to or purchasing securities of the company, directly or indirectly; and (iii) satisfying, directly or indirectly, any one of the following conditions: (a) the scheme is set up by the company or any other company in its group; (b) the scheme is funded or guaranteed by the company or any other company in its group; and (c) the scheme is controlled or managed by the company or any other company in its group.

(q) ***Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“SEBI SAST Regulations”)***

Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI SAST Regulations apply to any acquisition of the company’s shares, voting rights, or control. Under the SEBI SAST Regulations, any acquisition of shares or voting rights in a listed company beyond prescribed thresholds triggers mandatory disclosure and open offer requirements to protect investor interests. The SEBI SAST Regulations also provide exemptions from open offer obligations in specific cases, such as inter-se transfers among promoters.

III. Insurance Regulatory and Development Authority of India (“IRDAI”)

(a) ***Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2018 (“Insurance Brokers Regulations”)***

Insurance brokers are granted a certificate of registration in accordance with the Insurance Brokers Regulations and are, *inter alia*, required to adhere to the capital requirements, maintenance of minimum net worth of ₹5 million and deposit requirements. They must also adhere to a code of conduct as prescribed under the Insurance Broker Regulations. The registration granted is subject to a number of conditions, including, taking adequate steps for redressal of grievances of clients within prescribed timelines whilst also keeping the IRDAI informed about the number and nature of complaints received, abstaining from undertaking multi-level marketing for solicitation and procurement of insurance products and maintaining records in specified formats.

(b) ***Insurance Regulatory and Development Authority of India Guidelines on Insurance e-commerce, 2017 (“Guidelines on Insurance e-commerce”)***

The Guidelines on Insurance e-commerce issued by the IRDAI regulate and govern the online insurance business, and marketing and solicitation of insurance business through online mode. The Guidelines on Insurance e-commerce mandate all insurers and insurance intermediaries, who are desirous of setting up an Insurance Self-Network Platform

(“ISNP”) for undertaking insurance e-commerce activities in India, to file an application for registering their electronic platform set up as an ISNP with the IRDAI. The Guidelines on Insurance e-commerce provide for internal monitoring, review and evaluation of systems and controls, which is subject to review by an external certified information system auditor (CISA), chartered accountants with DISA qualification from ICAI or CERT-IN experts at least once annually, code of conduct, adherence to regulatory prescriptions and grievance mechanism. The Guidelines on Insurance e-commerce also prescribe a code of conduct to be followed by operators of ISNPs which, amongst other things, require that policyholders should be provided with a copy of the insurance policy in electronic form, furnish post sales servicing of policies sourced through it, and prohibits ISNPs being used for conducting business prejudicial to the interests of policyholders and manipulating the insurance business.

(c) ***Insurance Regulatory and Development Authority of India (Protection of Policyholders’ Interests, Operations and Allied Matters of Insurers) Regulations, 2024 (“Protection of Policyholder’s Interest Regulations”).***

The Protection of Policyholder’s Interest Regulations aims to streamline the operations of the insurers to enhance the level of disclosures, promote transparency and fair treatment towards the policyholders.

The Protection of Policyholder’s Interest Regulations cast responsibility on the insurers and their distribution channels to fulfil their obligations towards policyholders and have in place standard procedures including best practices for sale and service of policyholders. The interests of the prospects and policyholders are required to be secured by providing robust solicitation processes, after sales processes, claims processes, and effective grievance redressal mechanisms. These regulations also lay down the principles and practices to be followed while issuances of advertisements. The regulations also require insurers to issue policies in electronic form as per their board approved policy by safeguarding data privacy, security and in terms of cybersecurity guidelines and prescribe the manner of opening or closing of place of business within or outside India by insurers. Further, IRDAI has also issued the 'Master Circular on Operations and Allied Matters of Insurers, 2024' and 'Master Circular on Protection of Policyholders Interests, 2024', setting out detailed framework and control requirement for operational matters.

(d) ***Insurance Regulatory and Development Authority of India (Maintenance of Information by the Regulated Entities and Sharing of Information by the Authority), Regulations, 2025 (“Minimum Information Regulation”)***

The Minimum Information Regulations prescribes the records which the insurance companies and insurance intermediaries are expected to maintain and which can be requested for by IRDAI during an investigation or inspection.

Insurance intermediaries are required to maintain at their place of business in India, records pertaining to employees (including their appointment, trainings, terminations, etc), policies solicited with respect to new and renewal business (proposal details, insurers, premiums, risk commencement, etc), claims and grievances (including documentation and resolutions), financial transactions and other operational details (opening, relocation and closure of offices, etc).

(e) ***Insurance Regulatory and Development Authority of India (Expenses of Management, including Commission of Insurers) Regulations 2024 (“EOM Regulations”)***

The EOM Regulations consolidated the erstwhile regulations governing Expenses of Management for Life Insurers, Expenses of Management for General or Health Insurers and regulations governing Payment of Commission to Insurance agents and insurance intermediaries.

The EOM Regulations lay down the limit of expenses of management which the insurers can spend under each segment like life insurance (first year premium, renewal premium), health insurance and general insurance. The regulations further permit for additional allowances on account of insurtech and insurance awareness activities, head office expenses, government schemes related expenses. This provides flexibility to the insurers to determine the commission structures for insurance agents and insurance intermediaries based on the principles provided in the board approved policies of the insurers. These regulations lay down the governance structure required at the end of the insurers to ensure compliance of these regulations and the consequential actions in case of non- compliance or non-adherence.

(f) ***Information and Cyber Security Guidelines issued in April 2023 (“ICSG Guidelines”).***

The ICSG Guidelines are issued by IRDAI for ensuring the security of all organization’s information assets through implementation of up-to-date security mechanisms for prevention and monitoring of threats, governance of information security related activities and awareness of all employees. The ICSG Guidelines are applicable to all Insurers, insurance intermediaries and other entities such as insurance repositories, IIB, corporate surveyors, ISNPs, MISPs and CSCs. These guidelines aim to enhance cyber resilience of the Insurance sector in India and establish a comprehensive framework for data centric security, governance, risk management and compliance.

The ICSG Guidelines mandate the establishment of a robust governance structure and list down responsibilities of the Board of Directors and various committees of the Board. The entities are required to conduct an Independent Assurance Audit (“**IA Audit**”) annually on various parameters like data classification and protection, access control management, cloud security policies, asset management, cryptographic controls, business continuity and disaster recovery, etc. The guidelines also lay down the reporting process in case of any cyber incidents.

(g) ***Insurance Regulatory and Development Authority of India (Insurance Fraud Monitoring Framework) Guidelines, 2025 (“Fraud Monitoring Guidelines”)***

The Fraud Monitoring Guidelines have been introduced by IRDAI on October 9, 2025. These guidelines have been formulated to establish a comprehensive framework to effectively deter, prevent, detect, report, and remedy fraud risks across the insurance industry. The guidelines are applicable to all insurers and distribution channels from April 1, 2026.

The Fraud Monitoring Guidelines require intermediaries and insurance intermediaries (excluding individuals) to recognize and understand fraud risks to their organizations, including potential types and impacts, and take steps to minimize their vulnerability. The Fraud Monitoring Guidelines also extend liability to the board of directors and senior management of such intermediaries in relation to establishing an appropriate and adequate fraud risk management framework, which includes implementing internal policies and procedures to deter, prevent, detect, report, and remedy frauds.

Further, the Fraud Monitoring Guidelines require insurance intermediaries to put in place a mechanism to inform the concerned insurer of any suspected fraud that may impact them, providing all relevant details. Insurers, intermediaries and insurance intermediaries will also be required to conduct regular fraud awareness programs for policyholders and the general public in addition to periodic training programs for employees, senior management and board members on fraud risk management.

Other Regulations

The Promotion and Regulation of Online Gaming Act, 2025 (“Online Gaming Act”)

On August 22, 2025, the Government of India notified the Online Gaming Act in the Gazette of India; however its provisions are yet to be brought into effect. The Online Gaming Act seeks to recognise and promote e-sports, which it defines as an online game that (a) is played as part of multi-sports events; (b) involves organised competitive events between individuals or teams, conducted in multiplayer formats governed by predefined rules; (c) is duly recognised under the National Sports Governance Act, 2025, and registered with the authority or agency under Section 3; (d) has outcome determined solely by factors such as physical dexterity, mental agility, strategic thinking or other similar skills of users as players; (e) may include payment of registration or participation fees solely for the purpose of entering the competition or covering administrative costs and may include performance-based prize money by the player; and (f) does not involve the placing of bets, wagers or any other stakes by any person, whether or not such person is a participant, including any winning out of such bets, wagers or any other stakes; and online social games in India (played without staking money or similar stakes). With respect to games that are not online money games (i.e., e-sports and online social games), the Online Gaming Act seeks to create a mechanism for registration of all such games with an authority created or constituted for this purpose.

With regard to online money games however (regardless of whether they are games of skill or chance), the Online Gaming Act seeks to prohibit the (i) offering, aiding, abetting, inducing or otherwise indulging or engaging in the offering of online money games or online money gaming services; (ii) engaging in, permitting, aiding, abetting, inducing or otherwise facilitating financial transactions or authorisation of funds towards payments for any online money gaming service; and (iii) making, causing to be made, aiding, abetting, inducing, or otherwise being involved in the making or causing to be made of advertisements promoting any person to play any online money games or indulge in any activity promoting online gaming.

Laws in relation to consumer protection

Entities involved in the marketing, sale, and distribution of goods or services are required to ensure compliance with the (Indian) Consumer Protection Act, 2019 and its underlying rules (“**CPA**”). The CPA regulates *inter alia* the marketing, sale, and distribution of goods and services for consideration in India by traders and service providers (including electronic service providers such as online marketplaces). Service is defined as service of any description which is made available to potential users excluding the rendering of any service free of charge or under a contract of personal service. An entity that provides 'services' is required to refrain from certain practices such as restrictive trade practices, unfair trade practices, entering into unfair contracts, providing deficient services, charging a price in excess

of what is fixed by law or displayed on the price list/price agreed between parties, offering hazardous services knowing such services to be injurious, causing false or misleading advertisement to be made that are prejudicial to the interest of consumers, or violation of consumer rights.

In addition to service providers ensuring that its advertisements do not amount to an ‘unfair trade practice’, service providers are also required to ensure compliance with other advertisement regulations, including the Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022, and the Advertising Standards Council of India’s Code for Self-Regulation of Advertising Content in India, in relation to the advertisements displayed on its website/mobile application as well as marketing activities for its own services and product offerings. Some of these compliances include conditions for a valid advertisement, ensuring that advertisements do not contain statements or visual presentations which are likely to mislead consumers, advertisements which are prejudicial to the interests of consumers, using appropriate disclaimers where necessary, complying with font, visual representation and text related restrictions. Additionally, the entities are also required to ensure compliance with the Guidelines for Prevention and Regulation of Dark Patterns, 2023 which prohibit platforms, advertisers and sellers from engaging in practices in their user interface and user experiences (UI/UX) that are designed to mislead or trick users into doing an unintended action.

Laws in relation to data protection

(a) Privacy Rules

Companies are required to ensure compliance with the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (“**Privacy Rules**”) in connection with its processing of personal information (“**PI**”) and sensitive personal data or information (“**SPI**”). The Privacy Rules require a body corporate collecting SPI to obtain the prior consent of the information provider in writing regarding the purpose of usage of such information. Where the information is collected directly from the person concerned, the entity collecting the information has to ensure that such person has knowledge of: (a) the fact that the information is being collected, (b) the purpose for which the information is being collected, (c) the intended recipients of the information, and (d) the name and address of the agency that is collecting the information and the agency that will retain the information. The collection of information must be necessary for a lawful purpose, and necessary for the purpose for which it is collected. The information must not be retained for longer than is required for the purpose for which it was collected, and it must be used only for such purpose. The information must be kept secure.

Further, the Privacy Rules provide that the disclosure and/or transfer of such SPI to any third party would also require the prior permission of the information provider. In the case of transfer of SPI, the transferor has to ensure that transferee adheres to the same level of data protection as provided for under the Privacy Rules.

(b) DPDP Framework

The Government has, in 2023, notified the Digital Personal Data Protection Act, 2023 (the “**DPDP Act**”) into law. Following this, it notified the Digital Personal Data Protection Rules, 2025 on November 13, 2025 (“**DPDP Rules**”) and set out an implementation timeline for the DPDP Act and the DPDP Rules (together, “**DPDP Framework**”) over an 18-month period starting from November 2025. Provisions pertaining to the setting up of the administrative machinery for implementing the DPDP Framework (such as those on the Data Protection Board of India (“**DPB**”)) are in force as of November 13, 2025, and the provisions in relation to registration and obligations of consent managers will come into force within 1 year (i.e., November 2026). Key functions of the DPB include: (i) monitoring compliance and imposing penalties, (ii) directing data fiduciaries to take necessary measures in the event of a data breach, and (iii) hearing grievances made by data principals. The DPB members will be appointed for two years and will be eligible for re-appointment. The Government has however provided an 18-month timeline (i.e., May 2027) for entities to comply with the substantive compliances of the DPDP Framework.

The DPDP Framework classifies entities that determine the means and purposes of processing personal data as data fiduciaries and imposes several requirements on them including in relation to obtaining consent and providing notice in the prescribed manner; ensuring the completeness, accuracy and consistency of the personal data that they process; notifying personal data breaches; implementing technical safeguards and reasonable security measures etc. In addition to the obligations prescribed for data fiduciaries, the DPDP Framework prescribes additional obligations (such as appointing data protection officer, independent data auditor, undertaking data protection impact assessments and periodic audits) for ‘significant data fiduciaries’ (“**SDFs**”). SDFs will be separately notified by the central government based on factors such as the volume and sensitivity of personal data processed, the risk posed to the rights of the data principal, the potential impact on the sovereignty and integrity of India, the risk to electoral democracy, security of the State, and public order. The DPDP Framework also categorises entities that

process personal data on behalf of others as data processors. While the DPDP Framework does not prescribe obligations on data processors directly, data fiduciaries may contractually pass down relevant obligations on data processors.

(c) *Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016* (“*Aadhaar Act*”)

The Aadhaar Act regulates the processing of Aadhaar to validate an individual’s identity. This may be done in the following ways:

- (i) Authentication: This involves the submission of the Aadhaar number along with demographic information or biometric information of the customer to the Central Identities Data Repository (“**CIDR**”) of the Unique Identification Authority of India (“**UIDAI**”) for its verification and the CIDR verifies the correctness, or the lack thereof, based on information available with it and provides a response. Authentication may be carried out in two modes, i.e., through yes / no authentication facility or e-KYC authentication facility; or
- (ii) Offline verification: This is the process of verifying the identity of the Aadhaar number holder without authentication (or sending a query to CIDR), but through specified offline modes (e.g., XML verification, QR Code, etc).

The process of authentication of Aadhaar by KUAs are separately regulated under the Aadhaar (Authentication and Offline Verification) Regulations, 2021, (“**Aadhaar Regulations**”) which requires KUAs to comply with requirements *inter alia* on consent, storage, retention and restrictions on sharing of Aadhaar data. KUAs are also required to ensure compliance with the Aadhaar (Sharing of Information) Regulations, 2016 in relation to sharing and transferring of Aadhaar data.

Information Technology Laws

The Information Technology Act, 2000 (“**IT Act**”) is the primary legislation regulating electronic records and *inter alia* governs processes for electronic signatures, unauthorised access to systems, processing sensitive personal data, as well as requirements for entities that process data on behalf of another (i.e., an intermediary). The IT Act provides that an “intermediary” is not liable for any third-party information, data, or communication link made available or hosted by the intermediary if it complies with either of the following:

- (a) the function of the intermediary is limited to providing access to a communication system over which third parties may transmit information; or
- (b) the intermediary does not: (i) initiate any transmission; (ii) select the recipient of any transmission; and (iii) select or modify the information contained in any transmission.

In addition to complying with either (a) or (b) above, intermediaries must in relation to its website and mobile application also observe due diligence when discharging its obligations and also comply with the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (“**Intermediary Rules**”). The requirements under the Intermediary Rules *inter alia* include publishing a privacy policy, and user agreement (terms of use) prominently on the website and mobile application, for access by any person; informing users periodically, at least once every year of the user agreement (terms of use) and privacy policy or any changes to this documentation and that non-compliance with such documentation may result in the termination of the access/ usage rights of the user and/or the removal of non-compliant information; inform users not to host, display, upload, modify, publish, transmit, store, update or share specific types of information.

Intermediaries are also required to comply with the Indian Computer Emergency Response Team (“**CERT-In**”) issued directions (“**CERT-In Directions**”) under the IT Act which includes a host of cyber-security, breach reporting, and record maintenance requirements, as well as the appointment of a point of contact that can liaise with the Indian Computer Emergency Response Team. More recently, in July 25, 2025 the CERT-In issued the ‘*Comprehensive Cyber Security Audit Policy Guidelines*’ (“**Audit Guidelines**”) which *inter alia* applies to auditee organisations that are required by law to be audited by CERT-In empanelled auditors (which are also subject to the Audit Guidelines), and to that end (i) establish an audit program approved by the auditee’s management to plug vulnerabilities in a time-bound manner, (ii) implement recommendations emanating from audit findings and conduct follow-up audits after closure of vulnerabilities identified during the initial audit, and (iii) avoid making code changes to audited applications or infrastructure after the issuance of audit certificates, amongst other such requirements.

Laws relating to Taxation

(a) *Taxation Laws*

The Goods and Services Tax (“**GST**”) is levied on supply of goods or services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the state government including union territories on intra-state supply of goods or services. Further, Central Government levies GST on the inter-state supply of goods or services. The GST is enforced through various acts, namely, the Central Goods and Services Act, 2017 (“**CGST**”), relevant states’ enactments of the Goods and Services Act, 2017 (“**SGST**”), the Union Territory Goods and Services Act, 2017 (“**UTGST**”), the Integrated Goods and Services Act, 2017 (“**IGST**”), the Goods and Services (Compensation to States) Act, 2017 and various rules, order, guidelines, circulars, notifications, ordinances and directions made thereunder.

Further, the Income-tax Act, 1961 (“**Income Tax Act**”) is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of Income Tax Act or rules made there under depending upon its ‘Residential Status’ and ‘Type of Income’ involved. The Income Tax Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the Income Tax Act is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax, etc. In 2019, the Government also made certain amendments to the Income Tax Act, pursuant to which concessional rates of tax are offered to a few domestic companies and new manufacturing companies. The Finance Minister of India has introduced the Income-tax Bill, 2025 (“**Income Tax Bill**”) in February 2025 with the aim to replace the Income Tax Act. The Income-tax Act, 2025 (“**New Act**”) has now been enacted and received the assent from the President of India in August 2025. The New Act consolidates and revises the law relating to income tax, simplifying compliance, reducing litigation, and enhancing clarity and transparency for taxpayers. The New Act is effective from April 1, 2026.

Further, various state-wise legislations in relation to professional tax are applicable to entities who employ designated categories of salaried persons, which inter alia, require the employers to obtain registration certificates under relevant state legislations, pay taxes as deducted from the professional fees of employees and file returns.

(b) *Customs Act, 1962 (“**Customs Act**”)*

The Customs Act regulates the imports and exports of goods within the territory of India. The Customs Act provides for the valuation of imported and exported goods, the determination of rate of duty and tariff, and the refund of export or import duties in certain cases. Further, the Customs Act empowers the Central Government to prohibit the export or import of goods for reasons including the maintenance of public order, the maintenance of the security of India, the prevention of smuggling and the prevention of shortage of goods. The Customs Act also governs the detection of illegally imported goods and the detection of illegal export of goods.

Laws relating to foreign investment

Foreign investment in India is governed by the provisions of FEMA Rules along with the Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade (“**DPIIT**”), from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulates the mode of payment and reporting requirements for investments in India by a person resident outside India. The DPIIT on October 29, 2020 has issued the consolidated Foreign Direct Investment Policy of 2020 (“**FDI Policy**”), which lays down certain guidelines and conditions for foreign direct investment in various sectors. As per the FEMA Rules read with the FDI Policy, foreign direct investment in companies engaged in financial services regulated by regulators such as RBI, IRDAI, SEBI and sectors/ activities which are not listed in the Consolidated FDI Policy and the FEMA Rules is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

For further details, please see “*Restrictions on Foreign Ownership of Indian Securities*” on page 513 of this Updated Draft Red Herring Prospectus - I.

Intellectual Property Laws

(a) *Trademarks Act, 1999 (“**Trade Marks Act**”)*

The Trade Marks Act provides for the registration and better protection of trade marks for goods and services and for the prevention of the use of fraudulent marks. The registration of a trademark under the Trade Marks

Act confers on the proprietor the exclusive right to the use of the trade mark, and the right to obtain relief in respect of infringement of the trade mark. The registration of a trademark shall be for a period of ten years, but may be renewed from time to time as prescribed under the Trade Marks Act. The Trademarks Act also prescribes penalties for the falsification or false application of trademarks.

(b) *Patents Act, 1970 (“Patents Act”)*

The Patents Act entitles persons claiming to be the true and first inventor of any invention to file an application for a *patent* with the patent office. A patent granted under the Patents Act confers upon the patentee rights including the exclusive right to prevent third parties from the act of making, selling, using, offering for sale, selling or importing the patented product or using the patented process, as the case may be, without the patentee’s consent. The term of a patent under the Patents Act is twenty years from the date of filing an application for the patent. Further, any patent granted for a drug or medicine is subject to the condition that the import of the drug or medicine by the government for its own use or distribution will not amount to infringement of the patent.

(c) *Copyright Act, 1957 (“Copyright Act”)*

The Copyright Act, along with the Copyright Rules, 1958 (collectively, the “**Copyright Laws**”) serve to create property rights for certain kinds of intellectual property, generally called works of authorship. The Copyright Laws protect the legal rights of the creator of an ‘original work’ by preventing others from reproducing the work in any other way. The intellectual property protected under the Copyright Laws includes literary works, dramatic works, musical works, artistic works, cinematography, and sound recordings. The Copyright Laws prescribe fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes prima facie evidence of the particulars entered therein and may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Upon registration, the copyright protection for a work exists for a period of 60 years following the demise of the author. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which expressly amount to an infringement of copyright.

Laws related to employment

We are subject to various labour laws for the safety, protection, condition of working, employment terms and welfare of our employees. We are also subject to other laws concerning condition of working, benefit and welfare of our employees such as:

- the Apprentices Act, 1961;
- the Child Labour (Prohibition and Regulation) Act, 1986;
- the Public Liability Insurance Act, 1991;
- the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Labour welfare fund legislations under various state enactments.

In order to rationalise and reform labour laws in India, the Government has enacted the following codes, framing of rules by appropriate governments are awaited:

- (a) The Occupational Safety, Health and Working Conditions Code, 2020 was notified by the Government of India on November 21, 2025, and has consolidated certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, Motor Transport Workers Act, 1961, Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979. This code proposes to provide for, *among other things*, standards for health, safety and working conditions for employees of establishments.
- (b) The Industrial Relations Code, 2020 was notified by the Government of India on November 21, 2025, and has consolidated and amended legislations relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes by subsuming

three repealed legislations, namely, the Industrial Disputes Act, 1947 and the Industrial Employment (Standing Orders) Act, 1946.

- (c) The Code on Wages, 2019 was notified by the Government of India on November 21, 2025, which amends and consolidates legislations relating to social security, subsuming four separate repealed legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.
- (d) The Code on Social Security, 2020 was notified by the Government of India on November 21, 2025, which regulates the occupational safety and health and working conditions of the persons employed in an establishment subsuming several repealed legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, the Maternity Benefit Act, 1961, and the Payment of Gratuity Act, 1972.

Shops and Establishments legislations in various states

Under the provisions of local shops and establishment legislations applicable in the states in which our establishments are set up, establishments are required to be registered under respective state legislations. These legislations regulate the condition of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Competition Act, 2002 ("Competition Act")

The Competition Act is an act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interests of consumers and to ensure freedom of trade in India. The Competition Act deals with prohibition of (i) certain agreements such as anti-competitive agreements and (ii) abuse of dominant position and regulation of combinations. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Competition Act. The prima facie duty of the Competition Commission of India ("CCI") is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interests of consumers and ensure freedom of trade. The CCI shall issue notice to show cause to the parties calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the CCI and Director General (as appointed under Section 16(1) of the Competition Act), he shall be punishable with penalty as defined under the applicable regulations. The Competition (Amendment) Act, 2023 brings in numerous changes to the Competition Act, 2002, aiming to strengthen the regulation and foster a business-friendly environment.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as 'FX Mart Private Limited', a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation dated December 18, 2012, issued by the Registrar of Companies, Punjab and Chandigarh at Chandigarh. Subsequent to a change in our registered office from the state of Punjab to the state of Delhi pursuant to the Board resolution dated March 2, 2016, and the special resolution passed by our Shareholders on March 5, 2016, a fresh certificate of registration dated August 1, 2016, was issued by the Registrar of Companies, Delhi at New Delhi. Subsequently, our Company changed its name to 'PhonePe Private Limited' pursuant to the Board resolution dated November 9, 2016 and the special resolution dated November 9, 2016, further to which a fresh certificate of incorporation dated November 18, 2016, was issued by the Registrar of Companies, Delhi at New Delhi. The change in name was undertaken to align the name of our Company with its current business activities and the brand under which its services are offered, which was intended to enable better brand recognition and maximise overall stakeholder value. Thereafter, our registered office was changed from the state of Delhi to the state of Maharashtra pursuant to the Board resolution dated July 29, 2019, and the special resolution passed by our Shareholders on July 29, 2019. A fresh certificate of registration dated February 13, 2020, was issued by the Registrar of Companies, Maharashtra at Mumbai. Thereafter, upon changing our registered office from the state of Maharashtra to the state of Karnataka pursuant to the Board resolution dated August 12, 2022, and the special resolution passed by our Shareholders on August 16, 2022, a fresh certificate of registration dated July 14, 2023, was issued by the Registrar of Companies, Karnataka at Bangalore. Our Company was subsequently converted into a public limited company pursuant to the Board resolution dated April 3, 2025 and special resolution passed by our Shareholders on April 16, 2025 and the name of our Company was changed to 'PhonePe Limited'. A fresh certificate of incorporation dated May 1, 2025 was accordingly issued by the RoC, CPC, MCA at Haryana.

Changes in the registered office

The following table sets forth details of the change in the registered office of our Company since the date of its incorporation:

Effective Date	Details of the change in address of our registered office	Reason for change in registered office
July 20, 2015	The registered office of our Company was shifted from Flat No. 202, Tower No. 12, Royale Estate, Chandigarh - Ambala Road, Zirakpur 140 603, Punjab, India to SCF 13, First Floor, Block B, High Street Market, Royale Paam, Zirakpur, Mohali 140 603, Punjab, India.	For operational convenience
August 1, 2016	The registered office of our Company was shifted from SCF 13, First Floor, Block B, High Street Market, Royale Paam, Zirakpur, Mohali 140 603, Punjab, India to A 25, Mohan Cooperative Industrial Area, New Delhi, South Delhi, 110044, India.	For operational convenience
September 1, 2018	The registered office of our Company was shifted from A 25, Mohan Cooperative Industrial Area, New Delhi, South Delhi, 110 044, India to A 41, Mohan Cooperative, 2nd Floor, Main Mathura Road, New Delhi, South Delhi, 110 044, India.	For operational convenience
February 13, 2020	The registered office of our Company was shifted from A 41, Mohan Cooperative, 2nd Floor, Main Mathura Road, New Delhi, South Delhi, 110 044, India to Unit No. 001, Ground Floor, Boston House, Suren Road, Off Andheri-Kurla Road, Andheri (East), Mumbai 400 093, Maharashtra, India.	For operational convenience
July 14, 2023	The registered office of our Company was shifted from Unit No. 001, Ground Floor, Boston House, Suren Road, Off Andheri-Kurla Road, Andheri (East), Mumbai 400 093, Maharashtra, India to Office-2, Floors 4, 5, 6, and 7, Wing A, Block A, Salarpuria Softzone, Service Road, Green Glen Layout, Bellandur, Bangalore South, Bangalore, 560 103, Karnataka, India.	For operational convenience
December 20, 2023	The registered office of our Company was shifted from Office-2, Floors 4, 5, 6, and 7, Wing A, Block A, Salarpuria Softzone, Service Road, Green Glen Layout, Bellandur, Bangalore South, Bangalore, 560 103, Karnataka, India to Office-2, Floor 5, Wing A, Block A, Salarpuria Softzone, Bellandur Village, Varthur Hobli, Outer Ring Road, Bangalore South, Bangalore 560 103, Karnataka, India.	For operational convenience

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

1. "To act as agent, advisor, distributor, franchiser, surveyors, consultant for financial products such as deposits, mutual funds, government securities, shares, stocks, bonds, debentures, digital gold, e-gold and/or other financial instruments/services either by itself or in partnership and/or in conjunction with others.

2. *To carry on the business of solicitation and procurement of insurance business for all classes of insurance including life insurance, general insurance and health insurers acting as a corporate agent and to undertake such other activities as are incidental or ancillary thereto under the extant laws and regulations.*
3. *To carry on the business of Banking Correspondent for providing the banking services in association with banks in India in accordance with the extant laws and regulations.*
4. *To carry on the business or profession of providing a platform, technology and/ or other mechanism/ services including through any future and known or unknown technology to facilitate transactions, payments, commerce, electronic commerce, mobile commerce, any type of commerce whether by and between businesses, businesses, by and between individual consumers or by and between businesses and individual consumer and the likes and incidental and ancillary activities thereto including without limitation displaying advertisement and promotions, to operate payment systems, issue of multi- purpose pre-paid payment instruments, gift cards, gift vouchers, payment processing, payment collection and related services to customers for various business applications in E-Commerce, M- Commerce and in physical space, to engage in the business of Payment Aggregator and provide associated services and solutions, to engage in the business of providing payment collection services in any form to any government/semi government, company, organization, institution, trust, society, firm, individual etc. from their customers, service users and end users, to undertake the designing and development of payment systems or/and applications software either for own use or on any behalf or for sale.*
5. *To carry on in India and abroad, the business of operation, maintenance, development, marketing and otherwise dealing in all types of electronic, technological, wireless application protocol (WAP), 3G, 4G and internet properties, including websites, portals and Mobile Applications on the world wide web and providing internet, WAP, 3G or other existing and future, whether known or unknown, technology based / other software, media, medium and information technology services or information technology enabled services of all kinds.*
6. *To carry on whether in India or abroad and whether as principals, agents, owners, proprietors, managers, contractors, consultants, advisors, investors, partners, joint venture partners or otherwise the business of owning, managing and operating any and all kinds of websites, portals and Mobile Applications including those providing news, information, analytics or otherwise.*
7. *To issue, implement, undertake, assist, offer, distribute, or otherwise promote such services , schemes and projects including but not limited to issue of all types of electronic and virtual payment systems services, e-wallets, mobile wallets, cash card to consumers and setting up a payment and settlement system, payment gateway services, prepaid and post-paid payment instruments payment systems including open/ closed/ semi-closed systems payment instruments, support bank in issuing “card present”, direct debit facility on mobile phone, provide solutions for payment for all goods and services and utility bills through mobile phone, landline, broadband, DTH and such other manner remotely and operate as BBPOU and other over the counter payments systems, enabling online and retail merchants receiving payments systems, telecom value added services schemes and projects in India or abroad including all kinds of payment services and solutions in any manner whatsoever.*
8. *To act as sponsor/promoter to a Mutual Fund, investment trust, asset manager of any trust or fund, incorporating or causing the incorporation of and/or acquiring and holding shares in an asset management company and/or trustee company to a mutual fund and to engage in such other activities relating to the Mutual Fund business as permitted under the applicable laws, to set-up, create, issue, float, promote and manage assets, trusts or funds including mutual funds, growth funds, investment funds, income or capital funds, taxable or tax exempt funds, venture funds, risk funds, real estate funds, education funds, on shore funds, off shore funds, consortium funds, provident funds, gratuity funds, pension funds, superannuation funds, charitable funds, or organise or manage funds or investments on a discretionary or non-discretionary basis on behalf of any person or persons (whether individual, firms, companies, bodies corporate, public body or authority, supreme, local or otherwise, trusts, pension funds, charities, other associations or other entities), whether in the private or public sector, to provide advisory and/or consultancy services for investments and financial services, exchange of research information and analysis on a commercial basis, render corporate advisory services and/or manage a portfolio of securities and/or to pursue such other activities as may be necessary for attainment of these purposes.”*

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on and proposed to be carried on by our Company.

Amendments to our Memorandum of Association

The following table set forth details of the amendments to our Memorandum of Association in the last 10 years immediately preceding the date of this Updated Draft Red Herring Prospectus - I:

Date of Shareholders' Resolution	Details of the amendments
April 16, 2025	Clause i of the Memorandum of Association was amended to reflect the change in the name of our Company from 'PhonePe Private Limited' to 'PhonePe Limited' pursuant to the conversion of our Company into a public limited company.
March 31, 2025	Clause v of the Memorandum of Association was amended to reflect the change in the authorised share capital of our Company pursuant to sub-division of the face value of equity shares of our Company from ₹10 each to ₹1 each. Accordingly, the authorised share capital of our Company was amended from ₹1,000,000,000 divided into 100,000,000 equity shares having face value of ₹10 each to ₹1,000,000,000 divided into 1,000,000,000 Equity Shares having face value of ₹1 each.
August 16, 2022	Clause ii of the Memorandum of Association was amended to reflect the shifting of the registered office of our Company from the state of Maharashtra, India to the state of Karnataka, India.
December 16, 2021	Clause v of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹500,000,000 divided into 50,000,000 equity shares having face value of ₹10 each to ₹1,000,000,000 divided into 100,000,000 equity shares having face value of ₹10 each.
October 7, 2021	Clause iii(A) of the Memorandum of Association was amended to reflect the alteration of sub-clause 4 under the heading of clause iii(A). The following clause after alteration reflected as follows: <i>"4. To carry on the business or profession of providing a platform, technology and / or other mechanism/ services including through any future and known or unknown technology to facilitate transactions, payments, commerce, electronic commerce, mobile commerce, any type of commerce whether by and between businesses, businesses, by and between individual consumers or by and between businesses and individual consumer and the likes and incidental and ancillary activities thereto including without limitation displaying advertisement and promotions, to operate payment systems, issue of multipurpose pre-paid payment instruments, gift cards, gift vouchers, payment processing, payment collection and related services to customers for various business applications in E-Commerce, M-Commerce and in physical space, to engage in the business of Payment Aggregator and provide associated services and solutions, to engage in the business of providing payment collection services in any form to any government/semi government, company, organization, institution, trust society, firm, individual etc. from their customers, service users and end users, to undertake the designing and development of payment systems or/and applications software either for own use or on any behalf or for sale."</i>
July 27, 2021	Clause iii(A) of the Memorandum of Association was amended to reflect the insertion of sub-clause 8 under the heading of clause iii(A). The following clause was inserted after clause III(A)(7) and was numbered accordingly: <i>"8. To act as sponsor/promoter to a Mutual Fund, investment trust, asset manager of any trust or fund, incorporating or causing the incorporation of and/or acquiring and holding shares in an asset management company and/or trustee company to a mutual fund and to engage in such other activities relating to the Mutual Fund business as permitted under the applicable laws, to set-up, create, issue, float, promote and manage assets, trusts or funds including mutual funds, growth funds, investment funds, income or capital funds, taxable or tax exempt funds, venture funds, risk funds, real estate funds, education funds, on shore funds, off shore funds, consortium funds, provident funds, gratuity funds, pension funds, superannuation funds, charitable funds, or organise or manage funds or investments on a discretionary or non-discretionary basis on behalf of any person or persons (whether individual, firms, companies, bodies corporate, public body or authority, supreme, local or otherwise, trusts, pension funds, charities, other associations or other entities), whether in the private or public sector, to provide advisory and/or consultancy services for investments and financial services, exchange of research information and analysis on a commercial basis, render corporate advisory services and/or manage a portfolio of securities and/or to pursue such other activities as may be necessary for attainment of these purposes."</i>
November 8, 2019	Clause iii(A) of the Memorandum of Association was amended to reflect the insertion of sub-clause 7 under the heading of clause iii(A). The following clause was inserted after clause III(A)(6) and was numbered accordingly: <i>"7. To issue, implement, undertake, assist, offer, distribute, or otherwise promote such services, schemes and projects including but not limited to issue of all types of electronic and virtual payment systems services, e-wallets, mobile-wallets, cash card to consumers and setting up a payment and settlement system, payment gateway services, prepaid and post-paid payment instruments payment systems including open/closed/semi-closed systems payment instruments, support bank in issuing "card present" direct debit facility on mobile phone, provide solutions for payment for all goods and services and utility bills through mobile phone, landline, broadband, DTH and such other manner remotely and operate as BBPOU and other over the counter payments systems, enabling online and retail merchants receiving payments systems, telecom value added services schemes and projects in India or abroad including all kinds of payment services and solutions in any manner whatsoever."</i>
July 29, 2019	Clause ii of the Memorandum of Association was amended to reflect the shifting of the registered office from the state of Delhi, India to the state of Maharashtra, India.
September 20, 2018	Clause v of the Memorandum of Association of our Company was amended to reflect the increase in authorised share capital of our Company from ₹250,000,000 divided into 25,000,000 equity shares having face value of ₹10 each to ₹500,000,000 divided into 50,000,000 equity shares having face value of ₹10 each.
September 25, 2017	Clause iii of the Memorandum of Association was amended and substituted with the following: <i>"(A) THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION</i>

Date of Shareholders' Resolution	Details of the amendments
	1. <i>To act as agent, advisor, distributor, franchisee, surveyors, consultant for financial products such as deposits, mutual funds, government securities, shares, stocks, bonds, debentures, digital gold, e-gold and/or other financial instruments/services either by itself or in partnership and/or in conjunction with others.</i> 2. <i>To carry on the business of solicitation and procurement of insurance business for all classes of insurance including life insurance, general insurance and health insurers acting as a corporate agent and to undertake such other activities as are incidental or ancillary thereto under the extant laws and regulations.</i> 3. <i>To carry on the business of Banking Correspondent for providing the banking services in association with banks in India in accordance with the extant laws and regulations.</i> 4. <i>To carry on the business or profession of providing a platform, technology and/or other mechanism/services including through any future and known or unknown technology to facilitate transactions, payments, commerce, electronic commerce, mobile commerce, any type of commerce whether by and between businesses, by and between individual consumers or by and between businesses and individual consumers and the likes and incidental and ancillary activities thereto including without limitation displaying advertisement and promotions, to operate payment systems, issue of multi-purpose pre-paid payment instruments, gift cards, gift vouchers, payment processing, payment collection and related services to customers for various business applications in E-Commerce, M-Commerce and in physical space, to engage in the business of providing payment collection services in any form to any government/semi-government, company, organisation, institution, trust, society, firm, individual etc. from their customers, service users and end users, to undertake the designing and development of payment systems or/and applications software either for own use or on any behalf or for sale.</i> 5. <i>To carry on in India and abroad, the business of operation, maintenance, development, marketing and otherwise dealing in all types of electronic, technological, wireless application protocol (WAP), 3G, 4G and internet properties, including websites, portals and Mobile Applications on the world wide web and providing internet, WAP, 3G or other existing and future, whether known or unknown, technology-based/other software, media, medium and information technology services or information technology enabled services of all kinds.</i> 6. <i>To carry on whether in India or abroad and whether as principals, agents, owners, proprietors, managers, contractors, consultants, advisors, investors, partners, joint venture partners or otherwise the business of owning, managing and operating any and all kinds of websites, portals and Mobile Applications including those providing news, information, analytics or otherwise."</i>
November 9, 2016	Clause i of the Memorandum of Association was amended to reflect the change in the name of our Company from 'FX Mart Private Limited' to 'PhonePe Private Limited'.
August 18, 2016	Clause iii(A) of the Memorandum of Association was amended to reflect the deletion of sub clause 2 and insertion of new sub-clause 2, sub-clause 3 and sub-clause 4 under the heading of clause III (A). The following clauses were inserted after clause iii(A)(1) and were numbered accordingly: <i>"2. To carry on the business or profession of providing a platform, technology and/or other mechanism/services including through any future and known or unknown technology to facilitate transactions, payments, commerce, electronic commerce, mobile commerce, any type of commerce whether by and between businesses, by and between individual consumers or by and between businesses and individual consumers and the likes and incidental and ancillary activities thereto including without limitation displaying advertisement and promotions, to operate payment systems, issue of multi-purpose pre-paid payment instruments, gift cards, gift vouchers, payment processing, payment collection and related services to customers for various business applications in E-Commerce, M-Commerce and in physical space, to engage in the business of providing payment collection services in any form to any government/semi-government, company, organisation, institution, trust, society, firm, individual etc. from their customers, service users and end users, to undertake the designing and development of payment systems or/and applications software either for own use or on any behalf or for sale.</i> <i>3. To carry on in India and abroad, the business of operation, maintenance, development, marketing and otherwise dealing in all types of electronic, technological, wireless application protocol (WAP), 3G, 4G and internet properties, including websites, portals and Mobile Applications on the world wide web and providing internet, WAP, 3G or other existing and future, whether known or unknown, technology-based/other software, media, medium and information technology services or information technology enabled services of all kinds.</i> <i>4. To carry on whether in India or abroad and whether as principals, agents, owners, proprietors, managers, contractors, consultants, advisors, investors, partners, joint venture partners or otherwise the business of owning, managing and operating any and all kinds of websites, portals and Mobile Applications including those providing news, information, analytics or otherwise."</i>
March 5, 2016	Clause ii of the Memorandum of Association was amended to reflect the change in the registered office from the state of Punjab, India to the state of Delhi, India.

Date of Shareholders' Resolution	Details of the amendments
February 24, 2016	Clause v of the Memorandum of Association of our Company was amended to reflect the increase in authorised share capital of our Company from ₹50,000,000 divided into 5,000,000 equity shares having face value of ₹10 each to ₹250,000,000 divided into 25,000,000 equity shares having face value of ₹10 each.

Major events and milestones in the history of our Company

The table below sets forth the key events and milestones in the history of our Company:

Calendar Year	Particulars
<i>Incorporation and organisational developments</i>	
2012	Our Company was incorporated as a private limited company
2015	Acquisition of our Company by Flipkart
2022	Moved our Company's domicile from Singapore to India
2022	Completed separation from Flipkart
2025	Conversion from a private limited company to a public limited company
<i>User growth and platform scale</i>	
2017	Became the first third-party UPI-based app to cross 10 million downloads and emerged as the largest driver of UPI transactions, as per the Redseer Report (<i>chapter 7, page 191</i>)
2020	Crossed 250 million registered users
2021	Crossed 300 million registered users
2022	Recorded 100 million transactions in a single day
2023	Crossed US\$ 1 trillion in annualised Total Payment Value (TPV) run rate
2023	Crossed 500 million registered users
2025	Crossed 600 million registered users
<i>Expansion of digital payments and UPI ecosystem</i>	
2016	Launch of the PhonePe app, based on the UPI
2017	Launched interoperable QR
2020	Emerged as the largest player in merchant UPI transactions, as per the Redseer Report (<i>chapter 7, page 189</i>)
2023	Became India's first private fintech platform to enable cross-border UPI payments, as per the Redseer Report (<i>chapter 7, page 189</i>)
2025	Launched 'UPI Circle' feature on the PhonePe app
2025	Announced an intellectual property purchase of Gupshup's application 'GSPay' technology
<i>Financial services and wealth management</i>	
2020	Forayed into the insurance segment and launched 12 products
2023	Launched stock broking platform Share.Market
2023	Sold over 9 million overall policies since it received its insurance broking licence in August 2021, with over 4 million being sold in the CY2023 alone
2024	Launched consumer lending services on the PhonePe app
2025	Partnered with HDFC bank to launch co-branded credit card
2025	Partnered with SBI Card partner to launch co-branded SBI card
2025	Announced partnership with Utkarsh Small Finance Bank to launch 'Wish' credit card
2025	Collaborated with Mastercard Asia/ Pacific Pte. Ltd. to enable contactless payments through smartphones
<i>Merchant and commerce enablement</i>	
2018	Launched the PhonePe Business app for managing end-to-end payment needs of merchants
2022	Launched Smart Speaker for real-time payment tracking
2022	Launched payment gateway services
2023	Launched merchant lending services
2025	Launched 'Udyam Aadhar Certificate Registration'
<i>Infrastructure and innovation</i>	
2021	Launched PhonePe Pulse, India's first interactive, open-source geospatial payments insights platform launched by a private player, built on its own proprietary data, as per the Redseer Report (<i>chapter 7, page 191</i>)
2022	Launched the first Green Data Center in India among fintech platforms, as per the Redseer Report (<i>chapter 7, page 191</i>)
2025	Became India's most downloaded Android mobile app owned by an Indian company (in the Finance category) with the highest number of Daily Active Users at 156.00 million in H1 Fiscal Year 2026, as per the Redseer Report (<i>chapter 7, page 191</i>)
2025	PhonePe has been one of the top 5 free apps in the finance category on both the Apple App Store and Google Play Store since July 2017 till September 2025, as per the Redseer Report (<i>chapter 7, page 191</i>)
2025	Unveiled Made in India Smart Speaker
2025	Launched next generation Smart Speaker with integrated card payments
<i>Capital raising and financial performance</i>	
2023	Raised multiple rounds of growth capital at a \$12 billion valuation from investors including General Atlantic and WM Digital Commerce Holdings Pte. Ltd.
2024	Achieved 73.77% year-on-year revenue growth and turned Adjusted PAT positive (as on March 21, 2024)

Calendar Year	Particulars
2025	Received final RBI authorization to operate as a payment aggregator (online and physical)

Awards, accreditations and recognitions received by our Company

Calendar Year	Award
2018	Recognized by the National Payments Corporation of India (NPCI) in recognition of excellent performance as UPI Merchant
2019	Winner in the 'Best Mobile Payment Product or Service' category at the IMAI India Digital Awards 2019
2020	Winner in the 'Best Tech for E-Commerce' category at the 10th IMAI India Digital Awards 2020
2020	Winner in the 'Best Mobile Payment Product or Service' category at the 10th IMAI India Digital Awards 2020
2021	Winner of the 'Excellence in Insurtech- Startup' award at the ASSOCHAM Fintech & Digital Payments Awards 2021
2023	Winner in the 'Best Tech for Payments' and 'Best FinTech App' categories at the IMAI 13th India Digital Awards
2024	Winner of the 'Excellence in Payment Solutions' award at the Dun & Bradstreet BFSI & Fintech Summit 2024
2024	Silver Winner of the 'Best FinTech App' at the IMAI 14th India Digital Awards
2024	Awarded 'Best Legal / Compliance Framework of the Year' and 'Compliance Team of the Year' at the 4th Edition Future of Legal and Compliance Summit & Awards 2024 by UBS Forums
2024	Winner of the 'Best Payments Fintech' award at the Bharat Fintech Summit 2024
2024	Named the Silver Winner in the Neobanks & Fintech Players category at the Qorus-Infosys Finacle Banking Innovation Awards 2024
2024	Recognized as a Silver Employer in the India Workplace Equality Index (IWEI) 2024
2024	Recognized as one of the 'Best Brands 2024' at the ET, TIMES Group BFSI Best Brands 2024
2024	Awarded the 'ABECA Employee Choice Award 2024'
2024	Winner of the 'Best Digital Transformation 2024' by e4m CX India
2024	Winner of the 'Best Customer Support Delivery 2024' by e4m CX India
2025	Certified as a 'Great Place to Work' by Great Place to Work India
2025	Awarded 'Best Fintech Company of the Year' at the #Time2Leap Awards MSME & Startup Edition
2025	Named 'Fintech In-House Team of the Year' at the ALB India Law Awards 2025, presented by Asian Legal Business and Thomson Reuters
2025	Awarded first position in the 'Digital Payment Acceptance Infrastructure (Offline)' category at the Digital Payments Awards 2024-25 by the Department of Financial Services, Ministry of Finance, Government of India
2025	Awarded 'Best In- Class Connected Ecosystem' award at State of CX India 2025 by Twimbit
2025	Recognized as a Silver Employer in the India Workplace Equality Index (IWEI) 2025
2025	Awarded 'Best Privacy Practices in Organisation' at DSCI Excellence Awards, 2025

Significant financial and strategic partners

Our Company does not have any significant financial and strategic partners as on the date of this Updated Draft Red Herring Prospectus - I, other than in the ordinary course of our business.

Time and cost over-runs

There has been no significant time or cost over-runs in respect of our business operations.

Defaults or rescheduling, restructuring of borrowings with financial institutions or banks

As on date of this Updated Draft Red Herring Prospectus - I, there have been no defaults or rescheduling/ restructuring of borrowings availed by our Company with financial institutions/ banks.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants

For details of other key products or services launched by our Company, entry into new geographies or exit from existing markets and capacity/ facility creation, see "*Our Business*" and "*Major events and milestones of our Company*" on pages 194 and 256, respectively.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Except as disclosed below, our Company has not acquired or divested any business or undertaking and has not undertaken any merger, amalgamation or revaluation of assets in the last 10 years preceding the date of this Updated Draft Red Herring Prospectus - I.

I. Acquisition of OSlabs Pte. Ltd. (now known as Indus Appstore (Singapore) Pte. Ltd.)

Our Company entered into a share purchase agreement dated October 3, 2022, with PhonePe Private Limited, Singapore (now known as Headstand Pte. Ltd.) (the “**Seller**”) and OSlabs Pte. Ltd. (“**SPA**”).

Pursuant to the SPA, our Company acquired 1,986,392 ordinary shares of OSlabs Pte. Ltd. aggregating to 100% of the share capital of OSlabs Pte. Ltd. for an aggregate purchase consideration of USD 70.48 million or ₹5,751.97 million from the Seller. The effective date of the acquisition of OSlabs Pte. Ltd. was October 6, 2022.

The valuation for this acquisition was carried out by Navigant Corporate Advisors Limited, pursuant to their valuation report dated September 26, 2022, which valued per share of OSlabs Pte. Ltd. at USD 35.48, prepared using discounted cash flow valuation methodology.

Except for Rohit Bhagat, Sameer Nigam, Leigh Douglas Hopkins and Rahul Chari, who were also directors of the Seller at the time of acquisition, our Directors and Promoters are not related to the Seller. Further, the Seller was the promoter of our Company at the time of acquisition.

II. Acquisition of stake in C. E. Info Systems Limited (“C. E. Info”)

Our Company entered into a share purchase agreement dated September 27, 2021, with PhonePe Private Limited, Singapore (now known as Headstand Pte. Ltd.) (the “**Seller**”) and C. E. Info (“**C. E. Info SPA**”).

Pursuant to the C. E. Info SPA, our Company acquired 7,648,475 equity shares of C. E. Info aggregating to 18.54% of the issued, subscribed and paid-up share capital of C. E. Info for an aggregate purchase consideration of ₹967.53 million from the Seller. The effective date of the acquisition of C. E. Info was October 1, 2021.

The valuation for this acquisition was carried out by MSKA & Associates, Chartered Accountants, pursuant to their valuation report dated September 24, 2021, which valued per share of C.E. Info at ₹126.50, prepared using discounted cash flow valuation methodology.

Except for Rohit Bhagat, Sameer Nigam, Leigh Douglas Hopkins and Rahul Chari, who were also directors of the Seller at the time of acquisition, our Directors and Promoters are not related to the Seller. Further, the Seller was the promoter of our Company at the time of acquisition.

III. Acquisition of PhonePe Insurance Broking Services Private Limited (“PIBSPL”)

Our Company entered into a share purchase agreement dated August 26, 2021, with PhonePe Private Limited, Singapore (the “**Seller**”) and PIBSPL (“**PIBSPL SPA**”).

Pursuant to the PIBSPL SPA, our company acquired 4,999,999 equity shares of PIBSPL aggregating to 100% of the issued, subscribed and paid-up share capital of PIBSPL for a consideration of ₹ 49.99 million from the Seller. The effective date of the acquisition of PIBSPL was September 2, 2021.

The valuation for this acquisition was carried out by Walker Chandio & Co. LLP, Chartered Accountants, pursuant to their valuation report dated August 25, 2021, which valued per share of PIBSPL at ₹10.00, prepared using the net asset value methodology.

Except for Rohit Bhagat, Sameer Nigam, Leigh Douglas Hopkins and Rahul Chari, who were also directors of the Seller at the time of acquisition, our Directors and Promoters are not related to the Seller. Further, the Seller was the promoter of our Company at the time of acquisition.

IV. Acquisition of Explorium Innovative Technologies Private Limited (now known as PhonePe Lending Services Private Limited) (GigIndia)^

Our Company entered into share purchase agreements, each dated November 5, 2021 read with addendums dated March 16, 2022, with: (i) Explorium Innovative Technologies Private Limited (“**EITPL**”), Sahil Sharma, Aditya Shirole, Jerry Chase Resource Co., Ltd., M&S Partners Pte. Ltd., IF India II Investment Partnership, Beyond Next Ventures II Investment Limited Partnership, SAB Holdings Private Limited, Ravi Nigam, Kiran Deshpande, Shashank Deshpande, Subramanian Ramadorai, Shantanu Deshpande, Sakshi Gudwani, Pratap Singh Gudwani and Vineet Pani (collectively, “**Sellers**”) (“**SPA I**”), and (ii) EITPL, Sahil Sharma and Aditya Shirole (“**SPA II**” and together with SPA I, “**SPAs**”).

Pursuant to the SPAs, our Company acquired 10,451 equity shares EITPL aggregating to 100% of issued, subscribed and paid-up share capital of EITPL for an aggregate purchase consideration of ₹595.77 million from Sahil Sharma, Aditya Shirole and certain other shareholders, in three tranches. The effective date of transfers was March 16, 2022, May 13, 2022 and September 7, 2022.

For the purposes of this acquisition, the valuation reports were obtained from independent valuers*.

Our Promoters or our Directors are not related to the Sellers.

**Our Company has not received the consent letter from the valuers for disclosing their name, date and details of their respective valuation report and the valuation report from such valuer has not been included in the section "Material Contracts and Documents for Inspection- Material Documents" on page 537.*

^GigIndia was the application name of Explorium Innovative Technologies Private Limited (now known as PhonePe Lending Services Private Limited).

Acquisition undertaken by our Subsidiaries

I. Acquisition of Quantech Capital Investment Advisors Private Limited (OpenQ)[^] ("QCIAPL") by PhonePe Wealth Broking Private Limited ("PWBPL")

Our Subsidiary, PWBPL had entered into a share purchase agreement dated May 19, 2022, with Sujit Modi, Ujjwal Jain and Yuvraj Thakker (collectively, "Sellers") and QCIAPL ("PWBPL SPA").

Pursuant to the PWBPL SPA, our subsidiary acquired 360,000 equity shares of QCIAPL (now amalgamated with PWBPL) aggregating to 100% of the issued and paid-up share capital of QCIAPL for a consideration of ₹ 756.61 million from the Sellers. The effective date of transfer was September 28, 2022.

For the purposes of this acquisition, a valuation report was obtained from an independent valuer*.

**Our Company has not received the consent letter from the valuer for disclosing their name, date and details of the valuation report and the valuation report from such valuer has not been included in the section "Material Contracts and Documents for Inspection- Material Documents" on page 537.*

Our Promoters and Directors are not related to the Sellers. However, Sujit Modi and Ujjwal Jain are currently employees of PWBPL.

^OpenQ was the domain name of Quantech Capital Investment Advisors Private Limited.

II. Acquisition of Wealth Technology & Services Private Limited (WealthDesk)[^] by PhonePe Wealth Broking Private Limited ("PWBPL")

Our Subsidiary, PWBPL had entered into share purchase agreements, dated May 20, 2022, read with a subsequent agreement dated November 7, 2022, with: (i) Wealth Technology & Services Private Limited ("Wealth Tech") (now amalgamated with PWBPL), Ujjwal Jain, and the persons listed in Part A of Schedule 1 (collectively, "Additional Sellers") ("SPA I"); and (ii) Payasyougotech Platforms Private Limited ("SPA II" and together with SPA I, "SPAs").

Pursuant to the SPAs, our Subsidiary acquired 4,894,988 equity shares of Wealth Tech, aggregating to 100% of the issued, subscribed and paid-up share capital of Wealth Tech on a fully diluted basis, for an aggregate purchase consideration of ₹2,615.54 million, comprising ₹1,814.04 million for 3,394,988 shares under SPA I and ₹801.50 million for 1,500,000 shares under SPA II. The effective date of the transfer was August 4, 2022, and November 28, 2022, respectively.

For the purposes of this acquisition, a valuation report was obtained from an independent valuer*.

**Our Company has not received the consent letter from the valuer for disclosing their name, date and details of the valuation report and the valuation report from such valuer has not been included in the section "Material Contracts and Documents for Inspection- Material Documents" on page 537.*

^WealthDesk was the domain name of Wealth Technology & Services Private Limited.

Our Promoters or our Directors are not related to the Sellers. However, Ujjwal Jain is currently an employee of PWBPL.

Our holding company

As on date of this Updated Draft Red Herring Prospectus - I, WM Digital Commerce Holdings Pte. Ltd., one of our Promoters, is our holding company. Please also see “Our Promoter and Promoter Group” on page 293.

Our Subsidiaries, Associate and joint ventures

As on the date of this Updated Draft Red Herring Prospectus - I, our Company has 11 Subsidiaries including eight direct and three indirect subsidiaries and one associate company. Further, as on the date of this Updated Draft Red Herring Prospectus - I, our Company does not have any joint venture. The details of our Subsidiaries and Associate have been provided below:

I. Subsidiaries

1. PhonePe Insurance Broking Services Private Limited (“PIBSPL”)

Corporate information

PIBSPL was incorporated as a private limited company as PhonePe Insurance Broking Services Private Limited under the Companies Act, 2013 pursuant to a certificate of incorporation dated February 19, 2020, issued by the RoC, CRC, MCA. The corporate identification number of PIBSPL is U66000KA2020PTC132814. The registered office of PIBSPL is situated at Office-2, Floor 4, 5, 6, 7, Wing A, Block A Salarpuria Softzone, Service Road, Green Glen Layout, Bellandur, Bengaluru 560 103, Karnataka, India.

Nature of business

PIBSPL is engaged in the business of direct insurance broking (life and general) pursuant to the certificate of registration obtained from the Insurance Regulatory and Development Authority of India.

Capital structure

The authorised share capital of PIBSPL is ₹13,000,000,000 divided into 1,300,000,000 equity shares of face value of ₹10 each. The issued, subscribed and paid-up share capital of PIBSPL is ₹11,080,000,000 divided into 1,108,000,000 equity shares of ₹10 each.

Shareholding

As on the date of this Updated Draft Red Herring Prospectus - I, the shareholding pattern of PIBSPL is as follows:

Name of the shareholder	Number of equity shares held	Percentage of the total equity shareholding (%)
PhonePe Limited	1,107,999,994	99.99
Sameer Nigam (holding as a nominee of our Company)	1	Negligible*
Adarsh Nahata (holding as a nominee of our Company)	1	Negligible*
Rahul Chari (holding as a nominee of our Company)	1	Negligible*
Parag Mathur (holding as a nominee of our Company)	1	Negligible*
Ankit Gunvantra Popat (holding as a nominee of our Company)	1	Negligible*
Sanjeev Khurana (holding as a nominee of our Company)	1	Negligible*
Total	1,108,000,000	100.00

*Less than 0.01%

2. PhonePe Wealth Broking Private Limited (“PWBPL”)

Corporate information

PWBPL was incorporated as a private limited company under the Companies Act, 2013 pursuant to a certificate of incorporation dated April 27, 2021, issued by the RoC, CRC, MCA. Further, pursuant to an order dated October 5, 2024, passed by Regional Director, South east region, Hyderabad, Wealth Technology & Services Private Limited and Quantech Capital Investment Advisors Private Limited amalgamated with PWBPL with effect from October 30, 2024 and with the appointed date as April 1, 2023. The corporate identification number of PWBPL is U65990KA2021PTC146954. The registered office of PWBPL is situated at Office 2, Floor 3, Wing A, Block A, Salarpuria Softzone, Bellandur Village, Varthur Hobli, Outer Ring Road, Bellandur, Bangalore South, Bangalore 560 103, Karnataka, India.

Nature of business

PWBPL is a trading member of National Stock Exchange of India Limited, BSE Limited and a depository participant with Central Depository Services (India) Limited. It has commenced the stock broking operations for general public from August 30, 2023 and is currently engaged in the business of stock broking, depository services, research analyst and distribution of mutual funds, to its clients.

Capital structure

The authorised share capital of PWBPL is ₹14,987,000,000 divided into 1,498,700,000 equity shares of face value of ₹10 each. The issued, subscribed and paid-up share capital of PWBPL is ₹ 12,101,500,000 divided into 1,210,150,000 equity shares of ₹10 each.

Shareholding

As on the date of this Updated Draft Red Herring Prospectus - I, the shareholding pattern of PWBPL is as follows:

Name of the shareholder	Number of equity shares held	Percentage of the total equity shareholding (%)
PhonePe Limited	1,210,149,994	99.99
Sameer Nigam (holding as a nominee of our Company)	1	Negligible*
Adarsh Nahata (holding as a nominee of our Company)	1	Negligible*
Rahul Chari (holding as a nominee of our Company)	1	Negligible*
Parag Mathur (holding as a nominee of our Company)	1	Negligible*
Ankit Gunvantra Popat (holding as a nominee of our Company)	1	Negligible*
Sanjeev Khurana (holding as a nominee of our Company)	1	Negligible*
Total	1,210,150,000	100.00

*Less than 0.01%

3. Pincode Shopping Solutions Private Limited (“PSSPL”)

Corporate information

PSSPL was incorporated as a private limited company as PhonePe Payment Technology Services Private Limited under the Companies Act, 2013 pursuant to a certificate of incorporation dated May 3, 2021, issued by the RoC, CRC, MCA. Subsequently, pursuant to the certificate of incorporation pursuant to change of name dated October 18, 2022, the name of PhonePe Payment Technology Services Private Limited was changed to PhonePe Shopping Solutions Private Limited. Further, pursuant to the certificate of incorporation pursuant to change of name dated July 17, 2023, the name of PhonePe Shopping Solutions Private Limited was changed to Pincode Shopping Solutions Private Limited. The corporate identification number of PSSPL is U72100KA2021PTC147100. The registered office of PSSPL is situated at Office-2, Floor 6, Wing B, Block A, Salarpuria Softzone, Bellandur Village, Varthur Hobli, Outer Ring Road, Bellandur, Bangalore South, Bangalore 560 103, Karnataka, India.

Nature of business

Pincode will be providing business solutions, such as ERP software and other tailored operational models, across the value chain including to retailers, distributors and manufacturers, to streamline their processes and drive their business growth.

Capital structure

The authorised share capital of PSSPL is ₹ 30,000,000,000 divided into 3,000,000,000 equity shares of face value of ₹10 each. The issued, subscribed and paid-up share capital of PSSPL is ₹7,649,000,000 divided into 764,900,000 equity shares of ₹10 each.

Shareholding

As on the date of this Updated Draft Red Herring Prospectus - I, the shareholding pattern of PSSPL is as follows:

Name of the shareholder	Number of equity shares held	Percentage of the total equity shareholding (%)
PhonePe Limited	764,899,994	99.99

Name of the shareholder	Number of equity shares held	Percentage of the total equity shareholding (%)
Sameer Nigam (holding as a nominee of our Company)	1	Negligible*
Adarsh Nahata (holding as a nominee of our Company)	1	Negligible*
Rahul Chari (holding as a nominee of our Company)	1	Negligible*
Parag Mathur (holding as a nominee of our Company)	1	Negligible*
Ankit Gunvantrai Papat (holding as a nominee of our Company)	1	Negligible*
Sanjeev Khurana (holding as a nominee of our Company)	1	Negligible*
Total	764,900,000	100.00

*Less than 0.01%

4. **PhonePe Finance Private Limited (“PFPL”)**

Corporate information

PFPL was incorporated as a private limited company under the Companies Act, 2013 pursuant to a certificate of incorporation dated August 27, 2021, issued by the RoC, CRC, MCA. The corporate identification number of PFPL is U64990KA2021PTC151118. The registered office of PFPL is situated at Office 2, Floor 5, Wing A, Block A, Salarpuria Softzone, Bellandur Village, Varthur Hobli, Outer Ring Road, Bellandur, Bangalore South, Bangalore 560 103, Karnataka, India.

Nature of business

PFPL has amended the objects clause of the memorandum of association of PFPL to engage into the business of NBFC lending business on October 6, 2025 which was subsequently confirmed by the Central Processing Centre, Ministry of Corporate Affairs on October 24, 2025.

PFPL has filed an application dated November 4, 2025 with the RBI, for a certificate of registration to commence and carry on business as a type-II non-banking finance company (non-deposit taking).

As on the date of this UDRHP-1, PFPL has not initiated its business activities.

Capital structure

The authorised share capital of PFPL is ₹ 210,000,000 divided into 21,000,000 equity shares of face value of ₹10 each. The issued, subscribed and paid-up share capital of PFPL is ₹149,000,000 divided into 14,900,000 equity shares of ₹10 each.

Shareholding

As on the date of this Updated Draft Red Herring Prospectus - I, the shareholding pattern of PFPL is as follows:

Name of the shareholder	Number of equity shares held	Percentage of the total equity shareholding (%)
PhonePe Limited	14,899,994	99.99
Sameer Nigam (holding as a nominee of our Company)	1	Negligible*
Adarsh Nahata (holding as a nominee of our Company)	1	Negligible*
Rahul Chari (holding as a nominee of our Company)	1	Negligible*
Parag Mathur (holding as a nominee of our Company)	1	Negligible*
Ankit Gunvantrai Papat (holding as a nominee of our Company)	1	Negligible*
Sanjeev Khurana (holding as a nominee of our Company)	1	Negligible*
Total	14,900,000	100.00

*Less than 0.01%

5. **PhonePe Lending Services Private Limited (formerly known as ‘PhonePe Credit Services Private Limited’) (“PLSPL”)**

Corporate information

PLSPL was incorporated as a private limited company as Explorium Innovative Technologies Private Limited under the Companies Act, 2013 pursuant to a certificate of incorporation dated October 20, 2016, issued by the RoC, CRC, MCA. Subsequently, pursuant to a certificate of incorporation dated July 17, 2023, the name of Explorium Innovative Technologies Private Limited was changed to PhonePe Credit Services Private Limited. Further, pursuant to a certificate of incorporation dated January 24, 2024, the name of PhonePe Credit Services Private Limited was changed

to PhonePe Lending Services Private Limited. The corporate identification number of PLSPL is U63119KA2016PTC174869. The registered office of PLSPL is situated at Office-2, Floor 4, 5, 6, 7, Wing A, Block A Salarpuria Softzone, Service Road, Green Glen Layout, Bellandur, Bangalore South, Bangalore 560 103, Karnataka, India.

Nature of business

PLSPL is engaged in the business of facilitating a comprehensive suite of lending solutions for both consumers and merchants, operating as a Lending Service Provider (“LSP”) (“**Lending Distribution**”). PLSPL’s focus is on building an intelligent and scalable lending ecosystem by advancing distribution and offering digital-first servicing, intelligent targeting, digital repayments and collections capabilities to the bank and NBFC partners. PLSPL’s Lending Distribution business operates on a marketplace model, creating a mutually beneficial ecosystem for consumers, merchants and lending partners. PLSPL disclaim all liability arising from the loan products except for loans where PLSPL has provided Default Loss Guarantee (“**DLG**”), to the extent of DLG.

Capital structure

The authorised share capital of PLSPL is ₹1,000,000 divided into 100,000 equity shares of face value of ₹10 each. The issued, subscribed and paid-up share capital of PLSPL is ₹117,800 divided into 11,780 equity shares of ₹10 each.

Shareholding

As on the date of this Updated Draft Red Herring Prospectus - I, the shareholding pattern of PLSPL is as follows:

Name of the shareholder	Number of equity shares held	Percentage of the total equity shareholding (%)
PhonePe Limited	11,774	99.99
Sameer Nigam (holding as a nominee of our Company)	1	Negligible*
Adarsh Nahata (holding as a nominee of our Company)	1	Negligible*
Rahul Chari (holding as a nominee of our Company)	1	Negligible*
Parag Mathur (holding as a nominee of our Company)	1	Negligible*
Ankit Gunvantrai Popat (holding as a nominee of our Company)	1	Negligible*
Sanjeev Khurana (holding as a nominee of our Company)	1	Negligible*
Total	11,780	100.00

*Less than 0.01%

6. Indus Appstore (Singapore) Pte. Ltd. (“IAPL”)

Corporate information

IAPL, was incorporated as a private limited company under the laws of Singapore on October 1, 2015 having UEN: 201536408Z. The registered office of IAPL is located at 160 Robinson Road #19-08, Singapore Business Federation Center, Singapore 068914.

Nature of business

IAPL is a holding company of Indus Appstore Private Limited.

Capital structure

The ordinary share capital of IAPL is USD 50,876,751.97.

Shareholding

As on the date of this Updated Draft Red Herring Prospectus - I, the shareholding pattern of IAPL is as follows:

Name of the shareholder	Number of equity shares held	Percentage of the total equity shareholding (%)
PhonePe Limited	2,681,063	100.00
Total	2,681,063	100.00

7. PhonePe Technology Services Private Limited (“PTSPL”)

Corporate information

PTSPL was incorporated as a private limited company as PhonePe Technology Services Private Limited under the Companies Act, 2013 pursuant to a certificate of incorporation dated September 27, 2019, issued by the RoC, CRC, MCA. The corporate identification number of PTSPL is U63119KA2019PTC174321. The registered office of PTSPL is situated at Office-2, Floor 4, 5, 6, 7, Wing A, Block A, Salarpuria Softzone, Service Road, Green Glen Layout, Bellandur, Bangalore South, Bengaluru 560 103, Karnataka, India.

Nature of business

PTSPL had made an application to surrender its license for undertaking the business of account aggregation to the Reserve Bank of India (“**RBI**”) which was approved by the RBI by way of an order dated 26 August 2025. The Company thereafter has altered main objects of the memorandum of association on September 19, 2025 to *inter-alia* undertake the business of providing IT and IT-enabled services. As on the date of this Updated Draft Red Herring Prospectus - I, PTSPL has not initiated its business activities of providing IT and IT-enabled services.

Capital structure

The authorised share capital of PTSPL is ₹430,000,000 divided into 43,000,000 equity shares of face value of ₹10 each. The issued, subscribed and paid-up share capital of PTSPL is ₹395,000,000 divided into 39,500,000 equity shares of ₹10 each.

Shareholding

As on the date of this Updated Draft Red Herring Prospectus - I, the shareholding pattern of PTSPL is as follows:

Name of the shareholder	Number of equity shares held	Percentage of the total equity shareholding (%)
PhonePe Limited	39,499,994	99.99
Rahul Chari (holding as a nominee of our Company)	1	Negligible*
Adarsh Nahata (holding as a nominee of our Company)	1	Negligible*
Sameer Nigam (holding as a nominee of our Company)	1	Negligible*
Parag Mathur (holding as a nominee of our Company)	1	Negligible*
Ankit Gunvantrai Popat (holding as a nominee of our Company)	1	Negligible*
Sanjeev Khurana (holding as a nominee of our Company)	1	Negligible*
Total	39,500,000	100.00

*Less than 0.01%

8. PhonePe International Holdings Limited (“PIHL UAE”)

Corporate information

PIHL UAE was incorporated as a private company limited by shares under the laws of Abu Dhabi Global Market on September 26, 2025 having registration number 30109. The registered office of PIHL UAE is located at 2475 Register 01, 2475 Register 10, Floor 24, Al Sila Tower, Abu Dhabi Global Market Square, Abu Dhabi, Al Maryah Island, United Arab Emirates.

Nature of business

PIHL UAE is the holding company for PhonePe’s proposed international business.

*Capital structure**

The ordinary share capital of PIHL UAE is AED 20,000 divided into 2,000 ordinary shares of face value of AED 10 each.

*Shareholding**

As on the date of this Updated Draft Red Herring Prospectus - I, the shareholding pattern of PIHL UAE is as follows:

Name of the shareholder	Number of equity shares held	Percentage of the total equity shareholding (%)
PhonePe Limited	2,000	100.00
Total	2,000	100.00

* The aforementioned is reliant on requisite filings and pending remittance/infusion of capital.

II. Indirect Subsidiaries

1. Indus Appstore Private Limited (“Indus”)

Corporate information

Indus was incorporated as a private limited company as OSlabs Technology (India) Private Limited under the Companies Act, 2013 pursuant to a certificate of incorporation dated October 20, 2015, issued by the Registrar of Companies Mumbai at Maharashtra. Subsequently, pursuant to a certificate of incorporation dated November 29, 2023, the name of OSlabs Technology (India) Private Limited was changed to Indus Appstore Private Limited. The corporate identification number of Indus is U74120TN2015PTC179835. The registered office of Indus is situated at #51/117, Nelson Towers, 2nd Floor, 3rd Wing, Nelson Manickam Road, Aminjikarai, Chennai, Egmore Nungambakkam, Tamil Nadu – 600 030, India.

Nature of business

Indus is engaged in the business of developing and dealing in software, particularly mobile operating systems and applications, and providing related services, including value-added content, to end-users and telecom operators.

Capital structure

The authorised share capital of Indus is ₹1,255,500,000 divided into 125,550,000 equity shares of face value of ₹10 each. The issued, subscribed and paid-up share capital of Indus is ₹1,255,103,090 divided into 125,510,309 equity shares of ₹10 each.

Shareholding

As on the date of this Updated Draft Red Herring Prospectus - I, the shareholding pattern of Indus is as follows:

Name of the shareholder	Number of equity shares held	Percentage of the total equity shareholding (%)
Indus Appstore (Singapore) Pte. Ltd.	125,510,303	99.99
Parag Mathur (holding as a nominee of our Subsidiary, Indus Appstore (Singapore) Pte. Ltd.)	1	Negligible*
Rahul Chari (holding as a nominee of our Subsidiary, Indus Appstore (Singapore) Pte. Ltd.)	1	Negligible*
Adarsh Nahata (holding as a nominee of our Subsidiary, Indus Appstore (Singapore) Pte. Ltd.)	1	Negligible*
Sanjeev Khurana (holding as a nominee of our Subsidiary, Indus Appstore (Singapore) Pte. Ltd.)	1	Negligible*
Ankit Gunvantra Popat (holding as a nominee of our Subsidiary, Indus Appstore (Singapore) Pte. Ltd.)	1	Negligible*
Manmeet Sandhu (holding as a nominee of our Subsidiary, Indus Appstore (Singapore) Pte. Ltd.)	1	Negligible*
Total	125,510,309	100.00

*Less than 0.01%

2. PhonePe Middle East FZ-LLC (“PME FZ-LLC UAE”)

Corporate information

PME FZ-LLC UAE was incorporated on October 31, 2025 as a free zone company with limited liability under the provisions of the Private Companies Regulations of 2016 issued under Law No. 15 of 2014 concerning Dubai Development Authority and its amendments, having registration number 107385. The registered office of PME FZ-LLC UAE is located at DMC-BLD05-OQ3-F02-206, Second Floor, DMC5, Dubai Media City, Dubai, United Arab Emirates.

Nature of business

PME FZ-LLC UAE proposes to provide various services for (a) acceptance and processing of digital payments including provision of payment gateways, point of sale systems and fund transfer services; and (b) issuance and operation of stored value payment instruments such as digital wallets, prepaid cards etc., subject to receipt of relevant regulatory approvals.

*Capital structure**

The ordinary share capital of PME FZ-LLC UAE is AED 10,000 divided into 10 ordinary shares of face value of AED 1000 each.

*Shareholding**

As on the date of this Updated Draft Red Herring Prospectus - I, the shareholding pattern of PME FZ-LLC UAE is as follows:

Name of the shareholder	Number of equity shares held	Percentage of the total equity shareholding (%)
PhonePe International Holdings Limited	10	100.00
Total	10	100.00

** The aforementioned is reliant on filings and pending remittance/infusion of capital.*

3. PhonePe Singapore Pte. Ltd. ("PSPL")

Corporate information

PSPL was incorporated as a private limited company under the laws of Singapore on December 22, 2025, having UEN: 202556667R. The registered office of PSPL is located at 160 Robinson Road, #19-08, Singapore Business Federation Center, Singapore 068914.

Nature of business

PSPL proposes to undertake the business of payment processing services, subject to receipt of relevant regulatory approvals.

*Capital structure**

The share capital of PSPL is USD 1,000 represented by 100 shares of USD 10 each.

*Shareholding**

As on the date of this Updated Draft Red Herring Prospectus - I, the shareholding pattern of PSPL is as follows:

Name of the shareholder	Number of equity shares held	Percentage of the total equity shareholding (%)
PhonePe International Holdings Limited	100	100.00
Total	100	100.00

**The aforementioned is reliant on requisite filings and pending remittance/infusion of capital.*

III. Associate Company

1. C. E. Info Systems Limited ("C. E. Info")

Corporate information

C. E. Info was incorporated as a private limited company as C.E. Info Systems Private Limited at New Delhi under the Companies Act, 1956, pursuant to the certificate of incorporation dated February 17, 1995 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi. Subsequently, pursuant to a certificate of incorporation dated July 12, 2021, the name of C.E. Info Systems Private Limited was changed to C.E. Info Systems Limited. The corporate identification number of C. E. Info is L74899DL1995PLC065551. The registered office of C. E. Info is situated at First, Second, & Third Floor, Plot. No. 237, Okhla Industrial Estate, Phase- III, New Delhi 110 020, India.

Nature of business

C. E. Info is engaged in the business of mapping technologies.

Capital structure

As on the date of this Updated Draft Red Herring Prospectus - I, the authorized share capital of C.E. Info Systems Limited is ₹1,620,821,810 divided into 75,000,000 equity shares of ₹2 each and 1,229,629.63 Series A preference

shares of ₹81 each, 1,000,000 Series B preference shares of ₹114 each, 1,218,007 Series C preference shares of ₹290 each and 1,149,206 Series D preference shares of ₹630 each and 180,000 Series E Preference Shares of ₹1,000 each and its issued, subscribed and paid up equity share capital is ₹ 109,443,330 divided into 54,721,665 equity shares of ₹2 each.

Shareholding

As of September 30, 2025, the shareholding pattern of C. E. Info is as follows:

Name of the shareholder	Number of shareholders	Number of equity shares held	Percentage of the total equity shareholding (%)
Promoter and promoter group	6	28,107,754	51.36
Public	149,524	26,613,911	48.64
Total	149,530	54,721,665	100.00

Common pursuits with the Subsidiaries

There is no conflict of interest between our Subsidiaries and our Company.

Accumulated profits or losses of our Subsidiaries

As on the date of this Updated Draft Red Herring Prospectus - I, there are no accumulated profits or losses of any of our Subsidiaries that have not been accounted for by our Company.

Business interest between our Company and our Subsidiaries

Except to the extent of related party transactions between our Company and our Subsidiaries, our Subsidiaries have no business interest in our Company. For further details, please see “Other Financial Information - Related Party Transactions” on page 383.

Shareholders’ agreements and other agreements

Except as set forth below, there are no other arrangements or agreements, deeds of assignment, acquisition agreements, shareholders agreements, inter-se agreements, any agreements between our Company, our Promoters, and Shareholders, or agreements of like nature or agreements comprising any clauses/covenants in relation to the securities of our Company which are material to our Company, and which are required to be disclosed, or the non-disclosure of which may have a bearing on the investment decision of prospective investors in the Offer. Further, there are no clauses/covenants that are adverse or prejudicial to the interest of the minority/public Shareholders of our Company.

Key terms of subsisting shareholders’ agreements

Details of subsisting shareholder’s agreements among our shareholders vis-à-vis our Company, as on the date of this Updated Draft Red Herring Prospectus - I, are provided below:

Shareholders’ agreement dated September 19, 2025, entered into by and amongst our Company, WM Digital Commerce Holdings Pte. Ltd. (“Walmart”), Sameer Nigam, Rahul Chari, Headstand Pte. Ltd., 3State Ventures Pte. Ltd., INQ Holdings LLC., Jadoff SPV 5, LLC, Microsoft Global Finance Unlimited Company, WCH Q3 2020 1, LLC, General Atlantic Singapore PPIL Pte. Ltd., Tiger Global PIP 9-1 Ltd., Ribbit Bullfrog II Cayman IN Holdings Ltd. and TVS Shriram Growth Fund 3 (“Shareholders’ Agreement” or “SHA”). Sameer Nigam and Rahul Chari are collectively referred to as the “Founders” and individually as “Founder”.

The SHA sets out the rights and obligations of the parties to the SHA in relation to their respective shareholding in the Company and other rights including governance and management of the Company and matters in connection therewith.

Under the SHA, subject to applicable law (a) as long as Walmart holds shares equivalent to or more than 50% of the share capital of the Company (“**Control Threshold**”), Walmart shall have the right to nominate four directors on the Board; and (b) if Walmart holds less than the Control Threshold but more than 10% of the share capital of the Company, it shall have the right to nominate three directors on the Board (“**Walmart Directors**”). Further, each of the Founders shall be entitled to be a Director so long as such Founder, satisfies certain conditions specified under the SHA (“**Founder Director**”).

Furthermore, in terms of the SHA, one Walmart Director and one Founder shall not be liable to retire by rotation, subject to the provisions of applicable law. Pursuant to the SHA, the Company shall undertake to incorporate the following provisions in its

Articles of Association for approval in the first general meeting of Shareholders convened after the listing date: (i) Subject to applicable Law, Walmart shall have the right to nominate four members of the Board so long as it holds shares more than the Control Threshold and if the shareholding of Walmart falls below the Control Threshold but remains more than 10% of the Share Capital, Walmart shall have the right to nominate up to three members of the Board; (ii) Each Founder shall be entitled to be a Director for so long as such Founder satisfies at least one of the founder conditions; (iii) except one Walmart Director and any one Founder Director, all remaining Directors shall be liable to retire by rotation, subject to the provisions of applicable law; (iv) A majority of the Directors (including the Key Directors) must approve the convening of a Board meetings convened at shorter notice; (v) the quorum of any meeting of the Board shall be one-third of its total strength and shall include the presence of the Key Directors; (vi) the written consent of one Walmart Director will be required to postpone a Board meeting to a date, location and time that is later than prescribed day, location and time for an adjourned Board meeting; and (vii) prior approval by at least one Walmart Director of the agenda of a Board meeting. Key Directors for the purposes of this paragraph refers to at least one Director from each of the following categories: one Walmart Director, one Independent Director and one Founder Director.

In terms of the SHA, subject to applicable laws and the appropriate carve outs provided under the SHA, shareholders have certain: (i) information rights, (ii) exit rights; (iii) pre-emptive rights; (iv) rights in relation to restrictions on transfer of shares; (v) drag along rights; and (vi) co-sale rights. Further, in terms of the SHA, certain matters in relation to our Company and Subsidiaries, shall require consent and vote of at least three-fourths of the Board, including: (a) adoption or amendment of any equity incentive plan or other benefit plan not covered under the Companies Act or the SEBI SBEB & SE Regulations; (b) direct or indirect change in shareholding or voting, economic or other ownership rights in any of the Subsidiaries; (c) any declaration or payment of any dividend or distribution of profits or commissions to Shareholders, employees or directors, by the Company. Further, SHA also provides for certain minority reserved matters including any increase in the aggregate number of stock options, any increase and decrease in size of the Board, any of our Company or Subsidiaries entering into any joint venture or partnership, in each case involving an aggregate commitment by our Company in excess of one hundred million dollars, etc., which shall require consent of the holders of the requisite minority securities, as defined in the SHA.

In accordance with the terms of the SHA, Company shall use all reasonable efforts to conduct the Offer on or prior to December 31, 2026. Further, the SHA shall stand automatically terminated immediately upon effective date of listing at the relevant stock exchange (or at any earlier point of time under applicable laws). The special rights available under the SHA shall cease to exist immediately upon the effective date of listing at the relevant stock exchange, without requiring any further action.

In terms of the Articles of Association, certain matters of the board shall require prior consent and votes by such number of Directors who constitute at least 3/4th of the Board. Further, a Shareholder (directly or through its affiliates) holds Shares equivalent to or more than the Control Threshold shall have the right to call for an extra-ordinary general meeting of the Shareholders by way of a requisition notice to the Board, in accordance with Companies Act. For further details, see “Description of Equity Shares and Terms of Articles of Association” on page 515.

Other agreements

Share purchase agreement dated September 5, 2025 (“SPA-1”) between our Company, General Atlantic Singapore PPIL Pte. Ltd. (“Purchaser”), Manmeet Sandhu and the persons listed in schedule 1 of the SPA (“Sellers”), read with share purchase agreement dated September 5, 2025 (“SPA-2”) between our Company, General Atlantic Singapore PPIL Pte. Ltd., Sameer Nigam and Rahul Chari (together with SPA-1 and SPA-2 “SPAs”)

Pursuant to the SPAs, the Purchaser agreed to purchase from the Sellers, Sameer Nigam and Rahul Chari, an aggregate of 23,736,738 Equity Shares, constituting approximately 4.31% of the share capital of our Company on a fully diluted basis (includes the entire stock options pool), for an aggregate consideration of ₹55,487.00 million. The Purchaser has represented and warranted, *inter alia*, its due incorporation, valid existence, and requisite corporate power and authority to execute the SPAs and consummate the transactions contemplated therein. The Sellers, Sameer Nigam and Rahul Chari have severally represented and warranted, *inter alia*, their authority to enter into the agreements and their status as the sole legal and beneficial owners of their respective Equity Shares. They have further warranted possessing good and marketable title to the Equity Shares, free from any encumbrances, and have provided specific warranties regarding their tax residency and compliance. Further, the Sellers, Sameer Nigam and Rahul Chari have undertaken to severally (and not jointly), with respect to themselves, indemnify and keep the Purchaser indemnified against losses which the Purchaser may suffer from or in connection with *inter alia* any breach of, non-fulfilment of, or failure to perform, the covenants, obligations, agreements and undertakings by the Sellers, Sameer Nigam and Rahul Chari contained in the SPAs.

Other material events

From Financial Year 2015-16, PhonePe Private Limited, Singapore (now known as Headstand Pte. Ltd.) (“**PhonePe Singapore**”) was the immediate holding company of our Company and where the effective board, and shareholders agreement resided. With effect from December 23, 2022, the board, and shareholders agreement, were formally moved from PhonePe

Singapore to our Company, situated in India. This relocation of key governance frameworks was a fundamental shift in the locus of control. Concurrently with the locus shift in control, PhonePe Singapore's shareholding in our Company as of December 23, 2022, was reduced from 100% to a non-controlling minority shareholding of 7.28%, as a result of the transfer of their shareholding to other entities and individuals in the following manner pursuant to which PhonePe Singapore ceased to exercise control over our Company with effect from December, 23, 2022. For details regarding the shareholding of Headstand Pte. Ltd. in our Company as on the date of this Updated Draft Red Herring Prospectus - I, please see "*Capital Structure - Details of equity shareholding of the major Shareholders of our Company*" on page 123.

Date of transfer	Name of transferor	Name of transferee	Number of equity shares transferred	Percentage of shareholding transferred, as on the date of the transfer
December 23, 2022	PhonePe Singapore	Binny Bansal	534,636	1.31%
		Microsoft Global Finance Unlimited Company	367,879	0.90%
		Jadoff SPV 5, LLC	10,264	0.03%
		INQ Holding LLC	506,875	1.24%
		WM Digital Commerce Holdings Pte. Ltd. (formerly known as 'FIT Parent Pte. Ltd.' and Fit Holdings SARL)	36,320,459	89.11%
		WCH Q3 2020 1, LLC	51,321	0.13%

Agreements with Key Managerial Personnel, Senior Management, Directors, Promoters or any other employee of our Company

As on the date of this Updated Draft Red Herring Prospectus - I, there are no agreements entered into by a Key Managerial Personnel or Senior Management or Director or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Agreements required under Clause 5A of paragraph A of part A of Schedule III of the SEBI Listing Regulations

As on the date of this Updated Draft Red Herring Prospectus - I, except as disclosed under "*Shareholders' agreements and other agreements*" on page 267, there are no other agreements required to be disclosed under Clause 5A of paragraph A of part A of Schedule III of the SEBI Listing Regulations.

Key terms of other subsisting material agreements

Except for the agreements disclosed herein, our Company has not entered into any other material agreements which are subsisting other than in the ordinary course of business of our Company as on the date of this Updated Draft Red Herring Prospectus - I.

Details of guarantees given to third parties by our Promoter who is participating in the Offer for Sale

One of our Promoters, WM Digital Commerce Holdings Pte. Ltd., who is participating in the Offer as the Promoter Selling Shareholder, has not given any guarantee to any third party, that are outstanding on the date of this Updated Draft Red Herring Prospectus - I.

Other Confirmations

Except as disclosed in "*Risk Factors - Our operations are subject to various legal and regulatory requirements, including oversight and inspection by most of the major Indian financial regulators, including the Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI"), and Insurance Regulatory & Development Authority of India ("IRDAI"), as well as other authorities of the Government of India ("GoI") such as the Unique Identification Authority of India ("UIDAI") and the Department of Telecommunications ("DoT"). Any changes in, or non-compliance with, applicable legal or regulatory requirements may adversely affect our operations.*" on page 47, there are no findings/ observations of any of the inspections by SEBI or any other regulator which are material, and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision of prospective investors.

Except as disclosed in "*Risk Factors - We face substantial and increasingly intense competition within India's financial services industry. If we are unable to compete effectively, our business, financial condition, results of operations, cash flows and prospects will be materially and adversely affected*" on page 54, to the extent of services received and given that our Company and its Subsidiaries operate in a similar line of business as our vendors or suppliers, we may have a conflict of interest between,

any suppliers of raw materials and the third-party service providers (which are crucial for operations of our Company) and our Company and Subsidiaries.

There is no conflict of interest between, any lessor of any immovable properties (which are crucial for operations of our Company) and our Company and Subsidiaries and its Directors.

OUR MANAGEMENT

In terms of the Companies Act and the Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Updated Draft Red Herring Prospectus - I, our Board comprises 10 Directors including two Whole-time Directors and eight Non-Executive Directors, of whom four are Non-Executive Independent Directors (including one woman Independent Director) and four are Non-Executive Nominee Directors (including one Non-Executive Nominee Director (Additional)). The composition of the Board is compliant with the applicable corporate governance requirements under the Companies Act and SEBI Listing Regulations.

Our Board

The following table sets forth details regarding our Board as on the date of this Updated Draft Red Herring Prospectus - I:

Sr. No.	Name, designation, address, occupation, term, period of directorship, DIN, date of birth	Age (years)	Other directorships
1.	Rohit Bhagat Designation: Chairperson of the Board and Non-Executive Independent Director Address: 925 Culebra Road, Hillsborough 94010, California, USA Occupation: Self employed Term: Period of five years with effect from May 15, 2025 Period of directorship: Director since January 6, 2023 DIN: 02968574 Date of birth: April 3, 1964	61	Indian companies: <i>Listed companies</i> • Meesho Limited <i>Unlisted companies</i> Nil Foreign entities: <i>Listed entities</i> Nil <i>Unlisted entities</i> Nil
2.	Sameer Nigam Designation: Whole-time Director and Chief Executive Officer Address: Villa No. 127 Adarsh Palm Retreat Villas, Devarabisanahalli, Bellandur, Bengaluru 560 103, Karnataka, India Occupation: Service Term: With effect from April 1, 2024, for a period of five years, liable to retire by rotation Period of directorship: Director since April 26, 2016 DIN: 02292840 Date of birth: October 22, 1977	48	Indian companies: <i>Listed companies</i> Nil <i>Unlisted companies</i> Nil Foreign entities: <i>Listed entities</i> Nil <i>Unlisted entities</i> Nil
3.	Rahul Chari Designation: Whole-time Director and Chief Technology Officer Address: Villa No. 455 Adarsh Palm Retreat Villas, Devarabisanahalli, Bellandur, Bengaluru 560 103, Karnataka, India	48	Indian companies: <i>Listed companies</i> Nil <i>Unlisted companies</i> Nil

Sr. No.	Name, designation, address, occupation, term, period of directorship, DIN, date of birth	Age (years)	Other directorships
	Occupation: Service Term: With effect from April 1, 2024, for a period of five years, liable to retire by rotation Period of directorship: Director since April 26, 2016 DIN: 03052804 Date of birth: December 9, 1977		Foreign entities: <i>Listed entities</i> Nil <i>Unlisted entities</i> Nil
4.	Donna Catherine Morris[#] Designation: Non-Executive Nominee Director Address: 5 S Queensborough Ln, Rogers, Arkansas, 72758-9533, USA Occupation: Service Term: With effect from January 24, 2024, liable to retire by rotation Period of directorship: Director since January 24, 2024 DIN: 07177193 Date of birth: October 21, 1967	58	Indian companies: <i>Listed companies</i> Nil <i>Unlisted companies</i> Nil Foreign entities: <i>Listed entities</i> Nil <i>Unlisted entities</i> - Crystal Bridges – Museum of American Art, USA* (USA) - UKG Inc. (USA)
5.	John David Rainey JR[#] Designation: Non-Executive Nominee Director Address: 604 NW, 2 nd Street, Bentonville, Arkansas, 72712-5115, USA Occupation: Service Term: With effect from January 24, 2024, liable to retire by rotation Period of directorship: Director since January 24, 2024 DIN: 10464085 Date of birth: September 5, 1970	55	Indian companies: <i>Listed companies</i> Nil <i>Unlisted companies</i> Nil Foreign entities: <i>Listed entities</i> - Microsoft Corporation (USA) <i>Unlisted entities</i> - RNBW Ventures Inc. (USA)
6.	Leigh Douglas Hopkins[#] Designation: Non-Executive Nominee Director Address: 1255 W Lakeridge Drive, Fayetteville, Arkansas 72703-2031, USA Occupation: Service	58	Indian companies: <i>Listed companies</i> Nil <i>Unlisted companies</i> 63Ideas Infolabs Private Limited

Sr. No.	Name, designation, address, occupation, term, period of directorship, DIN, date of birth	Age (years)	Other directorships
	Term: With effect from January 6, 2023, liable to retire by rotation Period of directorship: Director since January 6, 2023 DIN: 09002888 Date of birth: January 4, 1968		Foreign entities: <i>Listed entities</i> Nil <i>Unlisted entities</i> TheatreSquared* (USA)
7.	Rachel Lee Brand^{#5} Designation: Non-Executive Nominee Director (Additional) Address: 6718 Lucy LN, McLean, Virginia 22101-1516, USA Occupation: Professional Term: With effect from January 14, 2026, liable to retire by rotation Period of directorship: Director since January 14, 2026 DIN: 11378047 Date of birth: May 1, 1973	52	Indian companies: <i>Listed companies</i> Nil <i>Unlisted companies</i> Nil Foreign entities: <i>Listed entities</i> - Wal-Mart de Mexico, S.A.B. de C.V. (Mexico) <i>Unlisted entities</i> - Wal-Mart Foundation* (USA) - National Constitution Center*[^] (USA)
8.	Manish Sabharwal Designation: Non-Executive Independent Director Address: Dachigam, 11/2B Yemalur Kempapura Main Road, next to Neev Academy, Yemalur, Bengaluru 560 037, Karnataka, India Occupation: Entrepreneur Term: Period of five years with effect from November 21, 2024 Period of directorship: Director since November 21, 2024 DIN: 00969601 Date of birth: December 29, 1969	56	Indian companies: <i>Listed companies</i> - Teamlease Services Limited <i>Unlisted companies</i> - Dihea Products India Private Limited - Gaja Alternative Asset Management Limited - Lupin Ventures Private Limited Foreign entities: <i>Listed entities</i> Nil <i>Unlisted entities</i> - Global Crossover Ventures Pte. Ltd. (Singapore) - HR Offshoring Ventures Pte. Ltd. (Singapore)
9.	Tarun Bajaj Designation: Non-Executive Independent Director	63	Indian companies: <i>Listed companies</i> Bajaj Finance Limited

Sr. No.	Name, designation, address, occupation, term, period of directorship, DIN, date of birth	Age (years)	Other directorships
	Address: Bungalow No. 38, New Moti Bagh, New Delhi 110 021, India Occupation: Consultant Term: Period of five years with effect from January 24, 2024 Period of directorship: Director since January 24, 2024 DIN: 02026219 Date of birth: November 9, 1962		- Hindustan Unilever Limited - Tech Mahindra Limited - The Tata Power Company Limited <i>Unlisted companies</i> Nil Foreign entities: <i>Listed entities</i> Nil <i>Unlisted entities</i> Nil
10.	Zarin Bomi Daruwala Designation: Non-Executive Independent Director Address: Ashok Tower, B Wing, Flat 1907/1908, Dr. S. S. Rao Road, Parel, Mumbai 400 012, Maharashtra, India Occupation: Consultant Term: Period of five years with effect from May 23, 2025 Period of directorship: Director since May 23, 2025 DIN: 00034655 Date of birth: February 5, 1965	60	Indian companies: <i>Listed companies</i> Nil <i>Unlisted companies</i> - PL Capital Markets Private Limited - PL Wealth Private Limited Foreign entities: <i>Listed entities</i> Nil <i>Unlisted entities</i> Nil

[#] Nominee of WM Digital Commerce Holdings Pte. Ltd.

^{*} Not-for-profit organisation.

[^] Rachel Lee Brand is on the board of trustees of the organisation.

^{\$} She will be regularised at the ensuing general meeting

Brief Biographies of Directors

Rohit Bhagat is the Chairperson of the Board and Non-Executive Independent Director of our Company. He holds a bachelor's degree of technology in mechanical engineering from the Indian Institute of Technology, Delhi, master's degree of science in engineering from the University of Texas, Austin, master's degree in management from the Kellogg School, Northwestern University, USA and has completed the Stanford Directors' Consortium Executive Program. He has over 15 years of experience and was previously associated with Axis Bank Limited as an independent director, BlackRock as chairman of the Asia Pacific region, Barclays Global Investors as chief operating officer, and with the Boston Consulting Group.

Sameer Nigam is the Founder, Whole-time Director and the Chief Executive Officer of our Company. Over the past decade, he has led PhonePe's journey in building and scaling its digital payments business, and is now driving diversification into multiple other consumer tech sectors (Share.Market and Indus Appstore). He has over 23 years of experience and before founding our Company, he served as senior vice president, engineering, and vice president, digital business, at Flipkart Internet Private Limited. His journey at Flipkart Internet Private Limited started in 2011 when the company acquired his first venture – Malls Inc. (Mime360). He holds a Master's degree in Business Administration from the Wharton Business School (University of Pennsylvania), USA, and a Master's Degree in Computer Science from the University of Arizona, Tucson, USA. He received the 'The Fintech Person of the Year – India' award at the Global Fintech Festival, 2024 and the 'EY Entrepreneur of the Year 2024 India' award in the business transformation category.

Rahul Chari is the Founder, Whole-time Director and the Chief Technology Officer of our Company. He has spearheaded the technology strategy of the group, building a robust and highly scalable platform. On the back of this extensible architecture, PhonePe Group is now expanding into multiple consumer tech sectors including Share.Market and Indus Appstore, with Rahul continuing to play a pivotal role in the Company's technological evolution. He has over 24 years of experience and prior to joining the Company, he was associated with Flipkart Internet Private Limited as vice president of engineering, and earlier co-founded Mellers Inc. ("Mime360"), a digital media distribution platform. In addition, his career of two plus decades in technology includes engineering roles at technology firms like Cisco Systems (India) Private Limited, Cisco Systems Inc. and Andiamo Systems Inc., where he has filed for multiple patents in the storage area networking space. He holds a master's degree in science from the Purdue University, USA and a bachelor's degree in computer engineering from Sardar Patel College of Engineering, University of Mumbai. He was honoured at India's CTO Excellence Awards 2024 organised by YourStory.

Donna Catherine Morris is a Non-Executive Director of our Company and a nominee of WM Digital Commerce Holdings Pte. Ltd. on our Board. She holds a bachelor's degree of arts in political science from the Carleton University, Canada. She holds a certificate of professional membership with the Human Resources Professionals Association of Ontario and has been entitled as certified human resource executive by virtue of her membership. She has over 23 years of experience and was on the board of directors of the Society for Human Resource Management, USA and is a fellow of the National Academy of Human Resources. She is on the board of trustees at Fordham University in New York, USA and on the board of directors at Crystal Bridges – Museum of American Art, USA. She was previously associated with Adobe Inc. as chief human resources officer and executive vice president of employee experience and is currently associated with Walmart Inc. as executive vice president – global people and chief people officer. She has received awards such as, being named in Forbes Future of Work 50 list in 2022, Mass Market Retailing's "Most Influential Women" in 2024, and a Top 100 HR Tech influencer by Human Resource Executive in 2022.

John David Rainey JR is a Non-Executive Director of our Company and a nominee of WM Digital Commerce Holdings Pte. Ltd. on our Board. He holds a bachelor's degree in business administration from the School of Business, Baylor University, Texas, USA and a master's degree in business administration from Graduate School, Baylor University, Texas, USA. He has over 28 years of experience and was previously associated as chief financial officer and executive vice president – global customer operations at PayPal Holdings, Inc., executive vice president and chief financial officer of United Continental Holdings, Inc., and is currently associated with Walmart Inc. as executive vice president and chief financial officer.

Rachel Lee Brand is a Non-Executive Nominee Director (Additional) of our Company and a nominee of WM Digital Commerce Holdings Pte. Ltd. on our Board. She holds a juris doctor from Harvard Law School. She has over 23 years of experience and is currently associated with Walmart Inc. as executive vice president of global governance, chief legal officer, and corporate secretary. Prior to this, she served in the U.S. Department of Justice as the Associate Attorney General, and previously the Assistant Attorney General for the Office of Legal Policy. Also in the U.S. government, she served as an Associate Counsel to the President at the White House and as a Member of the U.S. Privacy and Civil Liberties Oversight Board. She served as a law clerk to Justice Anthony Kennedy on the Supreme Court of the United States and Justice Charles Fried on the Supreme Judicial Court of Massachusetts. In the private sector, she was a lawyer at the law firms of Cooper & Kirk, PLLC and Wilmer Cutler Pickering Hale and Dorr LLP in Washington, D.C. and served as the vice president and chief counsel for regulatory litigation at the U.S. Chamber of Commerce. She also serves on the board of directors of Wal-Mart de Mexico S.A.B. de C.V.

Leigh Douglas Hopkins is a Non-Executive Director of our Company and a nominee of WM Digital Commerce Holdings Pte. Ltd. on our Board. He holds a master of arts from Wadham College, University of Oxford. He has over 15 years of retail experience and was previously associated with Walmart Inc. as executive vice president – international strategy & development.

Manish Sabharwal is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Delhi and a master's degree in business administration from the Wharton Business School, University of Pennsylvania. He has over 26 years of experience and was previously associated with the board of the RBI as an independent director and is currently associated with Teamlease Services Limited as vice chairman, with the Comptroller and Auditor General of India as a member of the advisory board, with National Council of Applied Economic Research as a governing board member, and with New India Foundation as a managing trustee.

Tarun Bajaj is a Non-Executive Independent Director of our Company. He is a fellow member of the Council of Chartered Financial Analysts. He holds a bachelor's degree in commerce from the University of Delhi, New Delhi, and a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has over 34 years of experience and was previously associated with the Department of Revenue and Department of Economic Affairs, Ministry of Finance of the Government of India as Secretary, with National Investment and Infrastructure Fund as director and with the RBI, SEBI, SIDBI, Bank of Maharashtra, Bank of India, General Insurance Corporation Limited, New India Assurance Company Limited and United India Insurance Company Limited as their board member respectively. He is currently associated with Tech Mahindra Limited, Bajaj Finance Limited, The Tata Power Company Limited and Hindustan Unilever Limited as an independent director.

Zarin Bomi Daruwala is a Non-Executive Independent Director of our Company. She is a fellow member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. She has over 36 years of experience and was previously associated with ICICI Bank Limited as president and Standard Chartered Bank as chief executive officer – India and South Asia. She is currently associated with Prabhudas Lilladher Advisory Services Limited as the chief executive officer. She has received awards such as 100 Top Most Influential BFSI Leaders, Ladies' Wing IMC Award for Outstanding Contribution in Banking and Financial Services 2018, multiple Business Today 'Most Powerful Women in Indian Business' awards, and the 'Banking CEO of the Year' award by The European.

Relationship between our Directors, Key Managerial Personnel and Senior Management

None of our Directors are related to each other or any other Key Managerial Personnel and Senior Management in our Company.

Confirmations

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this Updated Draft Red Herring Prospectus - I, whose shares have been or were suspended from being traded on any of the stock exchanges during their directorship in such companies.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

None of our Directors have been declared as Wilful Defaulters or as Fraudulent Borrowers.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

In the ordinary course of business of our Company, there are no conflict of interests between, any suppliers of raw materials and the third-party service providers (which are crucial for operations of our Company) and our Directors.

In the ordinary course of business of our Company, there are no conflict of interests between, any lessor of any immovable properties (which are crucial for operations of our Company) and our Directors.

Arrangements or understandings of Directors with major shareholders, customers, suppliers or others

Except for Rahul Chari, Sameer Nigam, and nominee directors of WM Digital Commerce Holdings Pte. Ltd., namely, Donna Catherine Morris, John David Rainey JR, Leigh Douglas Hopkins and Rachel Lee Brand, each appointed in terms of the Shareholders' Agreement, none of our Directors have any arrangements or understandings with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors are appointed on the Board or as a member of senior management. For further details in relation to the Shareholders' Agreement, see "*History and Certain Corporate Matters – Details of Shareholders' agreements and other agreements*" on page 267.

Terms of appointment of our Whole-time Directors

Sameer Nigam

Pursuant to the resolution passed by our Board dated March 6, 2024, Sameer Nigam was appointed as Chief Executive Officer. Additionally, he was re-appointed as a Whole-time Director for a period of five years, with effect from April 1, 2024.

The details of remuneration and perquisites payable to Sameer Nigam, for a period of three years with effect from May 1, 2025, during the term of his office as Whole-time Director and Chief Executive Officer, as approved by our Board pursuant to the resolution passed on August 7, 2025, and a resolution dated August 18, 2025 passed by the Shareholders, read in consonance with the service agreement dated October 5, 2020, along with its amendment dated June 5, 2023, entered into between our Company and Sameer Nigam, are as follows:

Particulars	Remuneration
Gross salary (excluding perquisites and other entitlements set out below)	₹ 27,500,000 per annum and an annual inflation-based hike.
Perquisites including stock options	(i) Entitled to perquisites in accordance with the Company's policies. (ii) Existing employee stock options granted and vested. (iii) Any stock options which would be granted to the Whole-time Directors in the future till April 30, 2028.
Other allowances and benefits	As may be applicable under the Company's policies, as amended from time to time.
Reimbursements	Reimbursements of all travelling and other out-of-pocket expenses necessarily incurred in the performance of his duties and responsibilities.

Subject to applicable law, the remuneration payable to and perquisites payable to Sameer Nigam, for a period of three years with effect from April 1, 2026 is as set out below, in accordance with Board resolution dated August 26, 2025 and the Shareholders' approval in the general meeting dated August 29, 2025, read in consonance with the service agreement dated October 5, 2020, along with its amendment dated June 5, 2023, entered into between our Company and Sameer Nigam, are as follows:

Particulars	Remuneration
Gross salary excluding perquisites and other entitlements set out below	₹ 43,305,000 per annum (which is equivalent to USD 500,000 and will consider/be modified for any fluctuation in the foreign exchange rate) and an annual 5% increment on the overall gross salary. Exchange rate: 1 USD = ₹ 86.61
Perquisites including stock options	A. Stock options: (i) 22,651,910*, including granted and vested and to be vested employee stock options; and (ii) Additional options as approved by the NRC/Board under the PFSOP 2025 or any future stock option schemes subject to the approval of the Members of the Company. B. Other perquisites such as contribution to provident fund, superannuation or gratuity or annuity fund or leave encashment, as applicable as per the Company's policies.
Other allowances and benefits	As may be applicable under the Company's policies, as amended from time to time.
Reimbursements	Reimbursements of all travelling and other out-of-pocket expenses incurred in performance of his duties and responsibilities.

* As on the date of this Updated Draft Red Herring Prospectus - I, out of 22,651,910 stock options, 21,603,410 stock options are exercised and the remaining stock options are granted.

Rahul Chari

Pursuant to the resolutions passed by our Board dated March 6, 2024, Rahul Chari has been re-appointed as the Whole-time Director of our Company for a period of five years, with effect April 1, 2024.

The details of remuneration and perquisites payable to Rahul Chari, for a period of three years with effect from May 1, 2025, during the term of his office as Whole-time Director, as approved by our Board pursuant to the resolution passed on August 7, 2025, and a resolution dated August 18, 2025 passed by the Shareholders, read in consonance with the service agreement dated October 5, 2020, along with its amendment dated June 5, 2023, entered into between our Company and Rahul Chari, are as follows:

Particulars	Remuneration
Gross salary (excluding perquisites and other entitlements set out below)	₹ 27,500,000 per annum and an annual inflation-based hike.
Perquisites including stock options	(i) Entitled to perquisites in accordance with the Company's policies. (ii) Existing employee stock options granted and vested. (iii) Any stock options which would be granted to the Whole-time Directors in the future till April 30, 2028.
Other allowances and benefits	As may be applicable under the Company's policies, as amended from time to time.
Reimbursements	Reimbursements of all travelling and other out-of-pocket expenses necessarily incurred in the performance of his duties and responsibilities.

Subject to applicable law, the remuneration payable to and perquisites payable to Rahul Chari, for a period of three years with effect from April 1, 2026 is as set out below, in accordance with Board resolution dated August 26, 2025 and the Shareholders' approval in the general meeting dated August 29, 2025, read in consonance with the service agreement dated October 5, 2020, along with its amendment dated June 5, 2023, entered into between our Company and Rahul Chari, are as follows:

Particulars	Remuneration
Gross salary excluding perquisites and other entitlements set out below	₹ 43,305,000 per annum (which is equivalent to USD 500,000 and will consider/be modified for any fluctuation in the foreign exchange rate) and an annual 5% increment on the overall gross salary. Exchange rate: 1 USD = ₹ 86.61
Perquisites including stock options	A. Stock options: (i) 22,651,910*, including granted and vested and to be vested employee stock options; and (ii) Additional options as approved by the NRC/Board under the PFSOP 2025 or any future stock option schemes subject to the approval of the Members of the Company. B. Other perquisites such as contribution to provident fund, superannuation or gratuity or annuity fund or leave encashment, as applicable as per the Company's policies.
Other allowances and benefits	As may be applicable under the Company's policies, as amended from time to time.
Reimbursements	Reimbursements of all travelling and other out-of-pocket expenses incurred in performance of his duties and responsibilities.

* As on the date of this Updated Draft Red Herring Prospectus - I, out of 22,651,910 stock options, 21,603,410 stock options are exercised and the remaining stock options are granted.

Furthermore, in addition to their respective remuneration, each of them is eligible for profit-linked commission (in the event Company attains profitability), any other allowances and sitting fees for the Board and committee meetings in accordance with applicable provisions of Companies Act.

Remuneration to our Whole-time Directors

Details of the remuneration paid to our Whole-time Directors in Fiscal Year 2025 are set forth below:

S. No.	Name of the Whole-time Director	Remuneration (in ₹ million)
1.	Sameer Nigam	26.01
2.	Rahul Chari	26.01

Remuneration to our Non-Executive Directors

Except for Rohit Bhagat who was paid remuneration in Fiscal Year 2025 as a non-executive nominee director of our Company, none of our Non-Executive Nominee Directors were paid any remuneration in Fiscal Year 2025.

As on the date of this Updated Draft Red Herring Prospectus - I, our Non-Executive Nominee Directors are not entitled to any remuneration.

Remuneration to our Non-Executive Independent Directors

Rohit Bhagat

Pursuant to Section 197 of the Companies Act, 2013, and the rules made thereunder along with Schedule V of the Companies Act, 2013 and the resolutions passed by our Board and Shareholders on April 30, 2025 and June 5, 2025, respectively, Rohit Bhagat is entitled to receive remuneration of ₹22.00 million per annum.

Further, pursuant to resolution passed by our Board on August 26, 2025 and a resolution dated August 29, 2025 passed by the Shareholders, an additional remuneration of ₹ 63.75 million, subject to applicable taxes, is being paid to Rohit Bhagat as an Independent Director and Chairperson of the Board, for the period starting from May 15, 2025 till the consummation of the IPO, in tranches and in any event not exceeding a period of three years from May 15, 2025, in the following manner:

- (i) ₹ 31,875,000 post Shareholders' approval in the general meeting dated August 29, 2025, for payment of such remuneration; and
- (ii) ₹ 6,375,000 per month thereafter for 5 months.

Manish Sabharwal

Pursuant to Section 197 of the Companies Act, 2013, and the rules made thereunder along with Schedule V of the Companies Act, 2013 and the resolutions passed by our Board and Shareholders on November 21, 2024 and March 31, 2025, respectively, Manish Sabharwal is entitled to receive remuneration of ₹12.00 million per annum.

Tarun Bajaj

Pursuant to Section 197 of the Companies Act, 2013, and the rules made thereunder along with Schedule V of the Companies Act, 2013 and the resolutions passed by our Board and Shareholders on March 11, 2025 and March 31, 2025, respectively, Tarun Bajaj is entitled to receive remuneration of ₹11.50 million per annum.

Zarin Bomi Daruwala

Pursuant to Section 197 of the Companies Act, 2013, and the rules made thereunder along with Schedule V of the Companies Act, 2013 and the resolutions passed by our Board and Shareholders on May 23, 2025 and June 5, 2025, respectively, Zarin Bomi Daruwala is entitled to receive remuneration of ₹10.00 million per annum along with additional allowance of ₹1.50 million each per annum as chair of each of the committees of the Board to which she may be or is appointed by the Board.

Further, pursuant to resolutions passed by our Board and Shareholders on August 7, 2025, and August 18, 2025, respectively, each of our Non-Executive Independent Directors are entitled to aforementioned remuneration for a period of three years from their respective dates of appointment.

Furthermore, in addition to their respective remuneration, each of them is eligible for profit-linked commission (in the event Company attains profitability), any other allowances and sitting fees for the Board and committee meetings in accordance with applicable provisions of Companies Act.

The details of remuneration paid to our Non-Executive Independent Directors by our Company during Fiscal Year 2025 are as follows:

Sr. No.	Name of Director	Remuneration (₹ in million)
1.	Manish Sabharwal	4.34
2.	Rohit Bhagat [^]	20.99
3.	Tarun Bajaj	10.43
4.	Zarin Bomi Daruwala [*]	—

^{*}Appointed post Fiscal Year 2025, therefore was not paid remuneration in Fiscal Year 2025.

[^]Remuneration to Rohit Bhagat in Fiscal Year 2025 was paid as a non-executive nominee director.

Remuneration paid or payable to our Directors by our Subsidiaries and/or Associate

None of our Directors have been paid any remuneration by our Subsidiaries or Associate, including contingent or deferred compensation accrued for the Fiscal Year 2025.

Contingent or deferred compensation paid to Directors by our Company

There is no contingent or deferred compensation accrued for Fiscal Year 2025 or payable to any of our Directors by our Company.

Bonus or profit-sharing plan of our Directors

None of our Directors are entitled to any bonus or profit-sharing plans of our Company.

Service agreements with Directors

Except for Rahul Chari and Sameer Nigam, each of whom has entered into a service agreements with our Company each dated October 5, 2020, along with its amendments each dated June 5, 2023, which *inter alia* provide for certain benefits upon termination of their employment, none of our Directors have entered into service agreements with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Shareholding of our Directors in our Company

Our Directors are not required to hold any qualification Equity Shares under our Articles of Association.

Except as disclosed in “*Capital Structure – Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company*” on page 127, none of our Directors hold any Equity Shares in our Company as on the date of this Updated Draft Red Herring Prospectus - I.

Shareholding of Directors in our Subsidiaries

Except as disclosed in “*History and Certain Corporate Matters – Our Subsidiaries, Associate and joint ventures*” on page 260, none of our Directors hold any shares in the Subsidiaries of our Company.

Interest of Directors

Our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company under our Articles of Association and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. For further details, see “*Other Financial Information – Related Party Transactions*” on page 383.

Certain of our Directors may also be deemed to be interested to the extent of Equity Shares, if any (together with dividends and other distributions in respect of such Equity Shares), held by them. Certain of our Directors may also be deemed to be interested to the extent of stock options granted pursuant to PhonePe Award Schemes and PFSOP 2025, as applicable. For details, see “*Capital Structure – Employee Stock Options Schemes of our Company*” on page 128.

Certain of our Directors may also be deemed to be interested to the extent of any equity shares held by them (as nominee of our Company) in certain of our Subsidiaries. For further details, see “*History and Certain Corporate Matters – Our Subsidiaries, Associate and joint ventures*” on page 260.

Our Company has not acquired any property, nor proposes to acquire property as on the date of filing of this Updated Draft Red Herring Prospectus - I. Accordingly, none of our Directors have any interest in any property acquired or proposed to be acquired by our Company.

While Sameer Nigam and Rahul Chari, are the Founders of our Company, none of our Directors have any interest in the promotion or formation of our Company.

Except as stated in “*Other Financial Information – Related Party Transactions*” on page 383, no amount or benefit has been paid or given within the two years preceding the date of filing of this Updated Draft Red Herring Prospectus - I or is intended to be paid or given to any of our Directors.

Except as disclosed in this Updated Draft Red Herring Prospectus - I, none of our Directors have any other interest in our Company or in any transaction by our Company including for construction of buildings or supply of machinery, if any.

None of our Directors have availed loans from our Company.

Changes in the Board in the last three years

Details of the changes in our Board in the last three years preceding the date of this Updated Draft Red Herring Prospectus - I are set forth below:

Name	Date of appointment/ change/ cessation	Reason
Rachel Lee Brand	January 14, 2026	Appointment as a Non-Executive Nominee Director (Additional)
Zarin Bomi Daruwala	May 23, 2025	Appointment as Non-Executive Independent Director
Rohit Bhagat	May 15, 2025	Appointment as Non-Executive Independent Director
Rohit Bhagat	May 15, 2025	Cessation as non-executive nominee director due to withdrawal of nomination
Manish Sabharwal	November 21, 2024	Appointment as Non-Executive Independent Director
Binny Bansal	November 12, 2024	Resignation as non-executive nominee director due to personal reasons
Judith Jane McKenna	January 31, 2024	Resignation as non-executive nominee director due to retirement
Tarun Bajaj	January 24, 2024	Appointment as Non-Executive Independent Director
Donna Catherine Morris	January 24, 2024	Appointment as Non-Executive Nominee Director
John David Rainey JR	January 24, 2024	Appointment as Non-Executive Nominee Director

Note: The table above does not include regularization and re-appointments of directors retiring by rotation.

Borrowing powers of our Board of Directors

Pursuant to a resolution passed by our Board in its meeting dated August 7, 2025 and resolution passed by Shareholders' in its meeting dated August 18, 2025, our Board is authorized to borrow from time to time as they may deem fit, any sum or sums of money up to ₹ 200,000 million on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of such security interest (including but not limited to) mortgages, hypothecation and pledge in addition to the existing charges, both present and future, or otherwise in any way whatsoever, on, over or in any respect of all, or any of the company's assets and effects or properties whether movable or immovable or stock in process and debts and advances, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining undischarged at any given point of time, exceeds the aggregate, for the time being, of the paid-up share capital, free reserves, that is to say, reserves not set apart for any specific purpose, and securities premium.

Corporate governance

We are in compliance with the requirements of the applicable provisions of the SEBI Listing Regulations, and the Companies Act, in respect of corporate governance including constitution of our Board and committees thereof and formulation and adoption of policies. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

As on the date of this Updated Draft Red Herring Prospectus - I, our Board comprises 10 Directors including two Whole-time Directors, eight Non-Executive Directors, of whom four are Non-Executive Independent Directors (including one woman Independent Director) and four are Non-Executive Nominee Directors. In compliance with Section 152 of the Companies Act, not less than two-thirds of the Directors (excluding Non-Executive Independent Directors) are liable to retire by rotation.

Committees of the Board

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. The Board of Directors functions either as a full board, or through various committees constituted to oversee specific operational areas. In addition to the Committees described below, our Board of Directors may, from time to time, constitute Committees for various functions.

Details of the Committees as on the date of this Updated Draft Red Herring Prospectus - I are set forth below:

Audit Committee

The members of the Audit Committee are:

Sr. No.	Name of Director	Board Designation	Committee Designation
1.	Manish Sabharwal	Non-Executive Independent Director	Chairperson
2.	John David Rainey JR [#]	Non-Executive Nominee Director	Member
3.	Rohit Bhagat	Chairperson of the Board and Non-Executive Independent Director	Member

[#] Nominee of WM Digital Commerce Holdings Pte. Ltd.

The Audit Committee was constituted at a meeting of our Board held on December 23, 2022, with effect from January 6, 2023. This committee was last re-constituted by way of resolution passed by our Board dated July 7, 2025. The scope and functions of the Audit Committee is in accordance with the Section 177 of the Companies Act and Regulation 18 and Part C of Schedule II of the SEBI Listing Regulations and its scope and terms of reference as stipulated pursuant to a resolution dated August 7, 2025 passed by our Board are set forth below:

- (a) The Audit committee shall mandatorily review the following information:
- (i) Management discussion and analysis of financial condition and results of operations;
 - (ii) Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - (iii) Internal audit reports relating to internal control weaknesses;
 - (iv) The appointment, removal and terms of remuneration of the chief internal auditor; and
 - (v) Statement of deviations:

- a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”);
 - b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations
- (b) Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (c) Review with the management, the annual financial statements and auditor’s report thereon before submission to the Board for approval, with particular reference to:
 - i. matters required to be included in the director’s responsibility statement to be included in the board’s report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - ii. changes, if any, in accounting policies and practices and reasons for the same;
 - iii. major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. significant adjustments made in the financial statements arising out of audit findings;
 - v. compliance with listing and other legal requirements relating to financial statements;
 - vi. disclosure of any related party transactions;
 - vii. modified opinion(s) in the draft audit report;
- (d) Review with the management, the quarterly financial statements before submission to the Board for approval;
- (e) Review with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc, if applicable.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus /notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutional placement, and making appropriate recommendations to the Board to take steps in this matter;
- (f) Scrutiny of inter-corporate loans and investments;
- (g) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (h) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- (i) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (j) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (k) Reviewing and monitoring the auditor’s independence and performance and effectiveness of audit process;
- (l) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (m) Consider the effectiveness of the Company’s internal control system;
- (n) Review with the management, the performance of statutory and internal auditors; adequacy of the internal control systems;
- (o) Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- (p) Discussion with internal auditors of any significant findings and follow up there on;
- (q) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (r) Evaluation of internal financial controls and risk management systems. Risk Management Systems may also be evaluated by the Risk Management Committee;
- (s) All related party transactions and subsequent modifications (including material modifications which shall be defined by the Committee and disclosed as a part of the policy on materiality of related party transactions and on dealing with related party transactions) shall require prior approval of the Audit Committee of the Company in the manner prescribed.

Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Company, subject to such conditions as may be prescribed.

Provided that only those members of the Audit Committee, who are independent directors, shall approve related party transactions (after listing subject to the applicable law).

- (t) Frame and review the Code of Conduct for Prohibition of Insider Trading and any other policies in relation to the said code;
- (u) Supervise the implementation of the aforementioned code and monitor and review the compliances mentioned therein;
- (v) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (w) To review the functioning and to oversee the whistle blower/vigil mechanism. Further, the Company to ensure that access is provided to the Chair of the Audit Committee to hear grievances of victimization of employees and Directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- (x) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (y) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- (z) Review of audit notes/reports under Master directions/guidelines issued by the Reserve Bank of India, as may be needed;
- (aa) Approval of the Key Performance Indicators required to be disclosed in the offer document and subsequent reviews of KPI as may be applicable;
- (bb) Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- (cc) Perform other activities related to this charter as may be advised by the Board from time to time;
- (dd) Recommend the removal of the auditors to the Board and Shareholders for approval;
- (ee) Consider the effectiveness of the Company's information technology security and IT general control;
- (ff) Approval of governance policies related to the Financial Delegation of Authority of the Company, Treasury, Tax policy adoption, etc;
- (gg) Review litigations that could have a significant impact on the organization's financial statements;
- (hh) Consider, review and decide to liquidate and/or dissolve entities that are no longer required provided that there is no negative impact (other than in an immaterial respect) to the Company; and
- (ii) The role and responsibilities of the Audit Committee shall include such other items as may be prescribed by applicable law or the Board in compliance with applicable law, from time to time.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

Sr. No.	Name of Director	Board Designation	Committee Designation
1.	Zarin Bomi Daruwala	Non-Executive Independent Director	Chairperson
2.	Donna Catherine Morris [#]	Non-Executive Nominee Director	Member
3.	Rohit Bhagat	Chairperson of the Board and Non-Executive Independent Director	Member

[#] Nominee of WM Digital Commerce Holdings Pte. Ltd.

The Compensation and Nomination Committee was constituted at a meeting of our Board held on December 23, 2022, with effect from January 6, 2023. The nomenclature of this committee was changed to Nomination and Remuneration Committee at a meeting of our Board held on December 4, 2023. The Nomination and Remuneration Committee was last re-constituted by way of resolution passed by our Board dated July 7, 2025. The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act and Regulation 19 and Part D of Schedule II of the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated September 12, 2025 passed by our Board are set forth below:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees and ensure that while formulating the policy:
 - i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - iii. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- (b) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - i. use the services of external agencies, if required;
 - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - iii. consider the time commitments of the candidates.
- (c) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (d) Devising a policy on diversity of board of directors;
- (e) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- (f) To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (g) Recommend to the board, all remuneration, in whatever form, payable to senior management;
- (h) To formulate, implement, oversee and administer the existing and proposed PhonePe Stock Option Scheme ("PSOP") and PhonePe Founder Stock Option Schemes or such other stock options agreements / share based benefit scheme/ equity incentive agreements as may be approved/implemented by the Company from time to time including with

respect to allocation, grant, vesting and exercise of Options but excluding with respect to rights and powers reserved for the Board;

- (i) To evaluate and make recommendations to the Board concerning any new stock option or equity incentive compensation plans proposed for or adopted by the Company.
- (j) To frame suitable policies and procedures to ensure compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended from time to time by the Company and its employees, as may be applicable;
- (k) Such other matter as may be specified by the Board from time to time; and
- (l) Any other matter as prescribed by the Companies Act, 2013 and rules made thereunder, and Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 or such other regulation prescribed by the SEBI from time to time.

Stakeholders Relationship Committee

The members of the Stakeholders Relationship Committee are:

Sr. No.	Name of Director	Board Designation	Committee Designation
1.	Zarin Bomi Daruwala	Non-Executive Independent Director	Chairperson
2.	Sameer Nigam	Whole-time Director and Chief Executive Officer	Member
3.	Leigh Douglas Hopkins [#]	Non-Executive Nominee Director	Member

[#] Nominee of WM Digital Commerce Holdings Pte. Ltd.

The Stakeholders Relationship Committee was constituted by a meeting of our Board on April 30, 2025. This committee was last re-constituted by way of resolution passed by our Board dated August 26, 2025. The scope and functions of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies Act and Regulation 20 and Part D of Schedule II of the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated April 30, 2025 passed by our Board, with effect from May 15, 2025, are set forth below:

- (a) Considering and resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- (b) Review of measures taken for effective exercise of voting rights by shareholders;
- (c) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- (d) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- (e) Resolving grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants (if applicable);
- (f) Such other matter as may be specified by the Board from time to time; and
- (g) Any other matter as prescribed by the Companies Act, 2013 and rules made thereunder, and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or such other regulation prescribed by the SEBI from time to time.

Risk Management Committee

The members of the Risk Management Committee are:

Sr. No.	Name of Director	Board Designation	Committee Designation
1.	Tarun Bajaj	Non-Executive Independent Director	Chairperson
2.	Leigh Douglas Hopkins [#]	Non-Executive Nominee Director	Member

Sr. No.	Name of Director	Board Designation	Committee Designation
3.	Rahul Chari	Whole-time Director and Chief Technology Officer	Member

[#] Nominee of WM Digital Commerce Holdings Pte. Ltd.

The Risk Management Committee was constituted with effect from December 4, 2023, by way of resolution passed by our Board on December 4, 2023. This committee was last re-constituted by way of resolution passed by our Board dated July 7, 2025. The scope and functions of the Risk Management Committee is in accordance with Regulation 21 and Part D of Schedule II of the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated April 30, 2025 and reconfirmed pursuant to resolution dated July 7, 2025 passed by our Board are set forth below:

- (a) To formulate a detailed Risk Management Policy which shall include:
 - i. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG-related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee.
 - ii. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - iii. Business continuity plan.
- (b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (c) To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems;
- (d) To periodically review the Risk Management Policy, at least once in two years (or any other shorter time period), including by considering the changing industry dynamics and evolving complexity;
- (e) To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;
- (f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- (g) Compliance monitoring:
 - i. Oversee ethics and compliance program with primary responsibility regarding the implementation and effectiveness of the Company's ethics and compliance programs;
 - ii. Review and advise with respect to company policies, processes and procedures, compliance with applicable laws and regulations and the Code of Conduct, and instances of non-compliance therewith;
 - iii. Determine whether the company has dedicated oversight, autonomy, and resources for its anti-corruption compliance program;
 - iv. Review the effectiveness of the system for monitoring compliance with laws and regulations;
 - v. Review anti-corruption non-compliance, significant violations of code of conduct or senior executives and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance; and
 - vi. Seek information from any employee.
- (h) Legal and Compliance with Regulatory licenses: To review compliance with regulatory licenses, key legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations, inquiries received from regulators or governmental agencies;

Key legal matters that could have a material impact on the organization's financial statements may also be placed before the Audit Committee.
- (i) Review the programs and policies in place to prevent and identify fraud.

- (j) The role and responsibilities of the Risk Management Committee shall include such other items as may be prescribed by applicable law or the Board in compliance with applicable law, from time to time.
- (k) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors; and
- (l) The Risk Management Committee may form and delegate authority to subcommittees when appropriate.

In addition to the above, our Company has also constituted an IPO Committee at a meeting of our Board held on August 26, 2025. The members of the IPO Committee are:

Sr. No.	Name of Director	Board Designation	Committee Designation
1.	Rohit Bhagat	Non-Executive Independent Director	Chairperson
2.	Leigh Douglas Hopkins [#]	Non-Executive Nominee Director	Member
3.	Sameer Nigam	Whole-time Director and Chief Executive Officer	Member

[#] Nominee of WM Digital Commerce Holdings Pte. Ltd.

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Management Organization Chart

Board of Directors



Rohit Bhagat
Chairperson of the Board
&
Non-Executive
Independent Director



Sameer Nigam
Whole-time
Director & Chief
Executive Officer



Rahul Chari
Whole-time Director
& Chief Technology
Officer



Manish Sabharwal
Non-Executive
Independent
Director



Tarun Bajaj
Non-Executive
Independent
Director



Zarin Daruwala
Non-Executive
Independent
Director



**Donna Catherine
Morris**
Non-Executive
Nominee Director



**Leigh Douglas
Hopkins**
Non-Executive
Nominee Director



**John David
Rainey JR**
Non-Executive
Nominee Director



Rachel Lee Brand
Non-Executive
Nominee Director
(Additional)

Highly Tenured Leadership Team with Strong Focus on Organisational Culture and Governance

Founders



Sameer Nigam
Whole-time Director &
Chief Executive Officer



Rahul Chari
Whole-time Director &
Chief Technology Officer

KMPs



Adarsh Nahata
Chief Financial
Officer



Ankit Gunvantrai Popat
Company Secretary &
Compliance Officer

SMPs



Hemant Manilal Gala
CEO, Lending Business



Karthik Raghupathy
VP, Corporate Strategy &
Head of Investor Relations



Sonika Chandra
CBO, Consumer
Payments Business



Vivek Lohcheb
CEO, Pincode Shopping
Solutions Pvt. Ltd.



**Yuvraj Singh
Shekhawat**
CBO, Merchant Business

Note: CEO – Chief Executive Officer, CBO – Chief Business Officer and VP – Vice President

Key Managerial Personnel

In addition to Sameer Nigam, Whole-time Director and Chief Executive Officer, and Rahul Chari, Whole-time Director and Chief Technology Officer, of our Company, whose details are set out under “– *Brief biographies of Directors*” on page 274, the details of our other Key Managerial Personnel as on the date of this Updated Draft Red Herring Prospectus - I, are set forth below:

Adarsh Nahata is the Chief Financial Officer of our Company. He plays a pivotal role in driving the Company’s strategic direction, leading the finance organisation with key contributions to governance, compliance and business strategy. He has led the finance function from its inception, establishing a robust and agile finance organization aligned with the Company’s growth and strategic vision. He joined our Company on December 1, 2017. Prior to joining our Company, he worked at Flipkart India Private Limited, ITC Limited, Sterlite Industries (India) Limited, and Graphite India Limited. He has over 17 years of experience across finance, controllership, governance, and business strategy. He is also the recipient of the ‘Financial Express Visionary Leader 2024’ award, recognising his exemplary contribution to the financial dialogue. He is also a fellow member of the Institute of Chartered Accountants of India and the Council of Chartered Financial Analysts. He holds a master’s degree of science in finance from ICFAI University, Dehradun and a bachelor’s degree in commerce from University of Calcutta, West Bengal. During Fiscal Year 2025, he received a remuneration of ₹25.00 million (excluding perquisite related to employee stock options to the tune of ₹188.98 million) from our Company.

Ankit Gunvantrai Popat is the Company Secretary and Compliance Officer of our Company. He leads the mergers & acquisitions, governance, and secretarial functions within the legal team of our Company. Ankit oversees the governance framework, statutory compliances under the Companies Act and FEMA, and compliances under the shareholders agreement. He played a key role in our Company’s redomicile from Singapore to India and acquisition of entities such as Indus Appstore, Wealthdesk and OpenQ. He joined our Company on October 21, 2019. Prior to joining our Company, he was associated with Big Tree Entertainment Private limited (BookMyShow) and CLP India Private Limited. He has over 16 years of experience in managing the legal and secretarial portfolio. He holds a bachelor’s degree in law (General) from K.A. Pandhi Law College, Saurashtra University, Rajkot, and is an associate member of the Institute of Company Secretaries of India. During Fiscal Year 2025, he received a remuneration of ₹11.12 million (excluding perquisite related to employee stock options to the tune of ₹9.93 million) from our Company.

Senior Management

In addition to Adarsh Nahata, the Chief Financial Officer and Ankit Gunvantrai Popat, Company Secretary and Compliance Officer, whose details are provided in “– *Key Managerial Personnel*” on page 289, the details of our other Senior Management as on the date of this Updated Draft Red Herring Prospectus - I are set forth below:

Hemant Manilal Gala is the Chief Executive Officer of the Lending Business of our Company. He helped establish the payments business from its early stages and contributed to seeding the financial services businesses, including stock broking and insurance. In his current role, he is focused on building an organisation that creates solutions for millions of our consumers and merchants. He joined our Company on June 1, 2016. Prior to joining our Company, he was associated with Flipkart Internet Private Limited, ICICI Prudential Life Insurance Company Limited, ICICI Bank Limited, Hongkong and Shanghai Banking Corporation Limited, and Visa Consolidated Support Services (India) Private Limited. He has over 23 years of experience across banking, financial services, lending, payments, and insurance. Hemant holds a master’s degree in management studies from Narsee Monjee Institute of Management Studies, Mumbai and bachelor’s degree in commerce from University of Mumbai. During Fiscal Year 2025, he received a remuneration of ₹24.75 million (excluding perquisite related to employee stock options to the tune of ₹191.38 million) from PL SPL.

Karthik Raghupathy is the Vice President, Corporate Strategy & Head of Investor Relations of our Company. Over the last 8 years at our Company, Karthik has led the consumer payments business, consumer and merchant operations, as well as our analytics team. He joined our Company on January 4, 2018. Prior to joining our Company, Karthik was associated with United Overseas Bank Limited (Singapore), Standard Chartered Bank (Singapore), and McKinsey & Company (New York). He has over 16 years of experience in the fields of strategy, investor relations, planning and projects, and business development. Karthik holds a master’s degree in business administration from the Wharton School, University of Pennsylvania where he graduated with honors as a Palmer Scholar. He also holds a master’s degree in science from Cornell University and a bachelor’s degree in electrical engineering from the Indian Institute of Technology Madras, where he received the Siemen’s Prize and Philips India Prize in Electrical Engineering. During Fiscal Year 2025, he received a remuneration of ₹24.62 million (excluding perquisite related to employee stock options to the tune of ₹146.84 million) from our Company.

Sonika Chandra is the Chief Business Officer of the Consumer Payments Business of our Company. She has been associated with our Company since March 16, 2020. She heads our Company’s consumer platform growth strategy and overall consumer payments profit and loss responsibility. She has been focused on driving growth in the consumer platform and monetization in the payments business, which accounts for a majority of the company’s revenue to date. Under her leadership, the business has

diversified into new growth areas like travel and gold, and expanded beyond UPI to issue instruments like cards and full KYC wallets. Prior to our Company, she was associated with Visa Inc., and Western Union, LLC. She has over 10 years of experience in financial services and strategy. Sonika holds a master's degree in business administration from Wharton Business School (University of Pennsylvania), USA, and a post-graduate diploma in communication from Mudra Institute of Communications, Ahmedabad. During Fiscal Year 2025, she received a remuneration of ₹21.20 million (excluding perquisite related to employee stock options to the tune of ₹39.71 million) from our Company.

Vivek Lohcheb is the Chief Executive Officer of Pincode Shopping Solutions Private Limited. He was instrumental in setting up and scaling the offline merchant payments business as the vice president and head of offline merchant payments. He was also in charge of launching and scaling the smart speaker and electronic data capture devices for merchant payments. He joined our Company on January 22, 2018. Prior to joining our Company, he was associated with Protinus Infotech Private Limited as co-founder, Asian Paints Limited, Dell India Private Limited and Bharti Airtel Limited. He has over 18 years of experience in the field of sales and marketing. He holds a post-graduate diploma in management from the Indian Institute of Management, Bengaluru and a bachelor's degree in mechanical engineering from the Punjab Engineering College, Chandigarh. During Fiscal Year 2025, he received a remuneration of ₹23.50 million (excluding perquisite related to employee stock options to the tune of ₹119.01 million) from PSSPL.

Yuvraj Singh Shekhawat is the Chief Business Officer-Merchant Business of our Company. He has been involved in scaling up our merchant payments business since its inception. Over the last 8 years, he has held key leadership positions in the offline merchant business vertical and is currently responsible for building our business across both online and offline merchants. He joined our Company on April 18, 2017. Prior to joining our Company, he was associated with Flipkart India Private limited, Asian Paints Limited, Wipro Limited, and Flextronics Software Systems Limited. He has over 17 years of experience in the fields of business management, sales, distribution and technology. Yuvraj has completed his post-graduate diploma in management from Management Development Institute (MDI), Gurgaon and a bachelor's degree in technology in electronics and communication from Sikkim Manipal University, Gangtok. During Fiscal Year 2025, he received a remuneration of ₹19.00 million (excluding perquisite related to employee stock options to the tune of ₹56.19 million) from our Company.

Relationship between our Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel or Senior Management are related to each other.

Status of Key Managerial Personnel and Senior Management

Except for Hemant Manilal Gala and Vivek Lohcheb who are employees of our Subsidiaries PLSPL and PSSPL, respectively, our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Shareholding of Key Managerial Personnel and Senior Management

Except as disclosed in “*Capital Structure – Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company*” on page 127, none of our Key Managerial Personnel and Senior Management hold any Equity Shares in our Company.

Bonus or profit-sharing plans

None of our Key Managerial Personnel or Senior Management is entitled to any bonus or profit-sharing plans of our Company.

Interests of Key Managerial Personnel and Senior Management

The Key Managerial Personnel and Senior Management do not have any interests in our Company, other than (i) the remuneration or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business; (ii) the Equity Shares held by them, if any, and to the extent of any dividend payable and other distributions in respect of Equity Shares held by them in our Company; (iii) employee stock options held by them and the resultant shareholding from PSOP, PhonePe Award Schemes and PFSOP 2025, as applicable; and (iv) as provided in “*Other Financial Information – Related Party Transactions*” and “*Interests of Directors*” on pages 383 and 280, respectively.

In the ordinary course of business of our Company, there are no conflict of interests with any suppliers of raw materials and the third-party service providers (which are crucial for operations of our Company) and our Key Managerial Personnel and Senior Management.

In the ordinary course of business of our Company, there are no conflict of interests with, any lessor of any immovable properties (which are crucial for operations of our Company) and our Key Managerial Personnel and Senior Management.

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management

There is no contingent or deferred compensation payable to our Key Managerial Personnel or Senior Management or Directors, which does not form part of their remuneration.

Arrangements or understandings of Key Managerial Personnel or Senior Management with major shareholders, customers, suppliers or others

Except as disclosed in “*Arrangements or understandings of Directors with major shareholders, customers, suppliers or others*” on page 276, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel or Senior Management was selected as key managerial personnel or member of senior management.

Service Contracts with Key Managerial Personnel and Senior Management

Except as disclosed under “*Service agreements with Directors*” on page 279 and statutory entitlements for benefits upon termination of their employment in our Company or retirement, no Key Managerial Personnel and Senior Management has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Changes in Key Managerial Personnel and Senior Management

Except as disclosed below, there have been no changes in the Key Managerial Personnel or Senior Management in the last three years:

Name	Designation	Date of Appointment/ Change	Reason
Ankit Gunvantrai Popat	Company Secretary and Compliance Officer	April 30, 2025	Appointment as Compliance Officer
Rahul Chari	Whole-time Director and Chief Technology Officer	April 30, 2025	Identified as Key Managerial Personnel
Ankit Gunvantrai Popat	Company Secretary	September 18, 2024	Identified as Key Managerial Personnel
Adarsh Nahata	Chief Financial Officer	September 18, 2024	Appointed and identified as Key Managerial Personnel
Sameer Nigam	Whole-time Director and Chief Executive Officer	March 6, 2024 (with effect from April 1, 2024)	Appointment as Chief Executive Officer

Payment or benefit to Key Managerial Personnel and Senior Management

Except as disclosed below, no non-salary amount or benefit has been paid or given to any officer of our Company including Key Managerial Personnel or Senior Management, within the two years preceding the date of this Updated Draft Red Herring Prospectus - I or is intended to be paid or given, other than in the ordinary course of their employment or any employee stock options, for services rendered as officers of our Company.

Our Company has paid ₹752.03 million in Fiscal Year 2025 and ₹1,968.76 million in Fiscal Year 2024 in lieu of buy back of certain options held by our Key Managerial Personnel and Senior Management.

Employee Stock Options

For details of PSOP, PhonePe Award Schemes and PFSOP 2025, see “*Capital Structure – Employee stock options plans*” on page 128.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

WM Digital Commerce Holdings Pte. Ltd. and Wal-Mart International Holdings, Inc. are the Promoters of our Company.

As on the date of this Updated Draft Red Herring Prospectus - I, one of our Promoters, WM Digital Commerce Holdings Pte. Ltd. holds 371,517,890 Equity Shares of face value of ₹1 each in our Company, representing 71.77% of the pre-Offer, issued, subscribed and paid-up share capital of our Company on a fully diluted basis*. Further, Wal-Mart International Holdings, Inc. does not hold any Equity Shares in our Company as on the date of this Updated Draft Red Herring Prospectus - I.

*Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon exercise of vested options under the PSOP.

For further details of the build-up of the Promoters' shareholding in our Company, see "Capital Structure - History of Equity Share capital held by our Promoters - Build-up of Equity shareholding of Promoters in our Company" on page 124.

The details of our Promoters are provided below:

1. WM Digital Commerce Holdings Pte. Ltd. ("WM Digital")

Corporate information

WM Digital was originally formed or incorporated on May 14, 2018 as Fit Holdings SARL, and as on the date of this Updated Draft Red Herring Prospectus - I, it is registered as a private company limited by shares under the laws of Singapore with unique entity number 202513855H. Its registered office is located at 38 Beach Road #23-11, South Beach Tower, Singapore, 189767.

As on the date of this Updated Draft Red Herring Prospectus - I, the shares of WM Digital are not listed on any stock exchange.

Nature of business

As on the date of this Updated Draft Red Herring Prospectus - I, WM Digital is an investment holding company.

Change in activities

There has been no change in the business activities of WM Digital.

Board of directors

The board of directors of WM Digital, as on the date of this Updated Draft Red Herring Prospectus - I is as set forth below:

Sr. No.	Name of the director	Designation
1.	Lisle Geoffrey Adams	Director
2.	Woo Chien Chien Evelyn	Director

Shareholding pattern

The shareholding pattern of WM Digital as on September 30, 2025, March 31, 2025, March 31, 2024 and March 31, 2023 is as set forth below:

Sr. No.	Name of shareholders	Number of shares ⁽¹⁾⁽²⁾	Shareholding (%) ⁽¹⁾⁽²⁾
1.	Wal-Mart International Holdings, Inc.	20,000	100
Total		20,000	100

⁽¹⁾ At the time of its incorporation, the shareholding pattern of WM Digital was 20,000 shares with nominal value of U.S. \$1.00 per share. WM Digital's registration was transferred from Luxembourg to Singapore on March 31, 2025. Subsequent to such transfer, WM Digital's shareholding pattern was 20,000 ordinary shares of no par value.

⁽²⁾ Subsequent to September 30, 2025, WM Digital has issued 159 ordinary shares of no par value to Global Pinnacle Corporation constituting 0.79% of the share capital of WM Digital.

Promoter of WM Digital

As on the date of this Updated Draft Red Herring Prospectus - I, Wal-Mart International Holdings, Inc. is the promoter of WM Digital. See “- *Our Promoters and Promoter Group – Wal-Mart International Holdings, Inc.*” on page 294. As on the date of this Updated Draft Red Herring Prospectus - I, no natural person holds 15% or more shares, on a fully diluted basis, in WM Digital. For further details, see “- *Our Promoters and Promoter Group – Wal-Mart International Holdings, Inc.– Board of directors*” on page 294.

Details of change in control of WM Digital

There has been no change in the control of WM Digital in the three years immediately preceding the date of this Updated Draft Red Herring Prospectus - I.

Our Company confirms that the permanent account number, bank account number and unique entity number of WM Digital will be submitted to the Stock Exchanges at the time of filing this Updated Draft Red Herring Prospectus - I.

2. Wal-Mart International Holdings, Inc.

Corporate information

Wal-Mart International Holdings, Inc. is a corporation incorporated under the laws of the State of Delaware, U.S.A. on July 20, 1999, with File Number 3072593. The registered office of Wal-Mart International Holdings, Inc. is located at c/o Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle, Delaware, 19801.

As on the date of this Updated Draft Red Herring Prospectus - I, the shares of Wal-Mart International Holdings, Inc. are not listed on any stock exchange.

Nature of business

As on the date of this Updated Draft Red Herring Prospectus - I, Wal-Mart International Holdings, Inc. owns the majority of the international operations for the Walmart Inc. group companies.

Change in activities

There has been no change in the nature of business activities of Wal-Mart International Holdings, Inc.

Board of directors

The board of directors of Wal-Mart International Holdings, Inc., as on the date of this Updated Draft Red Herring Prospectus - I is as set forth below:

Sr. No.	Name of the director	Designation
1.	Kathryn McLay	Director
2.	James Issac Cody	Director
3.	Jeffrey Santoro	Director

Shareholding pattern of Wal-Mart International Holdings, Inc.

The shareholding pattern of the equity shares of Wal-Mart International Holdings, Inc. as on September 30, 2025, March 31, 2025, March 31, 2024 and March 31, 2023 is as set forth below:

Sr. No.	Name of shareholders	Number of ordinary shares of par value of US\$ 1.00 per share	Shareholding (%)
1.	Walmart Inc.	1,000	100
Total		1,000	100

Promoter of Wal-Mart International Holdings, Inc.

As on the date of this Updated Draft Red Herring Prospectus - I, Walmart Inc. is the promoter of Wal-Mart International Holdings, Inc. As on the date of this Updated Draft Red Herring Prospectus - I, no natural person holds 15% or more shares, on a fully diluted basis, in Wal-Mart International Holdings, Inc.

Board of directors of the promoter of Wal-Mart International Holdings, Inc.

The board of directors of Walmart Inc., as on the date of this Updated Draft Red Herring Prospectus - I is set forth below:

Sr. No.	Name of the director	Designation
1.	Gregory B. Penner	Chair
2.	Cesar Conde	Director
3.	Timothy P. Flynn	Director
4.	Sarah J. Friar	Director
5.	John R. Furner	Director
6.	Carla A. Harris	Director
7.	Thomas W. Horton	Director
8.	Marissa A. Mayer	Director
9.	C. Douglas McMillon	Director, president and chief executive officer
10.	Shishir Mehrotra	Director
11.	Robert E. Moritz Jr.	Director
12.	Brian Niccol	Director
13.	Randall L. Stephenson	Lead independent director
14.	Steuart L. Walton	Director

Details of change in control of Wal-Mart International Holdings, Inc.

There has been no change in the control of Wal-Mart International Holdings, Inc. in the three years immediately preceding the date of this Updated Draft Red Herring Prospectus - I.

Our Company confirms that the bank account number and Delaware File Number of Wal-Mart International Holdings, Inc. and the address of the Secretary of State of the State of Delaware will be submitted to the Stock Exchanges at the time of filing this Updated Draft Red Herring Prospectus - I.

Change in the control of our Company

Except as stated below, there has been no change in the control of our Company during the last five years preceding the date of this Updated Draft Red Herring Prospectus - I.

From Financial Year 2015-16, PhonePe Private Limited, Singapore (*now known as Headstand Pte. Ltd.*) (“**PhonePe Singapore**”) was the immediate holding company of our Company and where the effective board, and shareholders agreement resided. With effect from December 23, 2022, the board, and shareholders agreement, were formally moved from PhonePe Singapore to our Company. This relocation of key governance frameworks was a fundamental shift in the locus of control. Concurrently with the locus shift in control, PhonePe Singapore’s shareholding in our Company as of December 23, 2022, was reduced from 100% to a non-controlling minority shareholding of 7.28%, as a result of the transfer of their shareholding to other entities and individuals in the following manner pursuant to which PhonePe Singapore ceased to exercise control over our Company with effect from December, 23, 2022. For details regarding the shareholding of Headstand Pte. Ltd. in our Company as on the date of this Updated Draft Red Herring Prospectus - I, please see “*Capital Structure - Details of equity shareholding of the major Shareholders of our Company*” on page 123.

Date of transfer	Name of transferor	Name of transferee	Number of equity shares transferred	Percentage of shareholding transferred, as on the date of the transfer
December 23, 2022	PhonePe Singapore	Binny Bansal	534,636	1.31%
		Microsoft Global Finance Unlimited Company	367,879	0.90%
		Jadoff SPV 5, LLC	10,264	0.03%
		INQ Holding LLC	506,875	1.24%
		WM Digital Commerce Holdings Pte. Ltd. (<i>earlier known as Fit Holdings SARL</i>)	36,320,459	89.11%
		WCH Q3 2020 1, LLC	51,321	0.13%

Interest of our Promoters

Our Promoters are interested in our Company to the extent (i) that they are the Promoters of our Company; (ii) of their shareholding in our Company; and (iii) the dividend payable, if any, and any other distributions in respect of the Equity Shares held by them in our Company, from time to time. For further details of the interest, see “*Capital Structure*” on page 116.

Our Promoters are interested in our Company to the extent of their shareholding in the companies with which they have had related party transactions. For details of other related party transactions, see “*Other Financial Information – Related Party Transactions*” on page 383.

Our Company has not acquired any properties in the three years preceding the date of filing of this Updated Draft Red Herring Prospectus - I and our Promoters are not interested in any properties proposed to be acquired by our Company. Our Promoters are not interested in any transaction in acquisition of land, construction of building or supply of machinery, etc.

Our Promoters are not interested as a member of a firm or a company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in which our Promoters are interested as a member, in cash or shares or otherwise by any person either to induce any such person to become, or qualify them as a director, or otherwise for services rendered by such firm or company in connection with the promotion of our Company.

Payment or benefits to our Promoters or to the members of the Promoter Group

Except as stated in “*Other Financial Information – Related Party Transactions*” on page 383, there has been no payment of any amount or benefit given to our Promoters or the members of the Promoter Group during the two years preceding the date of filing of this Updated Draft Red Herring Prospectus - I nor is there any intention to pay any amount or give any benefit to our Promoters or the members of the Promoter Group as on the date of filing of this Updated Draft Red Herring Prospectus - I.

Material guarantees given by our Promoters to third parties with respect to Equity Shares

Our Promoters have not given any guarantee to any third party with respect to the Equity Shares as on the date of this Updated Draft Red Herring Prospectus - I.

Companies and firms with which our Promoters have disassociated in the last three years

Except as stated below, our Promoters have not disassociated themselves from any company or firm in the three years immediately preceding the date of this Updated Draft Red Herring Prospectus - I:

Sr. No.	Name of the company or firm	Date of dissociation	Reason for dissociation
WM Digital Commerce Holdings Pte. Ltd.			
1.	Aditya Birla Fashion and Retail Ltd.	June 4, 2025	Sale of shares of portfolio company in the ordinary course of business
2.	Arvind Youth Brands Private Limited	December 29, 2025	
3.	Cleartrip MEA FZ LLC	July 10, 2024	
4.	Cleartrip Travel & Holidays LLC	July 10, 2024	
5.	Ebreeze Egypt LLC	July 10, 2024	
6.	Flyin Travel SAE	July 10, 2024	
7.	PhonePe Wealth Private Limited	June 8, 2024	
8.	Red Brick Lane Marketing Solutions Private Limited	June 8, 2023	
9.	Saudi Ebreeze Company for Electronics Services LLC	July 10, 2024	
10.	Zinka Logistics Solutions Private Limited	June 3, 2025	
11.	AdIQity Technologies Private Limited	June 25, 2024	Merger of the entity
12.	Quantech Capital Investment Advisors Private Limited	October 30, 2024	
13.	Wealth Technology & Services Private Limited	October 30, 2024	
14.	Jade Eservices Private Limited	October 8, 2025	
15.	Flyin Holdings Limited	March 21, 2023	Dissolution of the entity as per strategic decision
16.	Guruji.com Technologies	February 18, 2025	
17.	LIV Artificial Intelligence Private Limited	January 1, 2024	
18.	Mintkart India Private Limited	January 1, 2024	
19.	Novarris Fashion Trading Private Limited	January 1, 2024	

Sr. No.	Name of the company or firm	Date of dissociation	Reason for dissociation
20.	Headstand Pte. Ltd. (formerly known as PhonePe Private Limited (Singapore))	June 8, 2023	Capital reduction and redemption of all shares of the portfolio company as per strategic decision
Wal-Mart International Holdings, Inc.			
1.	Atacadao S.A.	April 25, 2024	Sale of shares of portfolio company in the ordinary course of business
2.	Alpha Lake Limited	September 16, 2024	
3.	Beijing Daguan Information Technology Co., Ltd.	September 16, 2024	
4.	Beijing Darong Express Co., Ltd	September 16, 2024	
5.	Beijing Jingbangda Trade Co., Ltd	August 20, 2024	
6.	Beijing Jingdong Century Information Technology Co Ltd	August 20, 2024	
7.	Beijing Jingdong Century Trade Co., Ltd.	August 20, 2024	
8.	Beijing Jingdong Shangke Information Technology Co., Ltd.	August 20, 2024	
9.	Beijing Jinghui Microcredit Co., Ltd.	August 20, 2024	
10.	Beijing Zhichuang Technology Co., Ltd.	September 16, 2024	
11.	Blue Kingfisher, LLC	April 16, 2025	
12.	Bompreco Bahia Supermercados Ltda	April 25, 2024	
13.	Bompreco Supermercados do Nordeste Ltda.	April 25, 2024	
14.	Chengdu Jingdong Century Trading Co Ltd	August 20, 2024	
15.	Chongqing Jingdong Haijia E-commerce Co., Ltd.	August 20, 2024	
16.	Clube de Multifidelizacao Ltda.	April 25, 2024	
17.	Dada Glory Network Technology Ltd	September 16, 2024	
18.	Dada Group (HK) Ltd.	September 16, 2024	
19.	Dada Information Technology (Taizhou) Co., Ltd.	September 16, 2024	
20.	Dada Nexus Limited	September 9, 2024	
21.	Daji Shared Economy Industrial Park Service (Zhejiang) Co., Ltd.	September 16, 2024	
22.	Daji Sharing Enterprise Development (Shanghai) Co., Ltd.	September 16, 2024	
23.	Dali Business Service Technology (Taizhou) Co., Ltd.	September 16, 2024	
24.	George Tedarik Hizmetleri AS	March 13, 2024	
25.	Guangzhou Darong Express Co., Ltd.	September 16, 2024	
26.	Guangzhou Jingdong Trading Co Ltd	August 20, 2024	
27.	Hangzhou Darong Express Co., Ltd.	September 16, 2024	
28.	JD.com International Ltd	August 20, 2024	
29.	JD.com, Inc.	August 20, 2024	
30.	Jiangsu Jingdong Information Technology Co., Ltd.	August 20, 2024	
31.	Jingdong E-Commerce (Express) Hong Kong Corporation Limited	August 20, 2024	
32.	Jingdong E-Commerce (Logistics) Hong Kong Corporation Limited	August 20, 2024	
33.	Jingdong E-commerce (Trade) Hong Kong Corporation Limited	August 20, 2024	
34.	Jingdong Express Group Corporation	August 20, 2024	
35.	Jingdong Logistics Group Corporation	August 20, 2024	
36.	Jingdong Technology Group Corporation	August 20, 2024	
37.	Nanjing Darong Express Co., Ltd.	September 16, 2024	
38.	Petipreco Comercial Ltda.	April 25, 2024	
39.	Seiyu K.K. (formerly known as Seiyu G.K.)	July 1, 2025	
40.	Seiyu Procurement Ltd.	July 1, 2025	
41.	Shanghai Darong Express Co., Ltd.	September 16, 2024	
42.	Shanghai Daxiang Information Technology Co., Ltd.	September 16, 2024	
43.	Shanghai Dayu Labor Dispatching Co., Ltd.	September 16, 2024	
44.	Shanghai Hongshou International Logistics Co., Ltd.	September 16, 2024	
45.	Shanghai JD Daojia Youheng Dianshang Information Technology Co., Ltd	September 16, 2024	
46.	Shanghai JD Daojia Yuanxin Information Technology Co., Ltd.	September 16, 2024	
47.	Shanghai Jinghui Microcredit Co., Ltd.	August 20, 2024	
48.	Shanghai Kouxun Logistics Co., Ltd.	September 16, 2024	
49.	Shanghai Qusheng Internet Co., Ltd.	September 16, 2024	

Sr. No.	Name of the company or firm	Date of dissociation	Reason for dissociation
50.	Shanghai Shengdayuan Information Technolgy Co., Ltd	August 20, 2024	
51.	Shanghai Xianshi Jisuda e-Commerce Co., Ltd.	September 16, 2024	
52.	Shanghai Yiqing Dada e-Commerce Co., Ltd.	September 16, 2024	
53.	Shanghai Yuanmai Trading Co Ltd	August 20, 2024	
54.	Shangxun Logistics (Hangzhou) Co., Ltd.	September 16, 2024	
55.	Shenyang Jingdong Century Trading Co Ltd	August 20, 2024	
56.	Suqian Yitong Information Technology Co., Ltd.	August 20, 2024	
57.	The Seiyu Service, Ltd.	July 1, 2025	
58.	Tianjin Darong Express Co., Ltd.	September 16, 2024	
59.	Tianjin Star East Co., Ltd.	August 20, 2024	
60.	Transportadora Bompreco Ltda.	April 25, 2024	
61.	Unison Risk Management Alliance (Pty) Ltd.	May 31, 2024	
62.	Veraneio Participacoes Ltda.	April 25, 2024	
63.	Walmart Fleet ULC	March 15, 2025	
64.	WMB Supermercados Do Brasil Ltda.	April 25, 2024	
65.	WMS Supermercados Do Brasil, Ltda. (fka Sonae Distribuicao Brasil S.A)	April 25, 2024	
66.	Wuhan Jingdong Century Trading Co Ltd	August 20, 2024	
67.	3251762 Nova Scotia Company	January 5, 2024	Dissolution of the entity as per strategic decision
68.	6 and 7 Developments Limited	June 27, 2024	
69.	ASDA Trustees (Nominee) Limited	May 30, 2023	
70.	Assedox, S. L.	July 17, 2023	
71.	Autopilot Developments Limited	June 27, 2024	
72.	Bergen Finance Company B.V.	November 18, 2025	
73.	Blueleaf Management LLC	November 19, 2025	
74.	Brasilia Especial, LLC	August 26, 2025	
75.	Brazil Holdings S.C.S.	August 21, 2025	
76.	Breslau North Developments Inc.	April 30, 2025	
77.	Broadstreet European, LLC	November 21, 2025	
78.	Broadstreet (Gibraltar) Limited	December 5, 2024	
79.	Broadstreet South Bank Limited Partnership	November 20, 2025	
80.	Browns and Weirs Cash and Carry (Pty) Ltd	October 10, 2023	
81.	Builders Trade Depot (Pty) Ltd	February 12, 2023	
82.	Builders Warehouse (Kenya) Limited	May 31, 2023	
83.	Clidet No 484 (Pty) Ltd	May 4, 2023	
84.	Comercial D&S Peru S.A.	December 27, 2024	
85.	Corinth Investments Limited formerly known as Corinth Services Ltd	December 12, 2023	
86.	Darryl Investments (Pty) Ltd	May 4, 2023	
87.	Developpements Laval Papineau II Limitee	June 27, 2024	
88.	Escuela de Capacitacion Tecnica Escatec Ltda.	September 30, 2023	
89.	Estilos y Disenos SAC	December 26, 2024	
90.	Fergus Shopping Centers Limited	June 28, 2024	
91.	Food Maestro Limited	January 19, 2024	
92.	Game Discount World (Ghana) Ltd	February 24, 2023	
93.	Game Discount World (Kenya) Ltd	February 24, 2023	
94.	Game Discount World (Nigeria) Ltd	February 24, 2023	
95.	Game Discount World (Tanzania) Ltd	February 24, 2023	
96.	Game Discount World (Uganda) Ltd	February 24, 2023	
97.	George Sourcing Services UK Limited Sri Lanka Liason Office	January 1, 2024	
98.	Georgetown Shopping Centres Limited	June 27, 2024	
99.	Guangding Investment & Development (Shanghai) Co., Ltd	February 1, 2023	
100.	HB Unlimited Overs Cricket (Pty) Limited	December 31, 2024	
101.	Henan Wal-Mart Stores Co., Ltd.	August 17, 2023	
102.	Inmobiliaria D&S Peru SAC	December 27, 2024	
103.	Inversiones Internacionales D&S Limitada	December 28, 2024	
104.	Jerzy Investments (Pty) Ltd	May 4, 2023	
105.	Jupiter Limited Management LP	January 14, 2023	

Sr. No.	Name of the company or firm	Date of dissociation	Reason for dissociation
106.	Kwa Umlazi Trading (Pty) Ltd (aka Rhino Cash and Carry Umzinto)	November 30, 2023	
107.	Lesmill North Investments Inc.	June 27, 2024	
108.	Lesmill Shopping Centres Limited	June 27, 2024	
109.	Maarsen Shares, LLC	May 3, 2023	
110.	Massfresh Meats (Pty) Ltd	December 11, 2023	
111.	Meuse Holdings LLC	July 24, 2025	
112.	Newheight Corporation Limited	October 21, 2023	
113.	Newheight Holdings, Ltd.	August 11, 2025	
114.	Niagra Holdings, LLC	November 20, 2025	
115.	Oakwood Place Shopping Centre Inc.	June 27, 2024	
116.	Productos Babytuto SPA	December 19, 2025	
117.	Qomolangma Holdings Ltd.	August 21, 2025	
118.	Royal Clover Shopping Centres Limited	June 27, 2024	
119.	Saskashop Centre II Inc.	February 1, 2024	
120.	Sherring North Developments Limited	June 27, 2024	
121.	Simbali Investments (Pty) Ltd	May 4, 2023	
122.	Spruce Finance, Limited	November 20, 2023	
123.	Stratford East Investment Limited	June 27, 2024	
124.	Sudbury South Shopping Centres Limited	June 27, 2024	
125.	Swiss Asia Minor GmbH	September 11, 2024	
126.	Vaudreuil Shopping Centres Limited/Centre D'Achat Vaudreuil Ltee	February 1, 2024	
127.	Walmart Consolidated Services LP	September 25, 2025	
128.	Walmart (Shaanxi) Retail Co., Ltd	June 30, 2023	
129.	Wal-Mart East China Stores Co., Ltd., Shanghai Wujiaochang Branch	January 30, 2024	
130.	Wal-Mart Euro Finance Co S.a r.l.	December 22, 2023	
131.	Walmart Investments Cooperatie U.A.	November 18, 2025	
132.	WM SARHCO II, LLC	October 22, 2025	
133.	WMGS Services Sri Lanka	January 30, 2024	
134.	WMSC Spinnaker I S.A.R.L.	August 7, 2025	
135.	WMSC Spinnaker II S.A.R.L	July 24, 2025	
136.	WMT Brasilia S.a.r.l.	August 26, 2025	
137.	WMT Cambridge, LLC	August 26, 2025	
138.	WMT Canada Holding ULC	February 5, 2024	
139.	WMT GeC Holdings S.a.r.l.	January 19, 2026	
140.	WMT Memphis S.a.r.l.	August 21, 2025	
141.	WMT Mercury Sarl	August 21, 2023	
142.	WMT Otis Sarl	July 14, 2023	
143.	WMT Red Lands S.A.R.L.	March 20, 2024	
144.	WMT TC Sarl	December 22, 2023	
145.	WMT Tweed, LLC	December 27, 2023	
146.	WMT Viva Sarl	December 22, 2023	
147.	WMT Warwick LP	October 22, 2025	
148.	WMT Wetherby, LP	December 15, 2023	
149.	WMT Windsor LLC	August 26, 2025	
150.	WMT Yellowstone S.A.R.L.	April 5, 2024	
151.	Inmobiliaria La Fragua, S.A.	February 9, 2024	Merger of the entity
152.	MMVI China Investment Co., Ltd.	January 29, 2024	
153.	Representaciones Unicorporativas, S.A.	February 9, 2024	
154.	Seiyu Holdings Co., Ltd. (formerly known as Wal-Mart Japan Holdings KK)	June 1, 2024	
155.	Tiendas Aurrera, S. de R.L. de C.V.	November 1, 2023	
156.	WM Global Financial LLC ⁽¹⁾	October 22, 2025	
157.	WM Latin American Holdings II LLC ⁽²⁾	October 22, 2025	
158.	WM Latin American Holdings III LLC ⁽³⁾	October 22, 2025	
159.	WMT Andes Finance, LLC	October 22, 2025	

⁽¹⁾ Formerly known as WM Global Financial GmbH, name changed post September 23, 2025

⁽²⁾ Formerly known as WM Latin American Holdings II S.a.r.l., name changed post September 23, 2025

⁽³⁾ Formerly known as WM Latin American Holdings III GmbH, name changed post September 23, 2025

There is no conflict of interest between any lessor of any immovable properties (which are crucial for operations of our Company) and our Promoters or members of the Promoter Group.

Further, there is no conflict of interest between any suppliers of raw materials and the third-party service providers (which are crucial for operations of our Company) and our Promoters.

Except as disclosed below and for any transactions that may have been undertaken in the ordinary course of business with such entities, there is no conflict of interest between any suppliers of raw materials and the third-party service providers (which are crucial for operations of our Company) and members of the Promoter Group:

1. Keki Mistry, a director on the board of directors of Flipkart Private Limited (Singapore), also serves as a director on the board of directors of HDFC Bank Limited.

Promoter Group

Except for WM Digital Commerce Holdings Pte. Ltd. and Wal-Mart International Holdings, Inc., who are the Promoters of our Company, the names of the members of the Promoter Group (excluding Subsidiaries of our Company), identified in accordance with the provisions of Regulation 2(1)(pp) of SEBI ICDR Regulations are as follows:

Sr. No.	Members of the Promoter Group
1.	Abarrotes Económicos Limitada
2.	Administradora De Supermercados Express Ltda.
3.	Administradora De Supermercados Hiper Ltda
4.	ANS Digital Private Limited
5.	Arrendadora de Centros Comerciales, S. de R.L. de C.V.
6.	Arrendadora Roalsa, S. de R.L. de C.V.
7.	Arrendadora Wal-Mart, S. de R.L. de C.V.
8.	Asda Holdings UK Limited
9.	Asia Retail Finance N.K.
10.	Azure Holdings LLC ⁽¹⁾
11.	Bentonville KF SLP Holdings LP
12.	Bienes Raices Baleares, S. de R.L. de C.V.
13.	Bienes Raices Cuajimalpa, S. de R.L. de C.V.
14.	Bienes Raices del Real, S. de R.L. de C.V.
15.	Bienes Raices El Olmo, S.de R.L. de C.V.
16.	Bienes Raices Petrarca, S. de R.L. de C.V.
17.	Bienes Raices Ventura, S. de R.L. de C.V.
18.	Bipco Holdings, LLC
19.	Bocasa Bienes Raices, S. de R.L. de C.V.
20.	Bowmanville Investments Inc.
21.	Broadleaf Investments LLC
22.	Broadstreet Continental Finance S.a.r.l.
23.	Broadstreet Great Wilson Europe Limited
24.	Broadstreet International Partners LLC ⁽²⁾
25.	Broadstreet Mexico S.a.r.l.
26.	Broadstreet Mexico S.a.r.l. - U.S. Branch
27.	Broadstreet of Munsbach Pte. Ltd. ⁽³⁾
28.	Broadstreet LLC ⁽⁴⁾
29.	CAMT-FB Holding Corporation S. de R.L. de C.V.
30.	Cartera Digital Walmart, S.A. de C.V., IFPE
31.	Childrenite Private Limited
32.	ClarusONE Sourcing Services LLP
33.	Cleartrip Packages & Tours Private Limited
34.	Cleartrip Private Limited
35.	Clydesdale Shopping Centres Limited
36.	Comercial Walmart Chile, LLC
37.	Comercializadora Mexico Americana, S. de R.L. de C.V.
38.	Comercio Digital Wal-Mart, S. de R.L. de C.V.
39.	Corporacion de Companias Agroindustriales de El Salvador, S.A. de C.V.
40.	Corporacion de Companias Agroindustriales, CCA, SRL

Sr. No.	Members of the Promoter Group
41.	Corporacion de Supermercados Unidos de Nicaragua S.A.
42.	Corporacion De Supermercados Unidos, S.R.L.
43.	Crato Properties, Bahmex, S. de R.L. de C.V.
44.	Desarrolladora Internacional DCI, S.A.
45.	Desarrollo Inmobiliaria Plaza Oriente S. de R.L. de C.V.
46.	Edmonton East (Capilano) Shopping Centres Limited
47.	Ekono Ltda
48.	El Ganso Abarrotero, S. de R.L. de C.V.
49.	Exmyn Brands Private Limited
50.	F1 Info Solutions & Services Private Limited
51.	First Polo Shopping Centres Limited
52.	First Westmonton Developments Limited
53.	Firstwin Developments Limited
54.	FK Myntra Holdings Private Limited
55.	Flipkart (Shenzhen) International Trading Co. Limited
56.	Flipkart Advanz Private Limited
57.	Flipkart Finance Private Limited
58.	Flipkart Foundation
59.	Flipkart Health Limited
60.	Flipkart Health Private Limited
61.	Flipkart India Private Limited
62.	Flipkart Insurance Solutions Private Limited
63.	Flipkart Internet Private Limited
64.	Flipkart Investments Private Limited
65.	Flipkart Israel Ltd.
66.	Flipkart Marketplace Private Limited
67.	Flipkart Private Limited (Singapore)
68.	Flippay Private Limited
69.	Fundacion Wal-Mart de Mexico, A.C.
70.	Gadgetwood eServices Private Limited
71.	Global Pinnacle Corporation
72.	Grupo Wal-Mart, LLC
73.	Hamilton Mountain Developments Inc.
74.	Hamilton South Shopping Centres Limited
75.	Importacion y Servicios GAB, S. de R.L. de C.V.
76.	Industrias Carnicas Integredas De Nicaragua, S.A.
77.	Inmobiliaria Alagoas, S. de R.L. de C.V.
78.	Inmobiliaria Antofogasta, S. de R.L. de C.V.
79.	Inmobiliaria Aurrera Universidad, S. de R.L. de C.V.
80.	Inmobiliaria Carpir, S. de R.L. de C.V.
81.	Inmobiliaria de Tiendas de Descuento S. de R.L de C.V.
82.	Inmobiliaria La Union S.A.
83.	Inmobiliaria Y Arrendadora Dique, S. de R.L. de C.V.
84.	Inmobiliaria Y Arrendadora La Palma, S de R.L de C.V
85.	Instakart Services Private Limited
86.	International Retail Partners, LP
87.	Intersalt S. de RL de C.V.
88.	Inversiones Cordillera, LLC
89.	Inversiones Pacifico, LLC
90.	Jeeves Consumer Services Private Limited
91.	Kanata Shopping Centres Limited
92.	Klick2Shop Logistics Services International Private Limited
93.	Lachenaie Developments Limited/Developpements Lachenaie Limitee
94.	Lider Salud Limitada
95.	Logistica Transporte y Servicio LTS Ltda.
96.	Main Street 824, LLC
97.	Maple Pacific, Inc.
98.	Myntra Designs Private Limited
99.	Myntra Jabong India Private Limited

Sr. No.	Members of the Promoter Group
100.	Myntra, Inc.
101.	Negocios Gerenciales, S.A.
102.	Newgrange Platinum Services Limited
103.	Nueva Wal-Mart de Mexico, S. de R.L. de C.V.
104.	Operadora de Tiendas, S.A.
105.	Operadora del Oriente, S.A. de C.V.
106.	Operadora del Sur, S.A. de C.V.
107.	Orillia Centres Limited
108.	Pagos Digitales Wal-Mart S.A. de C.V.
109.	Pinkvilla Media Private Limited
110.	Pollux Holdings Limited
111.	Principal Re WM, S.de.R.L.de C.V
112.	Promotor Inmobiliario Cardona, S. de R.L. de C.V.
113.	QuickRoutes International Private Limited
114.	Re3 Technologies Private Limited
115.	Royal Cobourg Centres Limited
116.	Sarnia Shopping Centres Limited
117.	SAW Servicios de Envio y Transportacion S de R.L. De C.V.
118.	Scapic Innovations Private Limited
119.	Scugog Shopping Centres Limited
120.	Sermob Limitada (formerly known as Servicios Mobiliarios S.A.)
121.	Servicios Administrativos Wal-Mart, S. de R.L. de C.V.
122.	SLP Holdings Ltd.
123.	Structurlam Mass Timber Corporation
124.	Structurlam Mass Timber U.S. Inc.
125.	Tesoreria Centralizada WM, S.A. de C.V., SOFOM, E.N.R.
126.	Vancouver B.C. Holdings, Ltd.
127.	Wal -Mart Stores (UK) Limited
128.	Wal-Mart Advisory Services, Inc.
129.	Walmart Asia Realty Company Limited
130.	Walmart Asia Realty Property Consulting (Shenzhen) Co., Ltd.
131.	Walmart Asia Realty Southern China (No. 2) Company Limited
132.	Walmart CAM Corporate Service Center Sociedad Anonima
133.	Wal-Mart Canada Corp.
134.	Walmart Canada Logistics ULC/Logistique Walmart Canada ULC
135.	Wal-Mart Canada Realty Inc.
136.	Walmart Chile Alimentos y Servicios Ltda
137.	Walmart Chile Mayorista Limitada
138.	Walmart Chile S.A.
139.	Walmart Chile Servicios Profesionales Limitada
140.	Wal-Mart de Mexico, S.A.B. de C.V.
141.	Walmart GSS Latin America S. de R.L.
142.	Wal-Mart Holdings International GmbH
143.	Walmart Inc.
144.	Wal-Mart India Private Limited
145.	Walmart Innovacion S. de R.L. de C.V.
146.	Walmart Lease, S. de R.L. de C.V.
147.	Wal-Mart Pharmacy (B.C.) Limited
148.	Wal-Mart Pharmacy (N.S.) Limited
149.	Wal-Mart Pharmacy (Sask.) Limited
150.	Wal-Mart Pharmacy Limited
151.	Wal-Mart Puerto Rico, Inc.
152.	Walmart Servicios Generales Ltda
153.	WM Carcroft, LLC
154.	WM Puerto Rico Acquisition II
155.	WM SA Investments Limited
156.	WM SARHCO IV, LLC
157.	WMB Comercio Electronico Ltda.
158.	WMC Partnership

Sr. No.	Members of the Promoter Group
159.	WMCA Central American Holding S. de R.L. de C.V.
160.	WMCAM Industria de Transformacion Y Distribucion Alimenticia S. de R.L. de C.V.
161.	WMGS (Thailand) Limited
162.	WMGS de Mexico S. de R.L. de C.V.
163.	WMGS Europe Limited
164.	WMGS Services Chile Limitada
165.	WMLAFSSC, S. de R.L. de C.V.
166.	WM-SC BCO Inc.
167.	WMSS01, LLC
168.	WMSS02, LLC
169.	WMT Apex Pte. Ltd. ⁽⁵⁾
170.	WMT Global Management S.a.r.l.
171.	WMT Global Management s.a.r.l. - U.S. Branch
172.	WMT Kirchberg S.a.r.l.
173.	WMT Pinnacle Holdings LLC ⁽⁶⁾
174.	WMX Holdings, LLC
175.	Wolverine Limited Partners LP
176.	Woodson Summit, LP
177.	XS Brands Consultancy Private Limited

⁽¹⁾ Formerly known as Azure Holdings S.a.r.l., name changed post September 23, 2025.

⁽²⁾ Formerly known as Broadstreet International Partners S.a.r.l., name changed post September 23, 2025.

⁽³⁾ Formerly known as Broadstreet of Munsbach, S.a.r.l., name changed post September 23, 2025.

⁽⁴⁾ Formerly known as Broadstreet S.a.r.l., name changed post September 23, 2025.

⁽⁵⁾ Formerly known as WMT Apex S.a.r.l., name changed post September 23, 2025.

⁽⁶⁾ Formerly known as WMT Pinnacle Holdings S.a.r.l., name changed post September 23, 2025.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board to the Shareholders for their approval, at their discretion, subject to the provisions of the Articles of Association and the applicable laws including the Companies Act, including the rules made thereunder and other relevant regulations, if any, as amended from time to time. We may retain all our future earnings, if any, for such purposes as maybe decided by our Company, subject to compliance with the provisions of the Companies Act. Further our Board shall also have the absolute power to declare interim dividend in compliance with the Act. The dividend distribution policy of our Company was approved and adopted by our Board on January 29, 2025 (“**Dividend Policy**”).

In terms of the Dividend Policy, the declaration and payment of dividend will depend on several internal and external factors. Some of the internal factors on the basis of which our Company may declare dividend shall *inter alia* include expected cash requirements of our Company including working capital/capital expenditure, capital planning framework and capital allocation plans, liquidity and return ratio, quarterly and annual results, minimum cash required for contingencies or unforeseen events and any other relevant or material factor as may be deemed fit by the Board. Some of the external factors on the basis of which our Company may declare dividend shall *inter alia* include any significant changes in macro-economic environment affecting India or the geographies in which our Company operates, or business of our Company, uncertain or recessionary economic environment which significantly affect the business conditions, new tax and/or regulatory requirements and/or material changes in existing taxation or regulatory requirements, which significantly affect the business conditions and technological changes which require significant investments in Company’s business.

There is no guarantee that any dividends will be declared or paid in the future. For details in relation to risks involved in this regard, see “*Risk Factors – We cannot assure payment of dividends on the Equity Shares in the future.*” on page 96.

Our Company has not declared dividends on the Equity Shares during the period from October 1, 2025 until the date of the Updated Draft Red Herring Prospectus - I and for the preceding three Fiscal Years and six months period ended September 30, 2025.

SECTION V: FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

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Independent Auditors' Examination Report on the Restated Consolidated Summary Statements of Assets and Liabilities as at September 30, 2025, September 30, 2024, March 31, 2025, March 31, 2024 and March 31, 2023, Restated Consolidated Summary Statement of Profit and Loss (including Other Comprehensive Income/(Loss)), Restated Consolidated Summary Statement of Cash Flows and Restated Consolidated Summary Statement of Changes in Equity for the six months period ended September 30, 2025 and September 30, 2024 and each of the years ended March 31, 2025, March 31, 2024 and March 31, 2023, summary statement of material accounting policies and other explanatory notes of PhonePe Limited (formerly known as PhonePe Private Limited) (collectively, the "Restated Consolidated Summary Statements").

To
The Board of Directors
PhonePe Limited (formerly known as PhonePe Private Limited)
Office-2, Floor 5, Wing A, Block A,
Salarpuria Softzone, Bellandur Village, Varthur Hobli,
Outer Ring Road, Bellandur, Bangalore,
Bangalore South, Karnataka, India, 560103

Dear Sirs/ Madam:

1. We, S.R. Batliboi & Associates LLP (“we” or “us” or “SRBA”) have examined the attached Restated Consolidated Summary Statements of PhonePe Limited (formerly known as PhonePe Private Limited) (the “Company”) and its subsidiaries (the Company together with its subsidiaries hereinafter referred to as “the Group”) and its associate annexed to this report and prepared by the Company for the purpose of inclusion in the Updated Draft Red Herring Prospectus - I (“UDRHP-I”) in connection with its proposed initial public offering of equity shares of face value of Re. 1 each of the Company (the “Offer”)(“IPO”). The Restated Consolidated Summary Statements, which have been approved by the Board of Directors of the Company at their meeting held on January 14, 2026, have been prepared in accordance with the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) (as amended) issued by the Institute of Chartered Accountants of India (“ICAI”), (the “Guidance Note”).

Management's Responsibility for the Restated Consolidated Summary Statements

2. The preparation of the Restated Consolidated Summary Statements, which are to be included in the UDRHP-I is the responsibility of the Management of the Company. The Restated Consolidated Summary Statements have been prepared by the Management of the Company on the basis of preparation, as stated in note 2.1 (a) to the Restated Consolidated Summary Statements. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Summary Statements. The Management is also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

Auditors' Responsibilities

3. We have examined such Restated Consolidated Summary Statements taking into consideration:
- a) the terms of reference and terms of our engagement agreed with you vide our engagement letter dated June 20, 2025, requesting us to carry out the assignment, in connection with the proposed Offer of the Company;
 - b) the Guidance Note. The Guidance Note also requires that we comply with ethical requirements of the Code of Ethics Issued by ICAI.
 - c) concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Consolidated Summary Statements; and
 - d) the requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed Offer.

Restated Consolidated Summary Statements

4. These Restated Consolidated Summary Statements have been compiled by the management of the Company from:
- a) Audited Consolidated Financial Statements of the Group and its associate as at and for each of the years ended March 31, 2025, March 31, 2024, March 31, 2023 which were prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meeting held on July 24, 2025, July 17, 2024 and July 26, 2023 respectively.
 - b) Audited Interim Consolidated Financial Statements of the Group and its associate as at and for each of the six months period ended September 30, 2025 and September 30, 2024, which were prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meetings held on January 14, 2026.
 - c) Financial statements and other financial information in relation to the Company's subsidiaries and associate (included in Annexure 1), audited by Other Auditors and included in the consolidated financial statements of the Group and its associate, as at and for the six months period ended September 30, 2025 and September 30, 2024 and the years ended March 31, 2025, March 31, 2024 and March 31, 2023:
5. For the purpose of our examination, we have relied on:
- i. Auditors' Reports issued by us, dated July 24, 2025, July 17, 2024 and July 26, 2023 on the Consolidated Financial Statements of the Group and its associate, as at and for each the years ended March 31, 2025, March 31, 2024 and March 31, 2023 respectively as referred in Paragraph 4 (a) above and auditor's reports issued by us dated January 14, 2026 on the Interim Consolidated Financial Statements of the Group and its associate, as at and for each of the six months period ended September 30, 2025 and September 30, 2024 referred to in paragraph (b) above.

- ii. The examination report issued by other auditors of certain subsidiaries and associate (included in Annexure 1) included in these Restated Consolidated Summary Statements.
6. The Auditor's Report on the Consolidated Financial Statements as at and for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 issued by us, as referred to in Paragraph 5 (i) above, which does not require any adjustment in the Restated Consolidated Summary Statements contains the following:
- i. The Report on Other Legal and Regulatory Requirements included in the Auditor's Report on the Consolidated Financial Statements of the Group and its associate as at and for year ended March 31, 2025 included modifications relating to the maintenance of books of account and other matters connected therewith (included in Annexure VII in the attached Restated Consolidated Summary Statements).

The Auditors' Report on the Consolidated Financial Statements of the Group and its associate included qualifications in the report on the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act as at and for the year ended March 31, 2025 (included in Annexure VII in the attached Restated Consolidated Summary Statements).

- ii. The Report on Other Legal and Regulatory Requirements included in the Auditor's Report on the Consolidated Financial Statements of the Group and its associate as at and for year ended March 31, 2024 included modifications relating to the maintenance of books of account and other matters connected therewith (included in Annexure VII in the attached Restated Consolidated Summary Statements).

The Auditors' Report on the Consolidated Financial Statements of the Group and its associate included qualifications in the report on the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act as at and for the year ended March 31, 2024 (included in Annexure VII in the attached Restated Consolidated Summary Statements).

- iii. The Report on Other Legal and Regulatory Requirements included in the Auditor's Report on the Consolidated Financial Statements of the Group and its associate as at and for year ended March 31, 2023 included modifications relating to the maintenance of books of account and other matters connected therewith (included in Annexure VII in the attached Restated Consolidated Summary Statements).
7. As indicated in our Auditor's Report referred to in Paragraph 5 (i) above, we did not audit the Financial Statements of certain subsidiaries and associate as at and for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 and the Interim Consolidated Financial Statements as at and for the six months period ended September 30, 2025 and September 30, 2024 whose Financial Statements reflect total assets, total revenues and net cash inflows / (outflows), Group's share of net profit in associate and Group's share of Other Comprehensive Income/(Loss) in associate in the Consolidated Financial Statements, for the relevant year are tabulated below, which have been audited by other auditors and whose reports have been furnished to us by the Company's management and our opinion on the historical Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and associate, was based solely on the reports of the other auditors:

(Rs. in millions)

Particulars	As at and for the period ended September 30, 2025	As at and for the period ended September 30, 2024	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
Number of Subsidiaries	2	2	2	2	2
Total Assets	209.70	260.40	213.10	255.70	193.00
Total Revenue	Nil	Nil	Nil	23.10	6.40
Net cash inflow/ (outflow)	(10.50)	3.60	(46.82)	(56.20)	39.70
Number of Associate	1	1	1	1	1
Group's Share of net profit in associate	96.97	135.26	271.55	254.38	204.51
Group's Share of Other Comprehensive Income/(Loss) in associate	1.01	1.03	0.85	(3.23)	0.68

Our audit opinions on the Consolidated Financial Statements of the group and as at and for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 and the Interim Consolidated Financial Statements as at and for the six months periods ended September 30, 2025 and September 30, 2024, were not qualified for the above matter.

8. The other auditors as mentioned above, have examined the restated summary statements of certain subsidiaries and associate (listed in Annexure 1) included in these Restated Consolidated Summary Statements and has confirmed that the restated summary statements of the components:
 - i. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the six months period ended September 30, 2024 and the financial years ended March 31, 2025, 2024 and 2023 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed for the six months period ended September 30, 2025;
 - ii. does not contain any qualifications requiring adjustments; and
 - iii. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
9. Based on our examination and according to the information and explanations given to us as at and for the six months periods ended September 30, 2025 and September 30, 2024 and as at and for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 and also as per the reliance placed on the examination reports submitted by other auditors as at and for the six months periods ended September 30, 2025 and September 30, 2024 and the years ended March 31, 2025, March 31, 2024 and March 31, 2023 in respect of the Company's subsidiaries, and associate, we report that:
 - i. the Restated Consolidated Summary Statements of the Group and its associate, have been prepared after making adjustments for the changes in accounting policies, material errors and regroupings/ reclassifications retrospectively in the six months period ended September 30, 2024 and the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the period ended September 30, 2025 more fully described in Annexure VII to the Restated Consolidated Summary Statements included in the Restated Consolidated Summary Statements is in our opinion were appropriate;

- ii. there are no qualifications in the auditors' reports on the Interim Consolidated audited Financial Statements of the Group and its associate as at and for the six months period ended September 30, 2025 and September 30, 2024 and in the auditor's report on Consolidated Financial Statements of the Group and its associate as at and for each of the years ended March 31, 2025, March 31, 2024 and March 31, 2023 which require any adjustments to the Restated Consolidated Summary Statements. There are items relating to modifications on other legal and regulatory reporting and qualification in the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any adjustment to the Restated Consolidated Summary Statements, have been disclosed in Annexure VII to the Restated Consolidated Summary Statements; and
 - iii. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
10. We have not audited any Financial Statements of the Group and its associate as of any date or for any period subsequent to September 30, 2025. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group as of any date or for any period subsequent to September 30, 2025.
11. The Restated Consolidated Summary Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Audited Consolidated Financial Statements mentioned in paragraph 4 above.
12. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
14. Our report is intended solely for use of the Board of Directors for inclusion in the UDRHP-I to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited in connection with the proposed Offer. Our report should not be used, referred to, or distributed for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

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

per Bharath N S
Partner
Membership Number: 210934
UDIN: 26210934MKOHNE3183
Place of Signature: Chennai
Date: January 14, 2026

Annexure 1

Details of entities examined by other auditors:

S.no.	Name of the Entity	Relationship	Independent Auditor	Period Examined
1	PhonePe Technology Services Private Limited	Subsidiary	M O J & Associates	Period ended September 30, 2025 and September 30, 2024 Years ended March 31, 2025, 2024 & 2023
2	PhonePe Finance Private Limited	Subsidiary	M O J & Associates	Period ended September 30, 2025 and September 30, 2024 Years ended March 31, 2025, 2024 & 2023
3	C.E. Info Systems Limited	Associate	Brijesh Mathur & Associates	Period ended September 30, 2024 Years ended March 31, 2025, 2024 & 2023
4	C.E. Info Systems Limited	Associate	M S K A & Associates	Period ended September 30, 2025

PhonePe Limited (formerly known as 'PhonePe Private Limited')
CIN: U67190KA2012PLC176031
Annexure I - Restated Consolidated Summary Statement of Assets and Liabilities
(All amounts in Rs. million, unless otherwise stated)

	Annexure VI Notes	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Assets						
Non-current assets						
Property, plant and equipment	3(i)	16,455.77	20,777.30	17,832.46	20,132.47	16,461.85
Capital work-in-progress	3(ii)	80.85	561.62	261.21	834.33	2,692.88
Goodwill	4	10,587.84	10,587.84	10,587.84	10,587.84	10,587.84
Other intangible assets	4	69.39	1,660.31	174.63	2,275.64	1,209.56
Right-of-use assets	5	6,799.93	4,780.64	6,422.58	3,637.38	3,282.42
Investment accounted for using equity method	38	1,301.15	1,554.30	1,693.52	1,456.81	1,245.75
Financial assets						
(i) Investments	6	278.69	210.79	210.79	149.60	116.70
(ii) Other financial assets	11	610.30	462.51	575.04	448.60	312.64
Non-current tax assets (net)		1,042.90	550.97	767.76	628.99	481.70
Other non-current assets	12	2,967.21	1,592.15	2,996.28	1,567.03	1,539.21
Total non-current assets		40,194.03	42,738.43	41,522.11	41,718.69	37,930.55
Current assets						
Financial assets						
(i) Investments	6	77,876.50	39,861.07	34,823.07	24,672.83	51,009.08
(ii) Trade receivables	7	6,348.49	5,485.69	6,262.10	5,436.18	2,051.00
(iii) Cash and cash equivalents	8	11,275.77	1,961.40	5,954.14	8,579.00	6,702.06
(iv) Bank balances other than Cash and cash equivalents	9	32,440.44	20,137.15	22,550.00	22,513.15	-
(v) Loans	10	-	-	-	-	1,480.00
(vi) Other financial assets	11	52,768.42	12,824.91	58,179.68	11,317.04	6,906.62
Other current assets	12	10,885.89	9,224.80	12,761.24	12,827.88	12,323.51
Total current assets		191,595.51	89,495.02	140,530.23	85,346.08	80,472.27
Total assets		231,789.54	132,233.45	182,052.34	127,064.77	118,402.82
Equity and liabilities						
Equity						
Equity share capital	13	506.60	442.74	442.74	442.74	434.53
Other equity	14	96,242.73	91,416.95	94,648.38	94,109.66	74,748.09
Equity attributable to owners of the Company		96,749.33	91,859.69	95,091.12	94,552.40	75,182.62
Non-current liabilities						
Financial liabilities						
(i) Lease liabilities	15	5,449.77	3,736.47	5,074.75	2,703.27	2,615.29
(ii) Cash-settled share based payment liabilities		7,187.07	13,320.22	10,404.11	9,512.74	-
Provisions	19	753.58	582.31	621.69	475.40	1,640.68
Deferred tax liabilities (net)	20	113.46	212.90	166.90	239.99	341.05
Other non-current liabilities	18	51.79	-	52.16	-	-
Total non-current liabilities		13,555.67	17,851.90	16,319.61	12,931.40	4,597.02
Current liabilities						
Financial liabilities						
(i) Lease liabilities	15	1,712.43	1,243.13	1,653.46	1,135.66	759.56
(ii) Trade payables	16					
a. Total outstanding dues of micro and small enterprises		101.82	88.65	2.95	70.13	33.11
b. Total outstanding dues of creditors other than micro and small enterprises		7,770.83	7,245.04	8,639.49	4,619.49	3,833.83
(iii) Other financial liabilities	17	44,367.31	6,545.34	51,979.61	6,985.83	28,428.08
Other current liabilities	18	65,979.00	6,149.52	7,015.78	5,667.61	4,820.97
Provisions	19	1,552.77	1,248.55	1,347.07	1,102.25	747.63
Current tax liabilities		0.38	1.63	3.25	-	-
Total current liabilities		121,484.54	22,521.86	70,641.61	19,580.97	38,623.18
Total equity and liabilities		231,789.54	132,233.45	182,052.34	127,064.77	118,402.82

Summary of material accounting policies 2

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statements.

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

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

per Bharath N S
Partner
Membership no.: 210934
Place: Chennai
Date: January 14, 2026

Sameer Nigam
CEO & Whole-time Director
DIN: 02292840
Place: New Delhi
Date: January 14, 2026

Rahul Chari
Whole-time Director
DIN: 03052804
Place: Bengaluru
Date: January 14, 2026

Adarsh Nahata
Chief Financial Officer
Place: Bengaluru
Date: January 14, 2026

Ankit G Popat
Company Secretary and Compliance Officer
Membership No.: A20774
Place: Bengaluru
Date: January 14, 2026

	Annexure VI Notes	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Income						
Revenue from operations	21	39,184.69	32,075.16	71,148.58	50,641.33	29,142.87
Other income	22	2,560.38	2,521.92	5,165.24	6,580.67	1,691.47
Total income (i)		41,745.07	34,597.08	76,313.82	57,222.00	30,834.34
Expenses						
Payment processing charges		10,900.01	7,885.44	16,881.78	11,664.38	6,669.66
Employee benefits expense	23	28,691.09	21,496.63	40,967.05	36,039.76	30,965.74
Finance costs	24	240.99	158.58	382.58	323.07	225.88
Depreciation and amortisation expense	25	5,677.41	6,462.04	13,603.11	11,165.66	5,365.88
Other expenses	26	15,183.18	10,797.58	22,106.45	18,350.04	15,835.18
Total expenses (ii)		60,692.68	46,800.27	93,940.97	77,542.91	59,062.34
Restated profit/ (loss) before share of profit of associate, exceptional item and tax		(18,947.61)	(12,203.19)	(17,627.15)	(20,320.91)	(28,228.00)
Share of profit of associate, net of taxes (iii)	38	96.97	135.26	271.55	254.38	204.51
Restated profit/ (loss) before exceptional item and tax [(i)-(ii)+(iii)]		(18,850.64)	(12,067.93)	(17,355.60)	(20,066.53)	(28,023.49)
Exceptional item (iv)	27	4,344.74	-	-	-	-
Restated profit/ (loss) before tax (v) [(i)-(ii)+(iii)+(iv)]		(14,505.90)	(12,067.93)	(17,355.60)	(20,066.53)	(28,023.49)
Tax expense/ (credit)	20					
Current tax		0.78	1.63	3.25	-	-
Deferred tax		(62.46)	(37.51)	(84.75)	(104.82)	(62.80)
Total tax expense/ (credit) (vi)		(61.68)	(35.88)	(81.50)	(104.82)	(62.80)
Restated profit/ (loss) (vii) [(v)-(vi)]		(14,444.22)	(12,032.05)	(17,274.10)	(19,961.71)	(27,960.69)
Other Comprehensive Income/ (Loss)						
Items that will not be reclassified to Profit or Loss in subsequent periods						
- Remeasurement gains/ (losses) on defined benefit plan, net of taxes		(34.98)	(37.76)	(15.21)	(43.23)	21.36
- Changes in the fair value of equity investments at FVTOCI, net of taxes		58.18	50.37	50.37	29.14	35.14
- Share of other comprehensive income/ (loss) of associate, net of taxes		1.01	1.03	0.85	(3.23)	0.68
Net other comprehensive income/ (loss) not to be reclassified to profit or loss		24.21	13.64	36.01	(17.32)	57.18
Items that will be reclassified to Profit or Loss in subsequent periods						
- Exchange differences on translation of foreign operations		11.40	2.16	36.57	1.00	(23.56)
Total other comprehensive income/ (loss), net of taxes		35.61	15.80	72.58	(16.32)	33.62
Restated total comprehensive income/ (loss), net of taxes		(14,408.61)	(12,016.25)	(17,201.52)	(19,978.03)	(27,927.07)
Restated earnings/ (loss) per equity share computed on the basis of loss for the period/ year attributable to owners of the Company (Rs. per share) *#						
Restated Basic (loss) per equity share of Rs. 1 each	30	(30.61)	(26.41)	(37.46)	(45.17)	(68.40)
Restated Diluted (loss) per equity share of Rs. 1 each	30	(30.61)	(26.41)	(37.46)	(45.17)	(68.40)

* Not annualised for September 30, 2025 and September 30, 2024.

#Earnings / (loss) per equity share is computed after giving effect to stock split for all periods presented. Refer Note 13 (a) for further details.

Summary of material accounting policies

2

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statements.

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

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

per Bharath N S
Partner
Membership no.: 210934
Place: Chennai
Date: January 14, 2026

Sameer Nigam
CEO & Whole-time Direx
DIN: 02292840
Place: New Delhi
Date: January 14, 2026

Rahul Chari
Whole-time Director
DIN: 03052804
Place: Bengaluru
Date: January 14, 2026

Adarsh Nahata
Chief Financial Officer
Place: Bengaluru
Date: January 14, 2026

Ankit G Popat
Company Secretary and Compliance Officer
Membership No.: A20774
Place: Bengaluru
Date: January 14, 2026

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

CIN: U67190KA2012PLC176031

Annexure III: Restated Consolidated Summary Statement of Changes in Equity

(All amounts in Rs. million, unless otherwise stated)

a. Equity share capital

For the six months period ended September 30, 2025

Equity share capital [refer note 13]

Total

As at April 01, 2025	Issue of equity share capital during the period	As at September 30, 2025
442.74	63.86	506.60
442.74	63.86	506.60

For the six months period ended September 30, 2024

Equity share capital [refer note 13]

Total

As at April 01, 2024	Issue of equity share capital during the period	As at September 30, 2024
442.74	-	442.74
442.74	-	442.74

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

For the year ended March 31, 2023

Equity share capital [refer note 13]

Total

As at April 01, 2022	Issue of equity share capital during the year	As at March 31, 2023
403.86	30.67	434.53
403.86	30.67	434.53

b. Other equity

For the six months period ended September 30, 2025

Balance as at April 1, 2025

Restated profit/ (loss) for the period

Remeasurement loss on net defined benefit liability, net of taxes

Exchange differences on translation of foreign operations

Equity instruments through other comprehensive income, net of taxes

Share of other comprehensive income of associate, net of taxes

Restated total comprehensive loss for the period

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

Effects of Modification, Cancellation, Repurchase, and Exercise of Equity-Settled Share-Based Payments [refer note 31]:

Acceleration of expense and incremental fair value recognised

Issue of equity shares on exercise of Employee stock options

Transaction cost on issue of equity shares

Vested options net settled for employees tax obligation

Repurchase/cancellations of options

Cash-settled share based payment liabilities transferred to equity on equity-settlement

Balance as at September 30, 2025

Attributable to equity holders of the Company									
Reserves and Surplus						Other comprehensive income		Non-controlling interests	Total
Capital reserve	Securities premium	Share-based payment reserve	Other reserves	Retained earnings	Remeasurement of the defined benefit plan	Foreign currency translation reserve	Equity instruments through other comprehensive income		
1,333.74	181,908.20	67,079.66	(7,146.05)	(148,600.85)	(54.98)	14.01	114.65	-	94,648.38
-	-	-	-	(14,444.22)	-	-	-	-	(14,444.22)
-	-	-	-	-	(34.98)	-	-	-	(34.98)
-	-	-	-	-	-	11.40	-	-	11.40
-	-	-	-	-	-	-	58.18	-	58.18
-	-	-	-	-	1.01	-	-	-	1.01
-	-	-	-	(14,444.22)	(33.97)	11.40	58.18	-	(14,408.61)
-	-	8,575.95	-	-	-	-	-	-	8,575.95
-	-	7,948.59	-	-	-	-	-	-	7,948.59
-	66,074.12	(66,074.12)	-	-	-	-	-	-	-
-	(0.01)	-	-	-	-	-	-	-	(0.01)
-	-	(1,301.33)	(1,257.03)	-	-	-	-	-	(2,558.36)
-	-	(570.61)	(470.63)	-	-	-	-	-	(1,041.24)
-	-	3,078.03	-	-	-	-	-	-	3,078.03
1,333.74	247,982.31	18,736.17	(8,873.71)	(163,045.07)	(88.95)	25.41	172.83	-	96,242.73

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

CIN: U67190KA2012PLC176031

Annexure III: Restated Consolidated Summary Statement of Changes in Equity

(All amounts in Rs. million, unless otherwise stated)

b. Other equity (continued)

	Attributable to equity holders of the Company								Non-controlling interests	Total
	Reserves and Surplus					Other comprehensive income				
	Capital reserve	Securities premium	Share-based payment reserve	Other reserves	Retained earnings	Remeasurement of the defined benefit plan	Foreign currency translation reserve	Equity instruments through other comprehensive income		
For the six months period ended September 30, 2024										
Balance as at April 1, 2024	1,333.74	181,908.20	49,339.42	(7,146.05)	(131,326.75)	(40.62)	(22.56)	64.28	-	94,109.66
Restated profit/ (loss) for the period	-	-	-	-	(12,032.05)	-	-	-	-	(12,032.05)
Remeasurement loss on net defined benefit liability, net of taxes	-	-	-	-	-	(37.76)	-	-	-	(37.76)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	2.16	-	-	2.16
Equity instruments through other comprehensive income, net of taxes	-	-	-	-	-	-	-	50.37	-	50.37
Share of other comprehensive income of associate, net of taxes	-	-	-	-	-	1.03	-	-	-	1.03
Restated total comprehensive loss for the period	-	-	-	-	(12,032.05)	(36.73)	2.16	50.37	-	(12,016.25)
Compensation related to share-based payments [refer note 31]	-	-	9,323.54	-	-	-	-	-	-	9,323.54
Balance as at September 30, 2024	1,333.74	181,908.20	58,662.96	(7,146.05)	(143,358.80)	(77.35)	(20.40)	114.65	-	91,416.95
For the year ended March 31, 2025										
Balance as at April 1, 2024	1,333.74	181,908.20	49,339.42	(7,146.05)	(131,326.75)	(40.62)	(22.56)	64.28	-	94,109.66
Restated profit/ (loss) for the year	-	-	-	-	(17,274.10)	-	-	-	-	(17,274.10)
Remeasurement loss on net defined benefit liability, net of taxes	-	-	-	-	-	(15.21)	-	-	-	(15.21)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	36.57	-	-	36.57
Equity instruments through other comprehensive income, net of taxes	-	-	-	-	-	-	-	50.37	-	50.37
Share of other comprehensive income of associate, net of taxes	-	-	-	-	-	0.85	-	-	-	0.85
Restated total comprehensive loss for the year	-	-	-	-	(17,274.10)	(14.36)	36.57	50.37	-	(17,201.52)
Compensation related to share-based payments [refer note 31]	-	-	17,740.24	-	-	-	-	-	-	17,740.24
Balance as at March 31, 2025	1,333.74	181,908.20	67,079.66	(7,146.05)	(148,600.85)	(54.98)	14.01	114.65	-	94,648.38
For the year ended March 31, 2024										
Balance as at April 1, 2023	1,333.74	165,529.49	21,830.61	(2,598.13)	(111,365.04)	5.84	(23.56)	35.14	-	74,748.09
Restated profit/ (loss) for the year	-	-	-	-	(19,961.71)	-	-	-	-	(19,961.71)
Remeasurement loss on net defined benefit liability, net of taxes	-	-	-	-	-	(43.23)	-	-	-	(43.23)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	1.00	-	-	1.00
Equity instruments through other comprehensive income, net of taxes	-	-	-	-	-	-	-	29.14	-	29.14
Share of other comprehensive income of associate, net of taxes	-	-	-	-	-	(3.23)	-	-	-	(3.23)
Restated total comprehensive loss for the year	-	-	-	-	(19,961.71)	(46.46)	1.00	29.14	-	(19,978.03)
Securities premium on issue of equity shares	-	16,379.53	-	-	-	-	-	-	-	16,379.53
Transaction cost on issue of equity shares	-	(0.82)	-	-	-	-	-	-	-	(0.82)
Settlement/ compensation related to share-based payments [refer note 31]	-	-	16,398.00	-	-	-	-	-	-	16,398.00
Modification of equity settled share-based payments to cash settled share-based payments [refer note 31]	-	-	(7,808.30)	(4,590.00)	-	-	-	-	-	(12,398.30)
Migration of equity settled share-based payments [refer note 31]	-	-	18,919.11	-	-	-	-	-	-	18,919.11
Others	-	-	-	42.08	-	-	-	-	-	42.08
Balance as at March 31, 2024	1,333.74	181,908.20	49,339.42	(7,146.05)	(131,326.75)	(40.62)	(22.56)	64.28	-	94,109.66

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

CIN: U67190KA2012PLC176031

Annexure III: Restated Consolidated Summary Statement of Changes in Equity

(All amounts in Rs. million, unless otherwise stated)

b. Other equity (continued)

For the year ended March 31, 2023	Attributable to equity holders of the Company								Non-controlling interests	Total
	Reserves and Surplus					Other comprehensive income				
	Capital reserve	Securities premium	Share-based payment reserve	Other reserves	Retained earnings	Remeasurement of the defined benefit plan	Foreign currency translation reserve	Equity instruments through other comprehensive income		
Balance as at April 1, 2022	(31.53)	104,343.80	-	-	(83,400.12)	(16.20)	-	-	145.10	21,041.05
Restated profit/ (loss) for the year	-	-	-	-	(27,960.69)	-	-	-	-	(27,960.69)
Remeasurement gains on net defined benefit liability, net of taxes	-	-	-	-	-	21.36	-	-	-	21.36
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(23.56)	-	-	(23.56)
Equity instruments through other comprehensive income, net of taxes	-	-	-	-	-	-	-	35.14	-	35.14
Share of other comprehensive income of an equity accounted investees, net of taxes	-	-	-	-	-	0.68	-	-	-	0.68
Restated total comprehensive loss for the year	-	-	-	-	(27,960.69)	22.04	(23.56)	35.14	-	(27,927.07)
Securities premium on issue of equity shares	-	61,217.49	-	-	-	-	-	-	-	61,217.49
Transaction cost on issue of equity shares	-	(31.80)	-	-	-	-	-	-	-	(31.80)
Capital Redemption Reserve on buy back of shares of wholly owned subsidiaries	-	-	-	4.23	(4.23)	-	-	-	-	-
Settlement/ compensation related to share-based payments [refer note 31]	-	-	21,830.61	(2,743.41)	-	-	-	-	-	19,087.20
Stake purchase in common control entity [refer note 39(iii)]	1,365.27	-	-	-	-	-	-	-	-	1,365.27
Acquisition of subsidiary [refer note 39(iii)]	-	-	-	-	-	-	-	-	275.58	275.58
Acquisition of non-controlling interests [refer note 39(iv) and 39(iii)]	-	-	-	141.05	-	-	-	-	(420.68)	(279.63)
Balance as at March 31, 2023	1,333.74	165,529.49	21,830.61	(2,598.13)	(111,365.04)	5.84	(23.56)	35.14	-	74,748.09

c. Nature and purpose of reserves

Refer note 14 for nature and purpose of reserves.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statements.

As per our report of even date attached

For S.R. Batliboi & Associates LLP

Chartered Accountants

Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of

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

per Bharath N S

Partner

Membership no.: 210934

Place: Chennai

Date: January 14, 2026

Sameer Nigam

CEO & Whole-time Director

DIN: 02292840

Place: New Delhi

Date: January 14, 2026

Rahul Chari

Whole-time Director

DIN: 03052804

Place: Bengaluru

Date: January 14, 2026

Adarsh Nahata

Chief Financial Officer

Place: Bengaluru

Date: January 14, 2026

Ankit G Popat

Company Secretary and Compliance Officer

Membership No.: A20774

Place: Bengaluru

Date: January 14, 2026

PhonePe Limited (formerly known as 'PhonePe Private Limited')
CIN: U67190KA2012PLC176031
Annexure IV: Restated Consolidated Summary Statement of Cash Flows
(All amounts in Rs. million, unless otherwise stated)

	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from operating activities					
Restated profit/ (loss) before tax	(14,505.90)	(12,067.93)	(17,355.60)	(20,066.53)	(28,023.49)
Adjustments to reconcile restated profit/ (loss) before tax to net cash flows:					
Depreciation and amortisation expense	5,677.41	6,462.04	13,603.11	11,165.66	5,365.88
Gain on sale/ fair valuation of investments	(942.73)	(171.57)	(692.10)	(661.84)	(435.35)
Interest income	(1,497.45)	(2,138.56)	(4,020.72)	(4,263.64)	(995.15)
Finance costs	240.99	158.58	382.58	314.78	225.88
Foreign exchange difference (net) (unrealised)	13.55	(0.21)	(59.66)	(1,507.82)	962.42
Impairment of non-financial assets	12.67	17.37	59.88	251.99	70.88
Impairment losses on financial instruments	838.82	286.83	565.94	78.53	80.91
Provision for impairment of property, plant and equipment	34.29	79.02	29.64	140.70	34.89
Liabilities no longer required, written back	(30.73)	(117.74)	(169.48)	(29.35)	(6.89)
Gain on sale of property, plant and equipment (net)	(13.42)	(7.14)	(11.76)	(5.91)	(8.63)
Share of profit of associate, net of taxes	(96.97)	(135.26)	(271.55)	(254.38)	(204.51)
Gain on sale of partial stake in associate	(4,344.74)	-	-	-	-
Gain/ loss on lease modification/ termination	2.39	(11.61)	(12.49)	-	-
Share-based payment expense	18,128.68	13,152.47	23,578.62	21,486.09	14,253.20
Operating profit/ (loss) before working capital changes	3,516.86	5,506.29	15,626.41	6,648.28	(8,679.96)
Changes in working capital:					
Trade payables	(783.27)	2,747.55	4,045.50	2,973.18	(349.15)
Other financial liabilities	(8,069.18)	921.31	16,515.53	(393.68)	6,838.65
Other liabilities [refer note 18]	(587.41)	481.91	1,400.33	846.64	102.13
Provisions	305.68	216.48	375.90	462.39	306.26
Trade receivables	(493.45)	(336.34)	(1,210.54)	(3,715.70)	916.97
Other financial assets	4,602.42	(2,936.45)	(18,211.34)	(2,194.91)	(1,725.52)
Other assets	1,878.06	3,453.90	(1,455.78)	(885.23)	(2,177.25)
Cash-settled share based payment liabilities	(1,279.50)	(21.45)	(4,947.01)	(9,937.26)	(2,622.41)
Cash generated from/ (used in) operations	(909.79)	10,033.20	12,139.00	(6,196.29)	(7,390.28)
Income tax (paid)/ received (net of refund)	(262.92)	93.32	(119.16)	(95.23)	(292.22)
Net cash flows generated from/ (used in) operating activities (A)	(1,172.71)	10,126.52	12,019.84	(6,291.52)	(7,682.50)
Cash flows from investing activities					
Purchase of property, plant and equipment, including capital advances, capital work in progress and other intangible assets	(3,048.15)	(6,916.00)	(8,563.98)	(13,327.66)	(13,932.45)
Proceeds from sale of property, plant and equipment	13.61	7.20	11.76	5.91	61.83
Purchase of current investments	(100,036.37)	(51,378.23)	(98,997.87)	(105,699.78)	(77,284.88)
Sale of current investments	51,085.67	43,780.55	88,379.73	141,825.42	51,072.60
Investment in bank deposits (original maturity more than three months)	(25,100.44)	(38,259.00)	(47,565.09)	(35,878.15)	(4,107.50)
Redemption/ maturity of bank deposits (original maturity more than three months)	22,050.00	33,216.00	48,688.23	4,242.50	6,102.17
Dividend received from associate	26.17	35.69	35.69	30.59	-
Proceeds from sale of partial stake in associate	4,808.94	-	-	-	-
Loan given	-	-	-	-	(1,480.00)
Acquisition of entity under common control [refer note 39(iii)]	-	-	-	-	(5,740.56)
Acquisition of subsidiaries (net of cash acquired) [refer note 39(i) and (ii)]	-	-	-	-	(3,304.04)
Interest received	2,144.85	3,483.62	4,890.54	1,823.43	457.18
Net cash flows (used in) investing activities (B)	(48,055.72)	(16,030.17)	(13,120.99)	(6,977.74)	(48,155.65)
Cash flows from financing activities					
Proceeds from issue of equity share capital	63.86	-	-	16,387.74	61,248.16
Transaction cost on issue of shares	(0.01)	-	-	(0.82)	(31.80)
Payment of principal portion of lease liabilities	(771.54)	(560.18)	(1,183.18)	(933.81)	(556.85)
Interest on lease liabilities	(239.54)	(155.93)	(379.68)	(303.66)	(196.57)
Proceeds received to settle withholding tax on employees' ESOP exercise [refer note 18]	55,487.00	-	-	-	-
Interest paid	(1.11)	-	-	(11.12)	(8.95)
Proceeds from short term borrowings	887.37	-	-	8,300.45	6,993.39
Repayment of short term borrowings	(887.37)	-	-	(8,300.45)	(7,253.77)
Acquisition of non-controlling interest [refer note 39(i) and (iii)]	-	-	-	-	(279.63)
Net cash flows generated from/ (used in) financing activities (C)	54,538.66	(716.11)	(1,562.86)	15,138.33	59,913.98
Net increase/ (decrease) in Cash and cash equivalents (A+B+C)	5,310.23	(6,619.76)	(2,664.01)	1,869.07	4,075.83
Cash and cash equivalents at the beginning of the period/ year	5,954.14	8,579.00	8,579.00	6,702.06	2,647.47
Exchange difference on translation of foreign currency cash and cash equivalents	11.40	2.16	36.57	5.70	(23.60)
Gain on fair valuation of overnight mutual funds	-	-	2.58	2.17	2.36
Cash and cash equivalents at the end of the period/ year [refer note 8]	11,275.77	1,961.40	5,954.14	8,579.00	6,702.06

Refer note 5, 15, 33 and 10 for change in liabilities arising from financing activities and for non-cash financing and investing activities.

For summary of material accounting policies, refer note 2.

Note: The above Restated consolidated 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'.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statements.

As per our report of even date attached	For and on behalf of the Board of Directors of
For S.R. Batliboi & Associates LLP	PhonePe Limited (formerly known as 'PhonePe Private Limited')
Chartered Accountants	
Firm registration number: 101049W/E300004	

per Bharath N S

Partner
Membership no.: 210934
Place : Chennai
Date: January 14, 2026

Sameer Nigam

CEO & Whole-time Director
DIN: 02292840
Place: New Delhi
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Chief Financial Officer
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Ankit G Popat

Company Secretary and Compliance Officer
Membership No.: A20774
Place: Bengaluru
Date: January 14, 2026

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

CIN: U67190KA2012PLC176031

Annexure V - Summary of material accounting policies and explanatory notes forming part of Restated Consolidated Summary Statements

(All amounts in Rs. million, unless otherwise stated)

1. Corporate information

The Restated Consolidated Summary Statements comprise of the Ind-AS Financial Statements of PhonePe Limited (formerly known as 'PhonePe Private Limited'), domiciled in India (herein after referred to as the "Company") (CIN: U67190KA2012PLC176031), its subsidiaries (collectively, the "Group") and an associate, for the six months period ended September 30, 2025, September 30, 2024 and the years ended March 31, 2025, March 31, 2024, March 31, 2023. The Company was 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 Sofzone, Bellandur Village, Varthur Hobli, Outer Ring Road, Bellandur, Bangalore, Bangalore South, Karnataka, India, 560103. Wal-Mart International Holdings, Inc. is the Intermediate holding company and Walmart Inc. is the ultimate holding company of the Group.

The Group is primarily engaged in the business of (a) issuing and operating prepaid payment instruments in India vide Reserve Bank India ("RBI") Certificate of Authorization No. 237/2025, (b) operating as Bharat Bill Payment Operating Unit vide RBI Certificate of Authorisation No. 238/2025, c) authorization to operate as a Payment Aggregator (online and physical) under the Payments and Settlements Systems Act, 2007 vide Certificate of Authorisation no. 245/2025, d) insurance intermediary services as a direct insurance broker (life and general) (under registration code IRDA/DB 822/20 issued by Insurance Regulatory and Development Authority of India on August 11, 2021) bearing registration number 766, e) undertaking Insurance E-commerce activities in India vide ISNP License bearing Ref. No: ISNP-IRDAI/ISNP/DB/0766, issued by Insurance Regulatory and Development Authority of India, f) distribution of mutual funds vide Association of Mutual Fund in India (AMFI) registration no. ARN-187821 g) Stock broking services under Certificate of registration as Stock Broker (registration no. INZ000302639) dated October 08, 2021 under Securities and Exchange Board of India (Stock brokers and sub-brokers) Regulations, 1992, h) Certificate of registration to act as a depository participant dated June 24, 2022, bearing registration number IN-DP-696-2022 issued by SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended, i) Certificate of registration to act as a research analyst, bearing registration number INH000013387 issued by SEBI j) BSE RA Enlistment Number: 5887 issued by BSE to act as a 'research analyst' under the Securities and Exchange Board of India (Research Analysts) Regulations, 2014, as amended, k) hyperlocal marketplace (Subsequent to September 30, 2025, as part of Group's strategy refinement, the Group has transitioned out of the Pincode consumer mobile application, which was a hyperlocal e-commerce platform), l) operation and distribution of Indus app store and m) lending service provider. The services are provided to customers through PhonePe and other associated applications.

These Restated Consolidated Summary Statements were approved for issue by the Board of Directors of the Company on January 14, 2026.

The Group's subsidiaries along with the proportion of ownership interests and the voting rights held by the Company are disclosed below. The country of incorporation is also their principal place of business:

% of holding						
Name of the Company	Country of incorporation	September 30, 2025	September 30, 2024	March 31, 2025	March 31, 2024	March 31, 2023
Direct subsidiaries (Indian)						
PhonePe Technology Services Private Limited	India	100%	100%	100%	100%	100%
PhonePe Insurance Broking Services Private Limited	India	100%	100%	100%	100%	100%
PhonePe Wealth Broking Private Limited*	India	100%	100%	100%	100%	100%
Pincode Shopping Solutions Private Limited	India	100%	100%	100%	100%	100%
PhonePe Finance Private Limited	India	100%	100%	100%	100%	100%
PhonePe Lending Services Private Limited (formerly known as 'PhonePe Credit Services Private Limited')	India	100%	100%	100%	100%	100%
Direct subsidiaries (Foreign)						
Indus Appstore (Singapore) Pte. Ltd.	Singapore	100%	100%	100%	100%	100%
PhonePe International Holdings Limited (incorporated on September 26, 2025)	United Arab Emirates	100%	NA	NA	NA	NA
Indirect subsidiaries						
Quantech Capital Investment Advisors Private Limited*	India	NA	100%	NA	100%	100%
Wealth Technology & Services Private Limited*	India	NA	100%	NA	100%	100%
Indus Appstore Private Limited (formerly known as 'OS Labs Technology (India) Private Limited')	India	100%	100%	100%	100%	100%

* Hon'ble Regional Director (South East Region, Hyderabad) has passed an order which became effective on October 30, 2024, approving the Scheme of Merger by Absorption or Amalgamation under section 233 of the Companies Act, 2013, of amongst Wealth Technology & Services Private Limited and Quantech Capital Investment Advisors Private Limited (together referred as the "the transferor companies") with PhonePe Wealth Broking Private Limited ("the transferee") with effect from April 01, 2023.

2. Summary of Material accounting policies**2.1(a) Basis of preparation**

The Restated Consolidated Summary Statements of the Company and its subsidiaries, comprise of Restated Consolidated Summary Statement of Assets and Liabilities as at September 30, 2025, September 30, 2024, March 31, 2025, March 31, 2024 and March 31, 2023, the Restated Consolidated Summary Statement of Profit and Loss (including Other Comprehensive Income/ Loss), Restated Consolidated Summary Statement of Changes in Equity and the Restated Consolidated Summary Statement of Cash Flows for the period ended September 30, 2025, September 30, 2024 and the year ended March 31, 2025, March 31, 2024 and March 31, 2023 and the Summary of material accounting policies and explanatory notes ('Collectively Restated Consolidated Summary Statements').

These Restated Consolidated Summary Statements have been prepared by the management for the purpose of inclusion in the Updated Draft Red Herring Prospectus - I (UDRHP-I) in connection with the proposed initial public offering of equity shares of face value of Rs. 1 each of the Company (the "Offer"), in terms of the requirements of:

- Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act");
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India (SEBI) as amended, from time to time in pursuance of the Securities and Exchange Board of India Act, 1992; and
- The Guidance Note on Report in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

The restated consolidated summary statements has been compiled from:

a) Audited interim consolidated Ind AS financial statements of the Group as at and for the six months periods ended September 30, 2025 and September 30, 2024, which were prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") 34 "Interim Financial Reporting" (Ind AS 34) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meeting held on January 14, 2026.

b) Audited Consolidated Financial Statements of the Group as at and for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 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 other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind-AS compliant Schedule III), as applicable, which was approved by the Board of Directors at their meetings held on July 24, 2025, July 17, 2024 and July 26, 2023 respectively.

The accounting policies have been consistently applied by the Group in preparation of the Restated Consolidated Summary Statements to all the period/ years presented and are consistent with those adopted in the preparation of financial statements as at and for the six months period ended September 30, 2025.

These Restated Consolidated Summary Statements do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited consolidated financial statements mentioned above.

Refer Part A of Annexure VII – Statement of adjustments to Restated Consolidated Summary Statements in respect of other restatements carried out in preparation of these Restated Consolidated Summary Statements of the Group as at the six months period ended September 30, 2025, September 30, 2024 and the year ended March 31, 2025, March 31, 2024 and March 31, 2023.

The Restated Consolidated Summary 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

2. Summary of Material accounting policies (continued)

2.1(a) Basis of preparation (continued)

The management has re-evaluated rounding off norms adopted by the Group for presentation in the Restated Consolidated Summary Statements. Basis re-evaluation, the Group has revised its presentation approach, and henceforth, all amounts in these Restated Consolidated Summary Statements presented are rounded off to the nearest millions upto two decimal places, except where otherwise stated. The management believes that this change will enhance the comparability and readability of the Restated Consolidated Summary Statements, without obscuring any material information. It does not affect the recognition or measurement of any items in the Restated Consolidated Summary Statements and, consequently, has no impact on total equity or profit/(loss) for the current or prior periods. Similarly, there is no impact on the presentation of the Restated Consolidated Summary Statement of Cash Flows.

The Group has prepared these Restated Consolidated Summary Statements on the basis that it will continue to operate as a going concern.

2.1(b) Basis of consolidation

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above. In assessing control, potential voting rights that currently are exercisable are taken into account. The Ind-AS Financial Statements of subsidiaries are consolidated from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Ind-AS Financial Statements of the Group companies are consolidated on a line-by-line basis and all inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions, that is, as transactions with the owners in their capacity as owners. The carrying amount of the Group's interests are adjusted to reflect the changes in their relative interests in the subsidiary.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., periods ended on September 30, 2025, September 30, 2024 and the years ended on March 31, 2025, March 31, 2024 and March 31, 2023. These Restated Consolidated Summary Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in these Restated Consolidated Summary Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's Restated Summary Statements in preparing these Restated Consolidated Summary Statements to ensure conformity with the Group's accounting policies.

2.2 Business Combination

Business combinations, except those under common control, are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received, with the exception of the costs of issuing debt or equity securities that are recognised in accordance with Ind AS 32 and Ind AS 109.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

The following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- (i) Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind-AS 12 Income Tax and Ind-AS 19 Employee Benefits respectively.
- (ii) Liabilities or equity instruments related to share based payment arrangements of the acquiree or share-based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind-AS 102 Share-based Payments at the acquisition date.
- (iii) Assets (or disposal groups) that are classified as held for sale in accordance with Ind-AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

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

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 transferee's 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 Restated Consolidated Summary 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 Restated Consolidated Summary 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.

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2. Summary of Material accounting policies (continued)

2.2 Business Combination (continued)

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.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.3 Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The considerations made in determining whether significant influence exists is similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The Restated Consolidated Summary Statement of Profit and Loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the Restated Consolidated Summary Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Investments in associate are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. The impairment review compares the net carrying value with the recoverable amount, where the recoverable amount is the higher of the value in use calculated as the present value of the Group's share of the associate's future cash flows and its fair value less costs of disposal.

The Group determines the event or change in circumstance that triggers deemed disposal. The Group assesses the fair value of the investment at the time of deemed disposal and accounts for any gain/loss arising out of the same post assessment of whether or not the deemed disposal results in a loss of significant influence.

2.4 Current and non-current classification

The Group presents assets and liabilities in the Restated Consolidated Summary Statement of Assets and Liabilities based on current and non-current classification. An asset is classified as current when:

- It is expected to realise the asset, or intends to sell or consume it, in Group'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 Group 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 Group classifies all other liabilities as non-current.

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

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

2.5 Foreign currency

Functional and presentation currency

The functional currency of the Company and its Indian subsidiaries is Rs. whereas the functional currency of foreign subsidiaries is the currency of the primary economic environment in which the respective entity operates.

The Restated Consolidated Summary Statements are presented in Rs., which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. 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 Group Restated Consolidated Summary Statement of Profit and Loss in the period in which they arise, apart from exchange differences on monetary items forming part of the net investment in a foreign operation.

Non-monetary items that are measured at 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.

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2. Summary of Material accounting policies (continued)**2.5 Foreign currency (continued)****Foreign currency translations**

The assets and liabilities of the Group's foreign operations are translated into Rs. at exchange rates prevailing at the Balance Sheet date. Profits and losses are translated at average exchange rates for the relevant accounting periods. Exchange differences arising are recognised in Other Comprehensive Income (OCI) and are included in the Group's Foreign currency translation reserve. Such translation differences are recognised as income or expenses in the period in which the operation is disposed of.

2.6 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 Group and the cost of the item can be measured reliably. All repair and maintenance costs are recognised in Restated Consolidated Summary 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 Group 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 until 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") installations)	1.5 years
	5 years

Leasehold improvements are depreciated over the estimated useful life or the lease period, whichever is lower.

The Group, 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 Restated Consolidated Summary Statement of Profit and Loss in the year the asset is de-recognised and are presented as adjustments in the note to Property, plant and equipment in these Restated Consolidated Summary Statements.

2.7 Intangible assets

Separately purchased intangible assets are initially measured at cost, being the purchase price as at the date of acquisition. On acquisition of controlling interests in companies, Group recognises any specifically identifiable intangible assets separately from goodwill. These intangible assets are initially measured at fair value as at the date of acquisition. The determination of the fair values of the separately identified intangibles, is based, to a considerable extent, on management's judgement.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment loss, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Restated Consolidated Summary 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 Restated Consolidated Summary 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.

2.8 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 Restated Consolidated Summary Statement of Assets and Liabilities when the Group 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 2.16.

Financial assets

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

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2. Summary of Material accounting policies (continued)

2.8 Financial Instruments (continued)

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 of 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 Restated Consolidated Summary Statement of Profit and Loss. The losses arising from impairment are recognised in the Restated Consolidated Summary Statement of Profit and Loss. The Group's financial assets at amortised cost includes trade receivables and investments in commercial papers 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 Group 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 Restated Consolidated Summary Statement of Profit and Loss. Dividends are recognised as other income in the Restated Consolidated Summary Statement of Profit and Loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group 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 and interest income earned on FVTPL instruments are recognised in the Restated Consolidated Summary Statement of Profit and Loss.

Financial liabilities:

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

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 recognized in a business combination which is subsequently measured at FVTPL.

De-recognition of financial assets and liabilities

Financial assets

The Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. 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.

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 Restated Consolidated Summary 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 is reclassified to Restated Consolidated Summary Statement of Profit and Loss. In contrast, on de-recognition of an investment in equity instrument which the Group 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 Restated Consolidated Summary Statement of Profit and Loss, but is transferred to retained earnings.

Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group'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 Restated Consolidated Summary 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 Group 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.

2.9 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 Group 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.

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2. Summary of Material accounting policies (continued)

2.10 Impairment

Financial assets

Ind-AS 109 requires the Group 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 Group 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 Restated Consolidated Summary Statement of Profit and Loss.

Non - financial assets

The Group 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 the Restated Consolidated Summary 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.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions, and highly liquid investments with 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 (FVTPL).

2.12 Restricted Cash

Restricted cash refers to cash that is not available for general use by the Group. 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 Restated Consolidated Summary Statement of Cash Flows and in the Restated Consolidated Summary Statement of Assets and Liabilities. The Group'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.

2.13 Semi-closed wallet

The Group 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 Other financial assets and corresponding wallet liabilities are presented under Other financial liabilities in the Restated Consolidated Summary Statement of Assets and Liabilities.

2.14 Provisions

Provisions are liabilities of uncertain timing or amount. A provision is recognised if, as a result of a past event, the Group 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.

2.15 Employee benefits

Defined benefit plan

In accordance with applicable laws in India, the Group 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 Group. 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.

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 Group 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 Group 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 Group 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 Restated Consolidated Summary Statement of Profit and Loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

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2. Summary of Material accounting policies (continued)

2.16 Share based payments

Employees of the Group 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 expense 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 Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the Restated Consolidated Summary 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 Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

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.

2.17 Leases

The Group 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 Group as a lessee

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

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 2.10.

ii) Lease liabilities

The lease liabilities are 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 Group is reasonably certain to exercise; penalties for early termination if the lease term reflects the Group exercising a break option; and payments in an optional renewal period if the Group 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 Group's assessment of whether it is reasonably certain to exercise a purchase, extension or break option.

iii) Short-term leases

The Group 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 Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.18 Revenue from operations

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

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

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

The Group considers itself as a principal in an arrangement when it controls the service provided. The Group 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 contract liability / deferred revenue. The amount of consideration does not contain a significant financing component.

The Group 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 promotions expenses".

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2. Summary of Material accounting policies (continued)

2.18 Revenue from operations (continued)

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

(a) Payment services

Transaction Processing Fee and Convenience Fee:

The Group's consumers are levied Transaction Processing Fee, including Convenience Fee for availing recharges, bill payments, digital gold and silver, and travel and transit ticketing services. The Group 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 Group as per the terms of the contract with customers.

The Group 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 Group generally contracts with consumers, merchants, financial institutions, or affiliates of those parties.

Amount received by the Group 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 Group's PA Escrow Bank Account, while amounts yet to be received are recorded as receivables from payment gateways / banks.

Platform Fee:

Group 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.

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 Devices 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).

(b) Lending and insurance distribution services

Insurance Distribution Fee:

The Group earns distribution fee in form of commission and rewards from insurance companies on placement of insurance policies. Revenue from placement services is recognized at a point in time, i.e., the date of issue of policy documents by the insurance Company. The revenue is recognized on satisfaction of the performance obligation and is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation as specified in the contract with the customer. The Group presents revenue net of applicable taxes in the Restated Consolidated Summary Statement of Profit and Loss.

Lending Sourcing and Service Fee:

Revenue as Lending service provider consists of two components: Sourcing Fee and Service Fee.

Sourcing Fee - Sourcing Fee is recognised on satisfaction of associated performance obligation i.e. on sourcing of customers for lending partners, when amount of loan or credit is transferred to the user's bank account based on agreements entered with the respective lending partners.

Service Fee - Service Fee for services such as facilitation, collection, monitoring etc., is recognised in line with the period of service obligation as per agreements entered with respective lending partners.

(c) Other services

Stock Broking and Mutual Fund Distribution

Commission - Performance obligations are satisfied over time and commission on mutual fund distribution is recognised based on daily average assets under management (AUM) of the Schemes.

Depository Services - Revenue from depository services in the form of annual maintenance charges is recognized over the period of the performance obligation. Revenue from depository services in the form of transaction charges is recognised at a point in time when the performance obligation is satisfied.

Brokerage Fee - Income from broking activities is recognised on the trade date of transaction (net of Goods & service tax (GST), securities transaction tax, stamp duties and other levies by SEBI and stock exchanges).

Marketplace platform services

The Group generates revenue from online order placement and delivery transactions through its Pincode application. The Group has separate contractual arrangement with the user and third-party sellers/ seller applications respectively which specify the rights and obligations of each party. A user initiates the transaction which requires acceptance from the third-party sellers/ seller applications. The acceptance of the transaction, combined with the contractual agreement creates enforceable rights and obligations for each party. Revenue is recognised at a point in time on completion of delivery.

Contract assets

A contract asset is initially recognised for revenue earned from placement of insurance policies under an ongoing premium collection model because the receipt of consideration is conditional on successful receipt of instalment of premium from end customer. Upon receipt of the instalment from customer, the amount recognised as contract assets is reclassified to trade receivables.

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 Group transfers the related services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related services to the customer).

(d) Government grants

The Group 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.

(e) 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 Restated Consolidated Summary Statement of Profit and Loss.

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2. Summary of Material accounting policies (continued)

2.19 Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the Restated Consolidated Summary 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 is 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 Group 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 Restated Consolidated Summary Statement of Profit and Loss is recognised outside Restated Consolidated Summary 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 treatment. The Group reflects the effect of uncertainty for each uncertain tax position 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 Restated Consolidated Summary 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 Restated Consolidated Summary Statement of Profit and Loss are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group 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.

2.20 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 Group 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 Restated Consolidated Summary 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.

2.21 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 Group'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 Group 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.

2.23 Significant accounting estimates and judgements

The preparation of the Group's Restated Consolidated Summary 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 Restated Consolidated Summary Statements are included in the following notes:

(a) Share based payments

The Group 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 Restated Consolidated Summary 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 assets

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 Group's historical credit loss experience and forecast of economic conditions may not be representative of the actual default in the future.

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2. Summary of Material accounting policies (continued)

2.23 Significant accounting estimates and judgements (continued)

(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 Group 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 Group uses incremental borrowing rate.

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

The Group 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) Goodwill Impairment testing

The Group estimates the recoverable value of the cash generating unit (CGU) based on future cash flows after considering current economic conditions and trends, estimated future operating results and growth rates and anticipated future economic conditions. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a suitable discount rate in order to calculate the present value. Further details of the Company's impairment review and key assumptions are set out in note 4a and note 4b.

(g) Business combinations

The determination of whether an acquired set of assets and activities is a business or an asset can be judgemental, management uses a number of factors to make this determination, which are primarily focused on whether the acquired set of assets and activities include substantive processes that mean the set is capable of being managed for the purpose of providing a return.

(h) 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.

(i) Revenue from operations

Management exercises judgment to determine the measurement and timing of revenue recognition including evaluation of whether the Group 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, 2025. Key changes include amendments to:

Ind AS 21 - Lack of exchangeability

Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements

Ind AS 12 - International Tax Reform-Pillar Two Model Rules.

The amendment had no impact on the company's Restated Consolidated Summary Statements.

The above statement should be read with Annexure VI and Annexure VII to the Restated Consolidated Summary Statements.

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3(i) Property, plant and equipment

	Computers	Leasehold improvements	Others*	Total
At cost				
As at April 1, 2022	9,878.58	84.60	63.46	10,026.64
Additions	14,356.16	-	73.00	14,429.16
Acquisition on business combination [refer note 39]	21.15	-	5.10	26.25
Deletions	(92.90)	-	(0.30)	(93.20)
As at March 31, 2023	24,162.99	84.60	141.26	24,388.85
Additions	12,760.17	41.27	31.55	12,832.99
Deletions	(132.03)	(0.02)	(2.35)	(134.40)
As at March 31, 2024	36,791.13	125.85	170.46	37,087.44
Additions	5,928.06	-	20.48	5,948.54
Deletions	(71.98)	-	(0.07)	(72.05)
As at September 30, 2024	42,647.21	125.85	190.87	42,963.93
As at April 1, 2024	36,791.13	125.85	170.46	37,087.44
Additions	7,783.56	-	48.68	7,832.24
Deletions	(1,065.21)	-	(0.07)	(1,065.28)
As at March 31, 2025	43,509.48	125.85	219.07	43,854.40
Additions	3,214.95	-	40.38	3,255.33
Deletions	(1,059.88)	-	(0.11)	(1,059.99)
As at September 30, 2025	45,664.55	125.85	259.34	46,049.74
Accumulated depreciation and impairment				
As at April 1, 2022	3,621.34	55.92	20.91	3,698.17
Charge for the year	4,234.92	22.43	15.76	4,273.11
Provision for impairment	34.89	-	-	34.89
Deletions	(80.68)	-	1.51	(79.17)
As at March 31, 2023	7,810.47	78.35	38.18	7,927.00
Charge for the year	8,977.84	13.63	28.82	9,020.29
Provision for impairment	140.70	-	-	140.70
Deletions	(132.03)	(0.02)	(0.97)	(133.02)
As at March 31, 2024	16,796.98	91.96	66.03	16,954.97
Charge for the period	5,201.58	6.06	16.99	5,224.63
Provision for impairment	79.02	-	-	79.02
Deletions	(71.92)	-	(0.07)	(71.99)
As at September 30, 2024	22,005.66	98.02	82.95	22,186.63
As at April 1, 2024	16,796.98	91.96	66.03	16,954.97
Charge for the year	10,054.62	12.08	35.69	10,102.39
Provision for impairment	29.64	-	-	29.64
Deletions	(1,064.99)	-	(0.07)	(1,065.06)
As at March 31, 2025	25,816.25	104.04	101.65	26,021.94
Charge for the period	4,570.22	6.06	21.26	4,597.54
Provision for impairment	34.29	-	-	34.29
Deletions	(1,059.75)	-	(0.05)	(1,059.80)
As at September 30, 2025	29,361.01	110.10	122.86	29,593.97
Net book value				
As at March 31, 2023	16,352.52	6.25	103.08	16,461.85
As at March 31, 2024	19,994.15	33.89	104.43	20,132.47
As at September 30, 2024	20,641.55	27.83	107.92	20,777.30
As at March 31, 2025	17,693.23	21.81	117.42	17,832.46
As at September 30, 2025	16,303.54	15.75	136.48	16,455.77

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

3(ii) Capital work-in-progress

	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	261.21	834.33	834.33	2,692.88	1,635.66
Additions during the period/ year	781.03	2,279.83	3,198.00	4,982.44	10,192.14
Transfer to property, plant and equipment	(961.39)	(2,552.54)	(3,771.12)	(6,840.99)	(9,134.92)
Balance at the end of the period/ year	80.85	561.62	261.21	834.33	2,692.88

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.

Capital work-in-progress (CWIP) ageing schedule

As at September 30, 2025

	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	80.85	-	-	-	80.85
	80.85	-	-	-	80.85

As at September 30, 2024

	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	561.62	-	-	-	561.62
	561.62	-	-	-	561.62

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3(ii) Capital work-in-progress (continued)

Capital work-in-progress (CWIP) ageing schedule (continued)

As at March 31, 2025

	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	261.21	-	-	-	261.21
	261.21	-	-	-	261.21

As at March 31, 2024

	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	834.33	-	-	-	834.33
	834.33	-	-	-	834.33

As at March 31, 2023

	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,692.88	-	-	-	2,692.88
	2,692.88	-	-	-	2,692.88

As at September 30, 2025, September 30, 2024, March 31, 2025, March 31, 2024 and March 31, 2023, 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

	Computer software	Intellectual property rights*	Total other intangible assets	Goodwill	Grand total
At cost					
As at April 1, 2022	81.96	287.64	369.60	676.83	1,046.43
Additions	2.50	-	2.50	9,911.01	9,913.51
Acquisition on business combination [refer note 39]	-	1,524.60	1,524.60	-	1,524.60
As at March 31, 2023	84.46	1,812.24	1,896.70	10,587.84	12,484.54
Additions	-	2,136.00	2,136.00	-	2,136.00
Disposals	-	-	-	-	-
As at March 31, 2024	84.46	3,948.24	4,032.70	10,587.84	14,620.54
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at September 30, 2024	84.46	3,948.24	4,032.70	10,587.84	14,620.54
As at April 1, 2024	84.46	3,948.24	4,032.70	10,587.84	14,620.54
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at March 31, 2025	84.46	3,948.24	4,032.70	10,587.84	14,620.54
Additions	0.03	87.00	87.03	-	87.03
Disposals	-	-	-	-	-
As at September 30, 2025	84.49	4,035.24	4,119.73	10,587.84	14,707.57
Accumulated amortisation					
As at April 1, 2022	58.49	260.64	319.13	-	319.13
Charge for the year	24.01	344.00	368.01	-	368.01
Disposals	-	-	-	-	-
As at March 31, 2023	82.50	604.64	687.14	-	687.14
Charge for the year	1.65	1,068.27	1,069.92	-	1,069.92
Disposals	-	-	-	-	-
As at March 31, 2024	84.15	1,672.91	1,757.06	-	1,757.06
Charge for the period	0.21	615.12	615.33	-	615.33
Disposals	-	-	-	-	-
As at September 30, 2024	84.36	2,288.03	2,372.39	-	2,372.39
As at April 1, 2024	84.15	1,672.91	1,757.06	-	1,757.06
Charge for the year #	0.31	2,100.70	2,101.01	-	2,101.01
Disposals	-	-	-	-	-
As at March 31, 2025	84.46	3,773.61	3,858.07	-	3,858.07
Charge for the period	-	192.27	192.27	-	192.27
Disposals	-	-	-	-	-
As at September 30, 2025	84.46	3,965.88	4,050.34	-	4,050.34
Net book value					
As at March 31, 2023	1.96	1,207.60	1,209.56	10,587.84	11,797.40
As at March 31, 2024	0.31	2,275.33	2,275.64	10,587.84	12,863.48
As at September 30, 2024	0.10	1,660.21	1,660.31	10,587.84	12,248.15
As at March 31, 2025	-	174.63	174.63	10,587.84	10,762.47
As at September 30, 2025	0.03	69.36	69.39	10,587.84	10,657.23

* Includes assets whose carrying value amounts to Nil as at September 30, 2025 (September 30, 2024: Rs. 1,226.98; March 31, 2025: Nil; March 31, 2024: Rs.1,583.96; March 31, 2023: Nil), which is co-owned, without any restriction on use or sale.

During the year ended March 31, 2024, the Group acquired and recorded an intangible asset for Rs. 2,136.00 to be amortised over useful life of three years. During the year ended March 31, 2025, the Group has re-evaluated the useful life of this asset as sixteen months. Accordingly, the Group has recorded accelerated amortisation charge, amounting to Rs. 1,166.96 during the year ended March 31, 2025.

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4. Goodwill and Other intangible assets (continued)

Goodwill comprises of two CGUs - Payments and allied services and Indus Appstore, as defined below:

4a. Impairment assessment of Payment and allied services

The Payment and allied services represents one single cash generating unit ("CGU") considering the commonality in payment and allied services offered to its users and merchants from PhonePe/ other associated platforms of the entities within the Group. Carrying amount of goodwill allocated to this CGU as at September 30, 2025 amounts to Rs. 3,740.87 (September 30, 2024: Rs. 3,740.87; March 31, 2025: Rs. 3,740.87; March 31, 2024: Rs. 3,740.87; March 31, 2023: Rs. 3,740.87).

Key assumptions which the Group 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. Goodwill is tested for impairment as at 31st of March every year and whenever circumstances indicate that the carrying value may be impaired. As a result of the impairment analysis, management did not identify any impairment to be recognised as at March 31, 2025, March 31, 2024 and March 31, 2023.

As at September 30, 2025 and 2024, there were no indicators for impairment of the CGU. From last impairment testing till reporting date there is no material change in assumptions and conditions.

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 Group'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	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Long term growth rate	5.00%	5.00%	5.00%
Discount rate	16.40%	18.80%	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.

4b. Impairment assessment of Indus Appstore

During the year ended March 31, 2023, the Group acquired 100% stake in Indus Appstore (Singapore) Pte. Ltd. (formerly known as 'OS Labs Pte. Ltd.') ("Indus Appstore"). It is involved in the development of the Indus Appstore, an enhanced app store ecosystem for smartphones with a focus on localization, personalization and ease of use. In February 2024, the Group launched the Indus Appstore Platform for app developers and customers to register and upload their apps using the self-serve developer platform. Carrying amount of goodwill allocated to Indus Appstore CGU as at September 30, 2025 amounts to Rs. 6,846.97 (September 30, 2024: Rs. 6,846.97; March 31, 2025: Rs. 6,846.97; March 31, 2024: Rs. 6,846.97; March 31, 2023: Rs. 6,846.97).

Key assumptions which the Group 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 20 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. Goodwill is tested for impairment as at 31st of March every year and whenever circumstances indicate that the carrying value may be impaired. As a result of the impairment analysis, management did not identify any impairment to be recognised as at March 31, 2025, March 31, 2024 and March 31, 2023.

As at September 30, 2025 and 2024, there were no indicators for impairment of the CGU. From last impairment testing till reporting date there is no material change in assumptions and conditions.

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	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Long term growth rate	5.00%	5.00%	5.00%
Discount rate	21.10%	20.10%	25.00%

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.

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5. Right-of-use assets

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

Gross carrying value at cost

As at April 1, 2022

Additions

Terminations

As at March 31, 2023

Additions

Terminations

As at March 31, 2024

Additions

Remeasurements [refer note 15]

Modifications

Terminations

As at September 30, 2024

As at April 1, 2024

Additions

Remeasurements [refer note 15]

Modifications

Terminations

As at March 31, 2025

Additions

Remeasurements [refer note 15]

Modifications

Terminations

As at September 30, 2025

Accumulated depreciation

As at April 1, 2022

Charge for the year

Terminations

As at March 31, 2023

Charge for the year

Terminations

As at March 31, 2024

Charge for the period

Terminations

As at September 30, 2024

As at April 1, 2024

Charge for the year

Terminations

As at March 31, 2025

Charge for the period

Terminations

As at September 30, 2025

Net carrying value

As at March 31, 2023

As at March 31, 2024

As at September 30, 2024

As at March 31, 2025

As at September 30, 2025

Buildings	Data Centers	Total RoU Assets
1,485.48	203.25	1,688.73
1,509.69	1,222.16	2,731.85
(32.03)	(1.87)	(33.90)
2,963.14	1,423.54	4,386.68
593.89	836.52	1,430.41
(59.87)	-	(59.87)
3,497.16	2,260.06	5,757.22
598.65	435.32	1,033.97
913.68	-	913.68
(136.37)	-	(136.37)
(104.13)	-	(104.13)
4,768.99	2,695.38	7,464.37
3,497.16	2,260.06	5,757.22
1,807.07	1,659.40	3,466.47
913.68	-	913.68
(136.37)	-	(136.37)
(165.04)	-	(165.04)
5,916.50	3,919.46	9,835.96
120.95	153.77	274.72
1,030.31	-	1,030.31
-	11.56	11.56
(166.52)	-	(166.52)
6,901.24	4,084.79	10,986.03
405.29	8.11	413.40
439.18	285.58	724.76
(32.03)	(1.87)	(33.90)
812.44	291.82	1,104.26
661.09	414.36	1,075.45
(59.87)	-	(59.87)
1,413.66	706.18	2,119.84
367.53	254.55	622.08
(58.19)	-	(58.19)
1,723.00	960.73	2,683.73
1,413.66	706.18	2,119.84
812.40	587.31	1,399.71
(106.17)	-	(106.17)
2,119.89	1,293.49	3,413.38
478.68	408.92	887.60
(114.88)	-	(114.88)
2,483.69	1,702.41	4,186.10
2,150.70	1,131.72	3,282.42
2,083.50	1,553.88	3,637.38
3,045.99	1,734.65	4,780.64
3,796.61	2,625.97	6,422.58
4,417.55	2,382.38	6,799.93

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6. Investments

Non current:

At fair value (through OCI)

Investment in equity shares (unquoted)

National Payments Corporation of India fully paid-up equity shares 61,320 (September 30, 2024: 61,320; March 31, 2025: 61,320; March 31, 2024: 61,320; March 31, 2023: 61,320)	278.69	210.79	210.79	149.60	116.70

Total

278.69	210.79	210.79	149.60	116.70

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

Aggregate value of unquoted investments	278.69	210.79	210.79	149.60	116.70

Current:

At amortised cost

Investment in non-convertible debentures (quoted)	-	-	-	-	150.11
Investment in commercial papers (quoted)	1,995.87	14,249.95	8,107.52	11,099.19	32,357.50
Investment in fixed deposits with NBFC (unquoted)	5,230.00	20,649.00	12,070.00	13,230.00	4,107.50
Sub-total (a)	7,225.87	34,898.95	20,177.52	24,329.19	36,615.11

At fair value (through profit and loss)

Investment in mutual funds (quoted)	70,650.63	4,962.12	14,645.55	343.64	14,393.97
Sub-total (b)	70,650.63	4,962.12	14,645.55	343.64	14,393.97

Total (a)+(b)

77,876.50	39,861.07	34,823.07	24,672.83	51,009.08

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

Aggregate Book value of quoted investments	72,646.50	19,212.07	22,753.07	11,442.83	46,901.58
Aggregate Market value of quoted investments	72,647.30	19,196.78	22,752.53	11,423.64	46,888.82
Aggregate value of unquoted investments	5,230.00	20,649.00	12,070.00	13,230.00	4,107.50

7. Trade receivables (at amortised cost)

	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Unsecured receivables, considered good*	6,746.16	5,780.88	6,439.45	5,602.70	2,150.70
Credit impaired receivables	328.76	445.24	391.28	361.81	217.58
	7,074.92	6,226.12	6,830.73	5,964.51	2,368.28
Less: Allowance for unsecured receivables, considered good	(397.67)	(295.19)	(177.35)	(166.52)	(99.70)
Less: Allowance for credit impaired receivables	(328.76)	(445.24)	(391.28)	(361.81)	(217.58)
Total	6,348.49	5,485.69	6,262.10	5,436.18	2,051.00

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

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

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

	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance as at the beginning of the year	568.63	528.33	528.33	317.28	346.11
Allowances made during the period/ year	374.37	212.10	353.03	216.65	(24.79)
Written off	(216.57)	-	(312.73)	(5.60)	(4.04)
Balance as at the end of the period/ year	726.43	740.43	568.63	528.33	317.28

Trade receivables ageing schedule:

As at September 30, 2025

	Current but not due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables, considered good	5,171.87	1,286.37	287.73	0.19	-	-	6,746.16
Undisputed Trade receivables, credit impaired	-	0.33	169.92	47.03	87.53	23.95	328.76
	5,171.87	1,286.70	457.65	47.22	87.53	23.95	7,074.92

As at September 30, 2024

	Current but not due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables, considered good	2,539.66	3,171.76	27.96	41.45	0.05	-	5,780.88
Undisputed Trade receivables, credit impaired	-	4.59	210.22	140.42	66.51	23.50	445.24
	2,539.66	3,176.35	238.18	181.87	66.56	23.50	6,226.12

7. Trade receivables (at amortised cost) (continued)

Trade receivables ageing schedule (continued):

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	5,622.59	791.90	24.96	-	-	-	6,439.45
Undisputed Trade receivables, credit impaired	-	4.75	145.28	130.70	48.68	61.87	391.28
	5,622.59	796.65	170.24	130.70	48.68	61.87	6,830.73

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	4,894.02	708.68	-	-	-	-	5,602.70
Undisputed Trade receivables, credit impaired	-	123.09	131.11	85.36	11.84	10.41	361.81
	4,894.02	831.77	131.11	85.36	11.84	10.41	5,964.51

As at March 31, 2023

	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	1,309.12	841.36	0.22	-	-	-	2,150.70
Undisputed Trade receivables, credit impaired	18.49	63.65	50.20	71.03	9.63	4.58	217.58
	1,327.61	905.01	50.42	71.03	9.63	4.58	2,368.28

8. Cash and cash equivalents

	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Balances with banks:					
- In current accounts	11,053.57	1,670.50	4,413.04	7,028.18	1,049.95
- Deposits with original maturity of less than three months	222.20	290.90	1,476.60	1,550.82	5,334.00
Overnight mutual funds	-	-	64.50	-	318.11
Total	11,275.77	1,961.40	5,954.14	8,579.00	6,702.06
Cash and cash equivalents as per Ind-AS 7 (Statement of Cash flows)	11,275.77	1,961.40	5,954.14	8,579.00	6,702.06

9. Bank balances other than cash and cash equivalents

	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Short term deposits *	32,440.44	20,137.15	22,550.00	22,513.15	-
	32,440.44	20,137.15	22,550.00	22,513.15	-

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

10. Loans (at amortised cost)

	Current				
	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Secured, considered good					
Intercompany loans - others	-	-	-	-	1,556.19
Allowance for impairment	-	-	-	-	(76.19)
Total	-	-	-	-	1,480.00

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

Particulars of intercompany loan is 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 September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Camden Town Technologies Private Limited	16.4% p.a.	On demand	Secured	-	-	-	-	1,556.19

Camden Town Technologies Private Limited had given first charge over its trademarks and copy right works against the above loan. The loan was utilized for working capital requirements by the recipient and was adjusted against the intangible assets purchase consideration.

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11. Other financial assets (at amortised cost)

	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Non-current:					
Unsecured, considered good					
Restricted cash					
- Bank deposits [refer note (c) below]	10.25	8.37	8.39	15.87	3.50
Security deposits	595.05	449.14	561.65	432.73	309.14
Bank deposits*	5.00	5.00	5.00	-	-
Total	610.30	462.51	575.04	448.60	312.64
Current:					
Unsecured, considered good					
Restricted cash					
- Balances in escrow accounts [refer note (a) and (b) below]	39,403.28	7,364.91	46,147.01	7,406.42	5,862.02
- Bank deposits [refer note (c) below]	1,563.17	1,648.20	1,370.70	443.50	25.66
Receivables from payment gateways/ banks [refer note (b) below]	9,733.30	-	8,165.49	-	-
Interest accrued on fixed deposits	798.08	1,046.19	1,487.57	2,408.77	51.79
Security deposits	124.83	82.80	95.88	62.37	47.79
Other receivables [refer note (d) and (e) below]	1,145.76	2,682.81	913.03	995.98	919.36
Unsecured, credit impaired					
Security deposits	2.01	2.01	2.01	1.56	1.15
Other receivables	370.35	356.02	327.91	263.29	164.94
	53,140.78	13,182.94	58,509.60	11,581.89	7,072.71
Allowance for credit impaired receivables	(372.36)	(358.03)	(329.92)	(264.85)	(166.09)
Total	52,768.42	12,824.91	58,179.68	11,317.04	6,906.62

(a) Includes unwithdrawn revenue Rs. 5,558.67 (September 30, 2024: Rs. 3,550.60; March 31, 2025: Rs. 3,200.43; March 31, 2024: Rs. 4,064.29; March 31, 2023: Rs. 2,549.60).

(b) During the period, the Company obtained a license from the RBI to operate as a non-bank Payment Aggregator (PA), having previously held an in-principle authorisation under the Payments and Settlements Systems Act, 2007.

During the previous years, 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) as at September 30, 2024 of Rs. 31,949.58 (March 31, 2024: Rs. 39,040.95, March 31, 2023: Rs. 10,072.76), nodal bank balances as at September 30, 2024 of Rs. 22,005.87 (March 31, 2024: Rs. 29,258.40, March 31, 2023: Rs. 3,858.58) and receivable from payment from gateways (including other receivables) as at September 30, 2024 of Rs. 9,943.71 (March 31, 2024: 9,782.55, March 31, 2023: Rs. 6,214.18) were presented on a net basis as of September 30, 2024, March 31, 2024 and March 31, 2023 respectively.

In the year ended March 31, 2025, 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 i) with stock exchanges amounting to Rs. 1,284.22 (September 30, 2024: Rs. 1,284.22; March 31, 2025: Rs. 1,370.59; March 31, 2024 Rs. 450.87; March 31, 2023: Nil) ii) to lenders towards financial guarantees issued amounting to Rs. 279.93 (September 30, 2024: Nil; March 31, 2025: Nil; March 31, 2024: Nil; March 31, 2023: Nil) iii) with Insurance Regulatory and Development Authority of India amounting to Rs. 1.00 (September 30, 2024: Rs. 1.00; March 31, 2025: Rs. 1.00; March 31, 2024 : Rs. 1.00; March 31, 2023: Rs. 1.00) iv) with payment integration service providers amounting to Rs. 5.74 (September 30, 2024: Rs. 5.00; March 31, 2025: Rs. 5.00; March 31, 2024 : Rs. 5.00; March 31, 2023: Rs. 2.50) v) for bank guarantee and others amounting to Rs. 2.53 (September 30, 2024: Rs. 2.50; March 31, 2025: Rs. 2.50; March 31, 2024 : Rs. 2.50; March 31, 2023: Rs 25.66).

(d) Includes expenses incurred by the Group aggregating to Rs. 333.44 (September 30, 2024: Nil; March 31, 2025: Nil; March 31, 2024: Nil; March 31, 2023: Nil) in connection with its initial public offer (IPO) of equity shares and the same is recoverable from selling shareholders.

(e) Includes receivables from related parties [refer note 28].

* Represents deposits with original maturity of more than twelve months and remaining maturity of more than twelve months.

12. Other assets

	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Non-current:					
Unsecured, considered good					
Capital advances	-	0.17	13.69	106.86	460.07
Balances with statutory authorities	1,318.88	1,214.93	956.26	1,254.14	867.78
Prepaid expenses	1,648.33	377.05	2,026.33	206.03	211.36
Total	2,967.21	1,592.15	2,996.28	1,567.03	1,539.21
Current:					
Unsecured, considered good					
Advances other than capital advances**	2,368.80	2,304.86	4,166.35	3,619.76	2,230.21
[net of allowance Rs. 16.18 (September 30, 2024: Rs. 22.11; March 31, 2025: Rs. 15.39; March 31, 2024: Rs. 27.83 and March 31, 2023 : Rs. 8.68)]					
Balances with statutory authorities* #	6,440.24	5,939.05	6,775.15	8,112.34	9,297.06
[net of provision against current balances Rs. 132.73 (September 30, 2024: Rs. 193.27; March 31, 2025: Rs. 161.43; March 31, 2024: Rs. 96.10; March 31, 2023: Rs. 19.61)]					
Prepaid expenses	2,014.70	980.89	1,759.05	1,095.78	796.24
Contract assets	62.15	-	60.69	-	-
Total	10,885.89	9,224.80	12,761.24	12,827.88	12,323.51

** Advances other than capital advances includes advances to employees amounting to Rs. 139.26 (September 30, 2024: Rs. 120.70; March 31, 2025: Rs. 142.74; March 31, 2024: Rs. 72.19; March 31, 2023: Rs. 66.10).

* Balances with statutory authorities includes Goods and Services Tax (GST) input credit, including GST paid on gross value of electronic recharge transactions.

Includes Rs. 22.63 (September 30, 2024: Rs. 90.86; March 31, 2025: Rs. 90.91; March 31, 2024: Rs. 21.20; March 31, 2023: Nil) 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.

13. Equity share capital

Authorised share capital*

1,000,000,000 equity shares of Rs.1 each (September 30, 2024: 100,000,000 equity shares of Rs.10 each; March 31, 2025: 1,000,000,000 equity shares of Rs. 1 each; March 31, 2024: 100,000,000 and March 31, 2023: 100,000,000 equity shares of Rs.10 each)

As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
1,000.00	1,000.00	1,000.00	1,000.00	1,000.00

Issued, subscribed and fully paid-up share capital [refer note (a) below]

506,604,456 equity shares of Rs.1 each (September 30, 2024: 44,274,361 equity shares of Rs.10 each; March 31, 2025: 442,743,610 equity shares of Rs.1 each; March 31, 2024: 44,274,361 and March 31, 2023: 43,453,661 equity shares of Rs.10 each)

506.60	442.74	442.74	442.74	434.53

* During the six months period ended September 30, 2025, September 30, 2024 and the year ended March 31, 2025, March 31, 2024 and March 31, 2023, 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 period/ year

	As at September 30, 2025		As at September 30, 2024		As at March 31, 2025		As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 1 each issued, subscribed and fully paid up (September 30, 2024, March 31, 2024 and March 31, 2023: equity shares of Rs. 10 each)										
At the beginning of the period/ year	442,743,610	442.74	44,274,361	442.74	44,274,361	442.74	43,453,661	434.53	40,386,345	403.86
Issued during the period/ year	63,860,846	63.86	-	-	-	-	820,700	8.21	3,067,316	30.67
Split of 1 share of Rs. 10 each to 10 shares of Rs. 1 each	-	-	-	-	398,469,249	-	-	-	-	-
Outstanding at the end of the period/ year	506,604,456	506.60	44,274,361	442.74	442,743,610	442.74	44,274,361	442.74	43,453,661	434.53

(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. Also, refer note 31.

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

	As at September 30, 2025		As at September 30, 2024		As at March 31, 2025		As at March 31, 2024		As at March 31, 2023	
Name of the shareholder	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 1 each fully paid up (September 30, 2024, March 31, 2024 and March 31, 2023: 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.')	371,517,890	73.33%	37,151,789	83.91%	371,517,890	83.91%	37,151,789	83.91%	37,151,789	85.50%
General Atlantic Singapore PPIL Pte. Ltd.	46,492,018	9.18%	2,275,528	5.14%	22,755,280	5.14%	2,275,528	5.14%	1,454,828	3.35%
Headstand Pte. Ltd. (Formerly known as 'PhonePe Private Limited') (incorporated in Singapore)	29,666,640	5.86%	2,966,664	6.70%	29,666,640	6.70%	2,966,664	6.70%	2,966,664	6.83%

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 Group's Employee Stock 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 September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
	Amount	Amount	Amount	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	371.52	371.52	371.52
371,517,890 equity shares of Rs.1 each (September 30, 2024: 37,151,789 equity shares of Rs.10 each; March 31, 2025: 371,517,890 equity shares of Rs.1 each; March 31, 2024: 37,151,789 equity shares of Rs.10 each and March 31, 2023: 37,151,789 equity shares of Rs.10 each)					
Headstand Pte. Ltd. (Formerly known as 'PhonePe Private Limited') (incorporated in Singapore) [refer note 13d above and note 28] Nil (September 30, 2024: Nil; March 31, 2025: Nil; March 31, 2024: Nil and March 31, 2023: 2,966,664 equity shares of Rs.10 each)	-	-	-	-	29.67

(g) Details of shares held by promoters

	As at September 30, 2025				
Promoter name	No. of shares at the beginning of the period	Change during the period	No. of shares at the end of the period	% of total shares	% change during the period
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.')	371,517,890	-	371,517,890	73.33%	-
Total	371,517,890	-	371,517,890	73.33%	-

The Board of Directors of the Company in their meeting held on September 12, 2025 identified WM Digital Commerce Holdings Pte. Ltd and Wal-Mart International Holdings, Inc. as the 'Promoters' of the Company. However, Wal-Mart International Holdings, Inc. holds no shares in the Company.

	As at September 30, 2024				
Promoter name	No. of shares at the beginning of the period	Change during the period	No. of shares at the end of the period	% of total shares	% change during the period
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.')	37,151,789	-	37,151,789	83.91%	-
Total	37,151,789	-	37,151,789	83.91%	-
	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.')	37,151,789	334,366,101	371,517,890	83.91%	-
Total	37,151,789	334,366,101	371,517,890	83.91%	-

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

13. Equity share capital (continued)

(g) Details of shares held by promoters (continued)

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.')	37,151,789	-	37,151,789	83.91%	-
Total	37,151,789	-	37,151,789	83.91%	-
As at March 31, 2023					
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.')	-	37,151,789	37,151,789	85.50%	100.00%
Headstand Pte. Ltd (Formerly known as 'PhonePe Private Limited') (incorporated in Singapore) (erstwhile immediate holding company) *	40,336,245	(37,369,581)	*	*	-100.00%
Total	40,336,245	(217,792)	37,151,789	85.50%	100.00%

* The erstwhile immediate holding company i.e., Headstand Pte. Ltd (Formerly known as 'PhonePe Private Limited') (incorporated in Singapore) sold its controlling stake in the Company to WM Digital Commerce Holdings Pte. Ltd and few other parties on December 23, 2022. Consequently, with effect from December 23, 2022, the Company has become a subsidiary of WM Digital Commerce Holdings Pte. Ltd and Walmart Inc. continues to be the ultimate holding company. Subsequent to this, Headstand Pte. Ltd ceased to be a promoter of the Company and accordingly, the number of shares and % of total shares held by Headstand Pte. Ltd as at year ended March 31, 2023 has not been disclosed.

14. Other equity

	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Reserves and Surplus					
Capital reserve					
As at the beginning of the year	1,333.74	1,333.74	1,333.74	1,333.74	(31.53)
Stake purchase in common control entity	-	-	-	-	1,365.27
As at the end of the period/ year	1,333.74	1,333.74	1,333.74	1,333.74	1,333.74
Securities premium					
As at the beginning of the year	181,908.20	181,908.20	181,908.20	165,529.49	104,343.80
Securities premium on issue of equity shares	-	-	-	16,379.53	61,217.49
Issue of shares on exercise of Employee stock options	66,074.12	-	-	-	-
Transaction cost on issue of equity shares	(0.01)	-	-	(0.82)	(31.80)
As at the end of the period/ year	247,982.31	181,908.20	181,908.20	181,908.20	165,529.49
Share-based payment reserve					
As at the beginning of the year	67,079.66	49,339.42	49,339.42	21,830.61	-
Settlement/ compensation related to share-based payments [refer note 31]	8,575.95	9,323.54	17,740.24	16,398.00	21,830.61
Acceleration of expense and incremental fair value recognised	7,948.59	-	-	-	-
Issue of equity shares on exercise of Employee stock options	(66,074.12)	-	-	-	-
Vested options net settled for employees tax obligation	(1,301.33)	-	-	-	-
Repurchase/cancellations of options	(570.61)	-	-	-	-
Cash-settled share based payment liabilities transferred to equity on equity-settlement	3,078.03	-	-	-	-
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 period/ year	18,736.17	58,662.96	67,079.66	49,339.42	21,830.61
Other reserves					
As at the beginning of the year	(7,146.05)	(7,146.05)	(7,146.05)	(2,598.13)	-
Capital redemption reserve on buy back of shares of wholly owned subsidiaries	-	-	-	-	4.23
Settlement/ compensation related to share-based payments [refer note 31]	-	-	-	-	(2,743.41)
Modification related to equity settled share-based payments to cash settled share-based payments and vice-versa (net)	(1,727.66)	-	-	-	-
Acquisition of non-controlling interests [refer note 39(iv) and 39(iii)]	-	-	-	-	141.05
Modification of equity settled share-based payments to cash settled share-based payments [refer note 31]	-	-	-	(4,590.00)	-
Others	-	-	-	42.08	-
As at the end of the period/ year	(8,873.71)	(7,146.05)	(7,146.05)	(7,146.05)	(2,598.13)
Retained earnings					
As at the beginning of the year	(148,600.85)	(131,326.75)	(131,326.75)	(111,365.04)	(83,400.12)
Profit/ (loss) for the period/ year	(14,444.22)	(12,032.05)	(17,274.10)	(19,961.71)	(27,960.69)
Capital redemption reserve on buy back of shares of wholly owned subsidiaries	-	-	-	-	(4.23)
As at the end of the period/ year	(163,045.07)	(143,358.80)	(148,600.85)	(131,326.75)	(111,365.04)
Remeasurement of the defined benefit plan					
As at the beginning of the year	(54.98)	(40.62)	(40.62)	5.84	(16.20)
Remeasurement loss on net defined benefit liability, net of taxes	(34.98)	(37.76)	(15.21)	(43.23)	21.36
Share of other comprehensive income of associate, net of taxes	1.01	1.03	0.85	(3.23)	0.68
As at the end of the period/ year	(88.95)	(77.35)	(54.98)	(40.62)	5.84
Other Comprehensive Income					
Foreign currency translation reserve					
As at the beginning of the year	14.01	(22.56)	(22.56)	(23.56)	-
Exchange differences on translation of foreign operations	11.40	2.16	36.57	1.00	(23.56)
As at the end of the period/ year	25.41	(20.40)	14.01	(22.56)	(23.56)
Equity instruments through other comprehensive income					
As at the beginning of the period/ year	114.65	64.28	64.28	35.14	-
Equity instruments through other comprehensive income, net of taxes	58.18	50.37	50.37	29.14	35.14
As at the end of the period/ year	172.83	114.65	114.65	64.28	35.14
Other equity attributable to owners of the Company	96,242.73	91,416.95	94,648.38	94,109.66	74,748.09

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

Capital reserve

Represents the excess of the Group'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 provisions 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 Group'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, (c) acquisition of non-controlling interest and (d) post measurement period adjustments for business combinations.

Retained earnings

Represents accumulated losses of current and prior periods/ years of the Group and this reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

Remeasurement of the defined benefit plan

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

Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian Rupee is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Other comprehensive income

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

Lease liabilities

Total

Current

Lease liabilities

Total

The Group 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 Group. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. The Group assesses at the time of lease commencement whether it is reasonably certain to exercise the extension or termination option. The Group re-assesses whether it is reasonably certain to exercise the extension or termination option 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. 1,073.06 (September 30, 2024: Rs. 662.38; March 31, 2025: Rs. 1,267.82; March 31, 2024: Rs. 1,387.56 and March 31, 2023: Rs. 780.49) were not included in lease liabilities because it is not reasonably certain that the leases will be extended or terminated. Leases that the Group has entered into as a lessee but that have not yet commenced result in possible future cash outflows totalling Rs. 2,593.79 (September 30, 2024: Rs. 253.41; March 31, 2025: Nil; March 31, 2024: Rs. 9.60 and March 31, 2023: Nil).

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

Set out below are the carrying amounts of lease liabilities and the movements during the period/ year:

Particulars

	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening lease liabilities	6,728.21	3,838.93	3,838.93	3,374.85	1,262.70
Addition of new leases	261.18	981.17	3,371.95	1,397.89	2,669.00
Remeasurements of lease liabilities*	989.75	913.68	913.68	-	-
Modification of lease liabilities	11.56	(141.59)	(147.11)	-	-
Termination of lease liabilities	(56.96)	(52.41)	(66.06)	-	-
Interest on lease liabilities	239.54	155.93	379.68	303.66	196.57
Payment of lease liabilities (including interest)	(1,011.08)	(716.11)	(1,562.86)	(1,237.47)	(753.42)
Closing lease liabilities	7,162.20	4,979.60	6,728.21	3,838.93	3,374.85

The following are the amounts recognized in the Restated Consolidated Summary Statement of Profit and Loss:

	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on lease liabilities [refer note 24]	239.54	155.93	379.68	303.66	196.57
Depreciation of right-of-use assets [refer note 25]	887.60	622.08	1,399.71	1,075.45	724.76
Variable lease payments not included in the measurement of lease liabilities	58.35	37.90	83.57	73.16	39.98
Total amount recognized in the Restated Consolidated Summary Statement of Profit and Loss	1,185.49	815.91	1,862.96	1,452.27	961.31

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

	April 01, 2025	New leases**	Cash flows	Interest expense	September 30, 2025
Lease liabilities	6,728.21	1,205.53	(1,011.08)	239.54	7,162.20
	April 01, 2024	New leases**	Cash flows	Interest expense	March 31, 2025
Lease liabilities	3,838.93	4,072.46	(1,562.86)	379.68	6,728.21
	April 01, 2024	New leases**	Cash flows	Interest expense	September 30, 2024
Lease liabilities	3,838.93	1,700.85	(716.11)	155.93	4,979.60
	April 01, 2023	New leases	Cash flows	Interest expense	March 31, 2024
Lease liabilities	3,374.85	1,397.89	(1,237.47)	303.66	3,838.93
	April 01, 2022	New leases	Cash flows	Interest expense	March 31, 2023
Lease liabilities	1,262.70	2,669.00	(753.42)	196.57	3,374.85

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

** includes effects of modifications, remeasurements and terminations.

16. Trade payables (at amortised cost)

Current

Trade payables*

Total

* includes 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 September 30, 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 and small enterprises	88.68	12.74	0.40	-	-	101.82
Total outstanding dues of creditors other than micro and small enterprises	7,045.95	694.31	28.46	0.59	1.52	7,770.83
Total	7,134.63	707.05	28.86	0.59	1.52	7,872.65
As at September 30, 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 and small enterprises	64.96	23.66	0.02	0.01	-	88.65
Total outstanding dues of creditors other than micro and small enterprises	7,057.52	148.96	38.38	-	0.18	7,245.04
Total	7,122.48	172.62	38.40	0.01	0.18	7,333.69
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 and small enterprises	1.57	1.37	-	0.01	-	2.95
Total outstanding dues of creditors other than micro and small enterprises	8,361.82	274.71	0.07	2.89	-	8,639.49
Total	8,363.39	276.08	0.07	2.90	-	8,642.44
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 and small enterprises	57.03	5.60	2.94	2.47	2.09	70.13
Total outstanding dues of creditors other than micro and small enterprises	4,289.47	309.37	20.65	-	-	4,619.49
Total	4,346.50	314.97	23.59	2.47	2.09	4,689.62
As at March 31, 2023	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 and small enterprises	24.66	8.45	-	-	-	33.11
Total outstanding dues of creditors other than micro and small enterprises	3,759.30	70.90	0.68	1.48	1.47	3,833.83
Total	3,783.96	79.35	0.68	1.48	1.47	3,866.94

17. Other financial liabilities (at amortised cost)

Current

Payable to merchants [refer note 11(b)]*

Payable towards wallet balances

Capital creditors

Financial guarantee obligation (refer note 33(a))

Employee liabilities

Others**

Total

As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
38,463.64	-	47,237.92	-	-
3,483.03	2,831.65	2,981.20	2,936.24	2,956.08
884.86	836.09	784.71	2,182.95	4,234.16
384.97	-	-	-	-
221.09	162.69	157.33	155.93	182.68
929.72	2,714.91	818.45	1,710.71	21,055.16
44,367.31	6,545.34	51,979.61	6,985.83	28,428.08

* includes payable to related parties [refer note 28]

** majorly includes car lease payables amounting to Rs. 439.71 (September 30, 2024; Rs. 413.82; March 31, 2025; Rs. 438.15; March 31, 2024; Rs. 418.59; March 31, 2023; 213.69) and represents liability towards ESOP's granted by Headstand Pte Ltd (incorporated in Singapore) (formerly known as 'PhonePe Private Limited') (erstwhile immediate holding company) amounting to Rs. Nil (September 30, 2024; Rs. Nil; March 31, 2025; Rs. Nil; March 31, 2024; Rs. Nil; March 31, 2023; Rs. 20,630.30) [refer note 28].

18. Other liabilities

Non current

Deferred revenue**

Total

As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
51.79	-	52.16	-	-
51.79	-	52.16	-	-

Current

Payable to statutory authorities**

Deferred revenue**

Total

As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
65,389.54	5,264.67	6,439.25	5,402.27	4,820.97
589.46	884.85	576.53	265.34	-
65,979.00	6,149.52	7,015.78	5,667.61	4,820.97

* Payable to statutory authorities pertains to GST obligation, including GST on gross value of electronic recharge transactions on the PhonePe platform.

During the six months period ended September 30, 2025, in order to meet the employees' tax obligations arising upon the exercise of equity-settled share-based options by certain eligible employees (refer note 31(c)(iii)), the Company entered into an arrangement with a shareholder of the Company, whereby the Shareholder purchased shares received by certain eligible employees upon the exercise of equity-settled share-based options at their fair value. Considering the substance of the transaction, the proceeds received to settle the employees' tax obligations is considered to be in the nature of financing cash outflow in the Restated Consolidated Summary Statement of Cash Flows. Pursuant to this arrangement, the Company received Rs. 55,487 in the month of September 30, 2025, which was subsequently paid to the tax authority on the employees' behalf on October 06, 2025.

** Changes in deferred revenue are as follows:

Balance as at the beginning of the period/ year

Revenue recognised that was included in the balance at the beginning of the period/ year

Increase due to invoicing during the period/ year, excluding amounts recognised as revenue during the period/ year

Balance as at the end of the period/ year

For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
628.69	265.34	265.34	-	-
(390.03)	(117.20)	(206.67)	-	-
402.59	736.71	570.02	265.34	-
641.25	884.85	628.69	265.34	-

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as revenue at the end of the reporting period.

Applying the practical expedient as given in Ind AS 115, the Group 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.

19. Provisions

Non-current

Provision for gratuity [refer note 29]

Share appreciation rights [refer note 31]

Total

As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
753.58	582.31	621.69	475.40	324.40
-	-	-	-	1,316.28
753.58	582.31	621.69	475.40	1,640.68

Current

Provision for gratuity [refer note 29]

Provision for compensated absences

Total

As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
119.29	83.76	115.86	68.43	48.99
1,433.48	1,164.79	1,231.21	1,033.82	698.64
1,552.77	1,248.55	1,347.07	1,102.25	747.63

20. Income tax

The components of income tax expense for the six months period ended September 30, 2025, September 30, 2024 and the years ended March 31, 2025, March 31, 2024 and March 31, 2023 are:

Current tax

Deferred tax

Total tax

For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
0.78	1.63	3.25	-	-
(62.46)	(37.51)	(84.75)	(104.82)	(62.80)
(61.68)	(35.88)	(81.50)	(104.82)	(62.80)

a) Reconciliation of tax expense and the accounting loss

Accounting loss before taxes

At India's statutory income tax rate of 25.17%

(September 30, 2024; 25.17%; March 31, 2025; 25.17%; March 31, 2024; 25.17% and March 31, 2023; 25.17%)

Adjustments:

Deferred tax assets not recognised on tax loss and unabsorbed depreciation

Permanent differences

Deferred tax assets not recognised on timing differences

Tax rate difference on undistributed earnings of associate

Tax on income at different rates

Others

Income tax expense recognized in the Restated Consolidated Summary Statement of Profit and Loss

As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
(14,505.90)	(12,067.93)	(17,355.60)	(20,066.53)	(28,023.49)
(3,650.84)	(3,037.26)	(4,368.06)	(5,050.34)	(7,052.95)
3,447.84	2,425.38	3,232.53	5,572.59	6,960.24
(1.10)	0.08	5.80	(185.09)	30.54
175.50	641.85	1,271.56	(570.67)	94.34
(43.60)	(5.65)	(20.97)	(26.40)	(28.08)
0.06	(1.42)	(1.70)	(65.17)	0.62
10.46	(58.86)	(200.66)	220.26	(67.51)
(61.68)	(35.88)	(81.50)	(104.82)	(62.80)

b) Amounts recognised in OCI

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

- Remeasurement loss on net defined benefit liability

- Equity instruments through other comprehensive income

- Share of other comprehensive income of associate

As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
(0.69)	(0.41)	0.83	-	-
9.71	10.83	10.83	3.76	4.54
-	-	-	-	-
9.02	10.42	11.66	3.76	4.54

20. Income tax (continued)

c) Deferred tax liabilities (net)

As at September 30, 2025					
Particulars	As at April 01, 2025	Recognised in the Restated Consolidated Summary Statement of Profit and Loss	Acquisition on business combination	Recognised in Other Comprehensive Income	As at September 30, 2025
<i>Tax effect of items resulting in taxable temporary differences</i>					
Property, plant and equipment and intangible assets	(43.96)	43.96	-	-	-
Right-of-use assets	(1,616.43)	(94.73)	-	-	(1,711.16)
Unrealised gain on investments	(56.43)	30.89	-	-	(25.54)
Undistributed earnings of associate	(103.82)	19.19	-	-	(84.63)
Employee benefit expenses	(0.83)	-	-	0.69	(0.14)
Investments in equity shares (unquoted) (at FVTOCI)	(19.13)	-	-	(9.71)	(28.84)
<i>Tax effect of items resulting in deductible temporary differences</i>					
Lease liabilities	1,671.26	58.17	-	-	1,729.43
Carry forward loss allowed to be offset against future profits	2.44	4.98	-	-	7.42
Deferred tax assets/ (liabilities)	(166.90)	62.46	-	(9.02)	(113.46)

As at September 30, 2024					
Particulars	As at April 01, 2024	Recognised in the Restated Consolidated Summary Statement of Profit and Loss	Acquisition on business combination	Recognised in Other Comprehensive Income	As at September 30, 2024
<i>Tax effect of items resulting in taxable temporary differences</i>					
Property, plant and equipment and intangible assets	(445.97)	226.35	-	-	(219.62)
Right-of-use assets	(915.46)	(287.73)	-	-	(1,203.19)
Unrealised gain on investments	-	(13.14)	-	-	(13.14)
Undistributed earnings of associate	(56.44)	(28.39)	-	-	(84.83)
Employee benefit expenses	-	-	-	-	-
Investments in equity shares (unquoted) (at FVTOCI)	(8.30)	-	-	(10.83)	(19.13)
<i>Tax effect of items resulting in deductible temporary differences</i>					
Employee benefit expenses	-	-	-	0.41	0.41
Lease liabilities	964.42	288.85	-	-	1,253.27
Carry forward loss allowed to be offset against future profits	221.76	(148.43)	-	-	73.33
Deferred tax assets/ (liabilities)	(239.99)	37.51	-	(10.42)	(212.90)

As at March 31, 2025					
Particulars	As at April 01, 2024	Recognised in the Restated Consolidated Summary Statement of Profit and Loss	Acquisition on business combination	Recognised in Other Comprehensive Income	As at March 31, 2025
<i>Tax effect of items resulting in taxable temporary differences</i>					
Property, plant and equipment and intangible assets	(445.97)	402.01	-	-	(43.96)
Right-of-use assets	(915.46)	(700.97)	-	-	(1,616.43)
Unrealised gain on investments	-	(56.43)	-	-	(56.43)
Undistributed earnings of associate	(56.44)	(47.38)	-	-	(103.82)
Employee benefit expenses	-	-	-	(0.83)	(0.83)
Investments in equity shares (unquoted) (at FVTOCI)	(8.30)	-	-	(10.83)	(19.13)
<i>Tax effect of items resulting in deductible temporary differences</i>					
Lease liabilities	964.42	706.84	-	-	1,671.26
Carry forward loss allowed to be offset against future profits	221.76	(219.32)	-	-	2.44
Deferred tax assets/ (liabilities)	(239.99)	84.75	-	(11.66)	(166.90)

As at March 31, 2024					
Particulars	As at April 01, 2023	Recognised in the Restated Consolidated Summary Statement of Profit and Loss	Acquisition on business combination	Recognised in Other Comprehensive Income	As at March 31, 2024
<i>Tax effect of items resulting in taxable temporary differences</i>					
Property, plant and equipment and intangible assets	(1,067.48)	621.51	-	-	(445.97)
Right-of-use assets	(826.18)	(89.28)	-	-	(915.46)
Unrealised gain on investments	(23.05)	23.05	-	-	-
Undistributed earnings of associate	(33.07)	(23.37)	-	-	(56.44)
Investments in equity shares (unquoted) (at FVTOCI)	(4.54)	-	-	(3.76)	(8.30)
<i>Tax effect of items resulting in deductible temporary differences</i>					
Lease liabilities	826.18	138.24	-	-	964.42
Carry forward loss allowed to be offset against future profits	787.09	(565.33)	-	-	221.76
Deferred tax assets/ (liabilities)	(341.05)	104.82	-	(3.76)	(239.99)

c) Deferred tax liabilities (net) (continued)

Particulars	As at March 31, 2023				
	As at April 01, 2022	Recognised in the Restated Consolidated Summary Statement of Profit and Loss	Acquisition on business combination	Recognised in Other Comprehensive Income	As at March 31, 2023
Tax effect of items resulting in taxable temporary differences					
Property, plant and equipment and intangible assets	(496.15)	(187.59)	(383.74)	-	(1,067.48)
Right-of-use assets	(320.14)	(506.04)	-	-	(826.18)
Unrealised gain on investments	(7.36)	(15.69)	-	-	(23.05)
Undistributed earnings of associate	(9.67)	(23.40)	-	-	(33.07)
Investments in equity shares (unquoted) (at FVTOCI)	-	-	-	(4.54)	(4.54)
Tax effect of items resulting in deductible temporary differences					
Lease liabilities	320.14	506.04	-	-	826.18
Carry forward loss allowed to be offset against future profits	497.61	289.48	-	-	787.09
Deferred tax assets/ (liabilities)	(15.57)	62.80	(383.74)	(4.54)	(341.05)

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 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 Group.

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 loss, unabsorbed depreciation and temporary differences, if any, which do not qualify for recognition as per the applicable accounting standards. The Group has not recognised any deferred tax assets on the unabsorbed business losses and unabsorbed depreciation amounting to Rs. 123,679.08 (September 30, 2024: Rs. 111,393.98; March 31, 2025: Rs. 114,295.87; March 31, 2024: Rs. 105,795.20; March 31, 2023: Rs. 88,180.96) and Rs. 30,130.89 (September 30, 2024: Rs. 25,364.78; March 31, 2025: Rs. 25,776.08; March 31, 2024: Rs. 20,043.42 and March 31, 2023: Rs. 11,430.09) 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	15,992.99
March 31, 2030	17,920.52
Thereafter	54,545.75
	123,679.08

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 Group 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.

As at the six months period ended September 30, 2025, September 30, 2024 and the year ended March 31, 2025, March 31, 2024 and March 31, 2023, the subsidiary of the Group (Indus Appstore (Singapore) Pte. Ltd.) has brought forward tax losses of Rs. 35.72, Rs. 34.76, Rs. 34.73, Rs. 34.21 and Rs. 278.88 respectively. However, in the absence of reasonable certainty as to realisation of brought forward tax losses, deferred tax asset (DTA) has not been recognised. Such losses may be carried forward indefinitely subject to the conditions imposed by Singapore tax law.

d) Deferred tax liabilities relate to:

	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Property, plant and equipment and other intangible assets	-	108.93	43.95	175.25	303.44
Undistributed earnings of associate	84.62	84.84	103.82	56.44	33.07
Investments in equity shares (unquoted) (at FVTOCI)	28.84	19.13	19.13	8.30	4.54
Total	113.46	212.90	166.90	239.99	341.05

21. Revenue from operations

	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of services*	37,443.45	31,773.24	69,146.08	49,918.71	27,749.42
Other operating revenue					
Incentives on payment services [refer 21(i)(a) below]	1,674.86	290.65	1,982.28	698.29	1,388.50
- Others [refer 21(i)(b) below]	66.38	11.27	20.22	24.33	4.95
Total	39,184.69	32,075.16	71,148.58	50,641.33	29,142.87

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

- (i) (a) Incentives on payment services includes consideration received from National Payments Corporation of India for RuPay Credit Cards on UPI Acceptance Incentive Scheme amounting to Rs. Nil (September 30, 2024: Nil; March 31, 2025: Rs. 90.00; March 31, 2024: Nil; March 31, 2023: Nil) and the incentive recognised by the Group 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. 1,674.86 (September 30, 2024: Rs. 290.65; March 31, 2025: Rs. 1,892.28; March 31, 2024: Rs. 698.29; March 31, 2023: Rs. 1,388.50).

(b) Others majorly include:

Rs. 66.38 (September 30, 2024: Rs. Nil; March 31, 2025: Rs. Nil; March 31, 2024: Rs. Nil and March 31, 2023: Rs. Nil) recognised towards payment infrastructure services provided in respect of payment services.

Rs. Nil (September 30, 2024: Rs. 4.83; March 31, 2025: Rs. 4.83; March 31, 2024: Rs. 23.42 and March 31, 2023: Rs. Nil) received against the incentive scheme issued by the Open Network for Digital Commerce on qualifying expenditure incurred towards promoting the buyer side digital orders.

(ii) Disaggregated revenue information

	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Type of business operations					
Payment services	32,317.36	29,322.56	62,997.11	47,885.09	27,071.15
Lending and Insurance distribution services	4,526.26	2,167.82	5,576.47	1,810.61	280.54
Other services*	599.83	282.86	572.50	223.01	397.73
Total revenue from sale of services	37,443.45	31,773.24	69,146.08	49,918.71	27,749.42

*Other services include revenue from stock broking, mutual fund distribution and marketplace platform services.

	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Timing of revenue recognition					
Services transferred at a point in time	31,644.42	27,519.16	59,785.37	45,278.75	27,663.93
Services transferred over a period of time	5,799.03	4,254.08	9,360.71	4,639.96	85.49
Total revenue from sale of services	37,443.45	31,773.24	69,146.08	49,918.71	27,749.42

For geographical segregation, refer note 43.

(iii) Contract balances

	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Trade receivables [refer note 7]	6,348.49	5,485.69	6,262.10	5,436.18	2,051.00
Contract assets [refer note 12]	62.15	-	60.69	-	-
Changes in contract assets are as follows:					
Balance at the beginning of the period/ year	60.69	-	-	-	-
Revenue recognized during the period/ year	79.71	-	72.76	-	-
Reclass to unbilled receivables (pursuant to milestones being met)	(78.25)	-	(12.07)	-	-
Balance at the end of the period/ year	62.15	-	60.69	-	-

For contract liabilities, refer note 18.

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

	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from contract with customer as per the contract price	37,464.97	31,849.49	69,262.65	49,987.25	27,755.29
Less: Trade discounts, volume incentives, returns etc.	(21.52)	(76.25)	(116.57)	(68.54)	(5.87)
Total revenue from sale of services	37,443.45	31,773.24	69,146.08	49,918.71	27,749.42

22. Other income

	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income on financial assets carried at amortised cost:					
- Interest on fixed deposits with banks and NBFCs	1,321.29	1,427.95	2,917.14	2,754.54	385.68
- Interest on commercial papers	138.36	677.43	1,026.21	1,425.87	188.80
- Interest on escrow balances	76.05	69.78	188.17	96.05	210.55
- Interest, others	37.80	33.18	53.33	83.23	437.14
Gain on sale/ fair valuation of investments carried at FVTPL (net)	942.73	171.57	692.10	661.84	435.35
Gain on sale of property, plant and equipment (net)	10.90	7.14	11.76	5.91	9.13
Foreign exchange gain (net)	-	0.21	59.66	1,507.82	-
Others*	33.25	134.66	216.87	45.41	24.82
Total	2,560.38	2,521.92	5,165.24	6,580.67	1,691.47

* Includes liabilities no longer required, written back amounting to Rs. 30.73 (September 30, 2024: Rs. 117.74; March 31, 2025: Rs. 169.48; March 31, 2024: Rs. 29.35; March 31, 2023: Rs. 6.89).

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23. Employee benefits expense

	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus*	9,796.30	7,673.02	15,971.56	12,963.46	9,663.54
Contribution to provident and other funds [refer note 29]	225.16	175.05	372.03	314.93	155.08
Gratuity [refer note 29]	122.23	103.26	213.45	157.31	124.67
Staff welfare*	418.72	392.83	831.39	672.40	449.33
Share based payments [refer note 31]*	18,128.68	13,152.47	23,578.62	21,931.66	20,573.12
Total	28,691.09	21,496.63	40,967.05	36,039.76	30,965.74

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

24. Finance costs

	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on financial liabilities at amortised cost:					
- Interest on lease liabilities [refer note 15]	239.54	155.93	379.68	303.66	196.57
- Interest, others	0.34	2.65	2.90	8.29	20.36
- Interest on working capital demand loan	1.11	-	-	11.12	8.95
Total	240.99	158.58	382.58	323.07	225.88

25. Depreciation and amortisation expense

	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment [refer note 3(i)]	4,597.54	5,224.63	10,102.39	9,020.29	4,273.11
Amortisation of intangible assets [refer note 4]	192.27	615.33	2,101.01	1,069.92	368.01
Depreciation of right-of-use assets [refer note 5]	887.60	622.08	1,399.71	1,075.45	724.76
Total	5,677.41	6,462.04	13,603.11	11,165.66	5,365.88

26. Other expenses

	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Electricity and water	44.85	46.75	86.06	75.89	47.94
Advertisement and sales promotions	4,555.09	3,076.31	5,416.54	6,910.48	6,516.35
Information technology infrastructure*	2,838.34	2,237.21	4,878.72	3,828.07	2,162.25
License and service*	1,274.08	930.66	2,018.15	1,565.26	1,303.82
Repairs and maintenance*	300.05	240.49	575.02	328.86	111.09
Legal and professional	617.37	371.92	963.06	499.45	484.19
Rates and taxes	97.91	123.32	341.96	143.95	110.97
Subcontract expenses and customer support	3,603.11	2,661.50	5,866.94	3,511.25	3,105.98
Impairment losses on financial instruments	838.82	286.83	565.94	78.53	80.91
Impairment of non-financial assets	12.67	17.37	59.88	251.99	70.88
Provision for impairment of property, plant and equipment	34.29	79.02	29.64	140.70	34.89
Rent*	151.49	108.43	241.80	185.73	198.95
Insurance	24.74	28.64	57.52	41.12	15.88
Travelling and conveyance*	262.41	190.49	391.63	330.63	327.72
Logistics*	439.07	308.27	527.87	367.15	285.44
Auditor's remuneration	26.50	18.58	49.67	37.32	23.39
Foreign exchange loss (net)	13.55	-	-	-	946.42
Miscellaneous	48.84	71.79	36.05	53.66	8.11
Total	15,183.18	10,797.58	22,106.45	18,350.04	15,835.18

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

27. Exceptional items

	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Gain on sale of partial stake in Associate [refer note 38]	4,344.74	-	-	-	-
Total	4,344.74	-	-	-	-

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28. Related party disclosures

Names of related parties and related party relationship

a) Related parties where control exists

Relationship	Name of the entity	Country of incorporation
Ultimate holding company	Walmart Inc.	United States of America
Intermediate holding company	Wal-Mart International Holdings, Inc.	United States of America
Immediate holding company	WM Digital Commerce Holdings Pte. Ltd (Formerly known as 'FIT Parent Pte. Ltd.' and 'FIT Holdings S.A.R.L.') (w.e.f. December 23, 2022)	Singapore
Intermediate holding company	Flipkart Private Limited (upto December 23, 2022)	Singapore
Immediate holding company	Headstand Pte. Ltd. (upto December 23, 2022) (Formerly known as 'PhonePe Private Limited')	Singapore

b) The following is the summary of related parties with whom transactions have taken place for the six months period ended September 30, 2025, September 30, 2024 and the year ended March 31, 2025, March 31, 2024 and March 31, 2023:

Relationship	Name of the entity	Country of incorporation
Ultimate holding company	Walmart Inc.	United States of America
Immediate holding company	WM Digital Commerce Holdings Pte. Ltd. (w.e.f. December 23, 2022) (Formerly known as 'FIT Parent Pte. Ltd.' and 'FIT Holdings S.A.R.L.')	Singapore
Intermediate holding company	Flipkart Private Limited (upto December 23, 2022)	Singapore
Immediate holding company	Headstand Pte. Ltd. (upto December 23, 2022) (Formerly known as 'PhonePe Private Limited')	Singapore
Fellow subsidiaries	Headstand Pte. Ltd. (Formerly known as 'PhonePe Private Limited') (w.e.f December 23, 2022 upto June 08, 2023)	Singapore
	Flipkart Internet Private Limited	India
	Flipkart Health Limited	India
	Instakart Services Private Limited	India
	Myntra Designs Private Limited	India
	F1 Info Solutions & Services Private Limited	India
	Cleartrip Private Limited	India
	Comercio Digital Wal-Mart, S. de R.L. de C.V.	Mexico
	Jeeves Consumer Services Private Limited	India
	Wal-Mart India Private Limited	India
	Cleartrip Packages and Tours Private Limited	India
	Flipkart Advanz Private Limited	India
	Flipkart India Private Limited	India
	Myntra Jabong India Private Limited	India
Associate	C.E. Info Systems Limited (Formerly known as 'C.E. Info Systems Private Limited')	India
Associates of fellow subsidiaries	Arvind Youth Brands Private Limited	India
	Yuvdhi Apparels Private Limited	India
	Shadowfax Technologies Limited (Formerly known as 'Shadowfax Technologies Private Limited')	India
	Wildcraft India Limited	India

c) Key management personnel ('KMP')

Name	Designation
Sameer Nigam	Whole-time Director and Chief Executive Officer
Rahul Chari	Whole-time Director
Leigh Douglas Hopkins	Non-Executive Director (w.e.f January 06, 2023)
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)
Rohit Bhagat	Non-Executive Independent Director (w.e.f May 15, 2025)
	Non-Executive Director (w.e.f January 06, 2023 upto May 15, 2025)
Manish Sabharwal	Non-Executive Independent Director (w.e.f November 21, 2024)
Zarin Bomi Daruwala	Non- Executive Independent Director (w.e.f. May 23, 2025)
Judith Jane McKenna	Non-Executive Director (w.e.f January 06, 2023 upto January 31, 2024)
Binny Bansal	Non-Executive Director (w.e.f January 06, 2023 upto November 12, 2024)
Adarsh Nahata	Chief Financial Officer (designated as KMP w.e.f. September 18, 2024)
	Whole-time Director (upto December 22, 2022)
Ankit Gunvantarai Popat	Company Secretary and Compliance Officer (designated as KMP w.e.f. September 18, 2024)

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28. Related party disclosures (continued)

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 period/ year:

Nature of Transactions	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations					
Flipkart Internet Private Limited	11.68	65.77	139.00	86.50	268.51
Flipkart Health Limited	-	0.18	0.23	0.80	8.77
Instakart Services Private Limited	170.27	103.64	243.49	249.31	322.52
Myntra Designs Private Limited	39.35	37.37	81.91	75.48	57.83
Cleartrip Private Limited	0.82	7.40	29.11	45.70	6.08
Comercio Digital Wal-Mart, S. de R.L. de C.V.	-	6.44	15.39	1.04	-
Jeeves Consumer Services Private Limited	-	0.01	0.01	0.06	0.09
Wal-Mart India Private Limited	0.02	1.25	3.23	12.12	0.23
Yuvdhi Apparels Private Limited	-	0.01	0.01	0.01	-
Wildcraft India Limited	0.38	0.33	0.71	0.86	0.84
F1 Info Solutions & Services Private Limited	0.35	-	-	-	-
Flipkart Advanz Private Limited	-	-	-	9.48	-
Flipkart India Private Limited	-	-	-	0.56	-
	222.87	222.40	513.09	481.92	664.87
Dividend income					
C.E. Info Systems Limited	26.17	35.69	35.69	30.59	-
	26.17	35.69	35.69	30.59	-
Other Income					
Headstand Pte. Ltd.	-	-	-	-	209.80
	-	-	-	-	209.80
Expenses incurred on behalf of related parties					
Walmart Inc.	18.85	13.81	34.61	30.92	28.54
Flipkart Internet Private Limited	10.00	10.00	20.00	20.00	20.00
Headstand Pte. Ltd.	-	-	-	-	9.06
	28.85	23.81	54.61	50.92	57.60
Share based payments					
Headstand Pte. Ltd.	-	-	-	443.91	9,215.33
Flipkart Private Limited	-	-	-	-	2,622.41
	-	-	-	443.91	11,837.74
Reversal of ESOP liability on account of migration					
Headstand Pte. Ltd.	-	-	-	21,070.00	12,766.81
	-	-	-	21,070.00	12,766.81
License and service expense					
Flipkart Internet Private Limited	3.54	9.92	8.49	21.02	-
C.E. Info Systems Limited	18.98	42.42	61.96	68.04	51.49
	22.52	52.34	70.45	89.06	51.49
Travelling and conveyance expense					
Cleartrip Packages and Tours Private Limited	-	-	-	5.10	-
Cleartrip Private Limited	-	-	-	-	0.83
Flipkart Internet Private Limited	-	-	-	-	7.71
	-	-	-	5.10	8.54
Repairs and Maintenance expense					
F1 Info Solutions & Services Private Limited	6.99	25.86	66.89	14.35	-
	6.99	25.86	66.89	14.35	-
Staff welfare expense					
Wildcraft India Limited	-	-	-	1.25	1.76
Flipkart Internet Private Limited	-	-	-	-	4.03
Flipkart India Private Limited	-	-	-	-	0.36
	-	-	-	1.25	6.15
Logistics expense					
Shadowfax Technologies Limited	4.16	64.17	80.42	-	-
	4.16	64.17	80.42	-	-
Rent expense					
C.E. Info Systems Limited	-	-	-	-	3.54
	-	-	-	-	3.54
Information technology infrastructure expense					
Flipkart Internet Private Limited	-	-	-	-	17.99
Myntra Designs Private Limited	-	-	-	-	8.06
	-	-	-	-	26.05

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28. Related party disclosures (continued)

d) Related party transactions (continued)

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

Nature of Transactions	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Expenses reimbursed to related party					
Headstand Pte. Ltd.	-	-	-	-	222.61
Flipkart Internet Private Limited	-	-	-	-	43.04
Flipkart Private Limited	-	-	-	-	75.53
	-	-	-	-	341.18
Issue/ allotment of shares					
WM Digital Commerce Holdings Pte. Ltd.	-	-	-	-	16,600.00
Headstand Pte. Ltd.	-	-	-	-	7,423.16
	-	-	-	-	24,023.16
Purchase of shares in Indus Appstore (Singapore) Pte. Ltd.					
Headstand Pte. Ltd.	-	-	-	-	5,763.75
	-	-	-	-	5,763.75

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

		For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Key management personnel [refer note below]	Remuneration - salary and other benefits*	48.07	26.99	73.14	50.01	68.14
	Remuneration - share based payments (including SARs)	12,038.73	4,834.33	9,192.55	2,264.91	9,172.99
	Salary advance given	2.00	-	-	-	-
	Salary advance recovered	(0.34)	-	-	-	-
	Legal and professional	65.59	15.36	35.76	17.54	-
	Reimbursements	-	0.13	0.13	-	-
	Issue/allotment of shares**	44.44	-	-	-	-

* 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 Restated Consolidated Summary 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.

**The Company has received Rs. 40,500.29 to settle the tax obligation arising on options exercised by the key managerial personnel during the six months ended September 30, 2025. [Refer note 18 and 31].

e) The following table provides the closing balances of related parties for the relevant period/ year:

Nature of Outstanding balances	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Trade receivables					
Flipkart Internet Private Limited	7.73	5.80	23.60	1.68	31.64
Flipkart Health Limited	-	-	-	-	2.48
Myntra Designs Private Limited	5.78	10.95	2.31	23.98	1.62
Cleartrip Private Limited	0.02	0.02	-	0.96	-
Comercio Digital Wal-Mart, S. de R.L. de C.V.	-	4.44	2.35	-	-
Wal-Mart India Private Limited	0.03	0.03	0.03	-	-
Cleartrip Packages and Tours Private Limited	-	-	0.05	-	-
Wildcraft India Limited	-	-	-	0.12	-
Flipkart Advanz Private Limited	-	-	-	0.01	-
	13.56	21.24	28.34	26.75	35.74
Other receivables					
Walmart Inc.	35.43	35.08	19.62	20.85	9.43
Myntra Designs Private Limited	-	0.17	-	-	-
Headstand Pte. Ltd.	-	-	-	-	220.51
WM Digital Commerce Holdings Pte. Ltd	329.26	-	-	-	-
Cleartrip Packages and Tours Private Limited	0.05	-	-	-	-
	364.74	35.25	19.62	20.85	229.94
Trade payables					
Flipkart Internet Private Limited	3.41	0.38	0.98	5.23	62.91
F1 Info Solutions & Services Private Limited	0.45	11.52	2.67	6.14	-
Cleartrip Packages and Tours Private Limited	-	0.42	-	0.43	-
Cleartrip Private Limited	-	-	-	-	0.77
C.E. Info Systems Limited	1.89	9.72	2.36	0.33	24.51
Shadowfax Technologies Limited	7.50	43.92	7.01	-	-
Flipkart India Private Limited	-	-	-	-	5.05
Myntra Jabong India Private Limited	-	-	-	-	0.61
	13.25	65.96	13.02	12.13	93.85

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28. Related party disclosures (continued)

e) The following table provides the closing balances of related parties for the relevant period/ year (continued):

Nature of Outstanding balances	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Payable to merchants (net)					
Flipkart Internet Private Limited	1.13	875.44	5.31	709.99	143.79
Flipkart Health Limited	-	0.12	-	0.85	0.52
Instakart Services Private Limited	3,057.61	3,193.47	2,391.37	1,429.17	1,061.61
Myntra Designs Private Limited	126.30	287.22	184.34	116.43	-
Cleartrip Private Limited	0.11	19.47	0.21	3.74	2.60
Arvind Youth Brands Private Limited	-	-	-	0.01	-
Jeeves Consumer Services Private Limited	-	0.14	0.04	0.38	0.61
Wal-mart India Private Limited	19.12	11.77	46.29	15.57	5.63
Shadowfax Technologies Limited	80.28	-	128.43	-	-
Wildcraft India Limited	0.19	0.46	2.71	1.41	0.17
F1 Info Solutions & Services Private Limited	1.99	1.63	-	-	-
	3,286.73	4,389.72	2,758.70	2,277.55	1,214.93
Other financial liabilities (Others)					
Flipkart Internet Private Limited	1.11	1.11	1.11	10.70	1.11
Flipkart Health Limited	0.07	-	0.07	-	-
Wal-Mart India Private Limited	0.02	0.02	-	0.02	0.08
Myntra Designs Private Limited	0.66	-	-	-	-
Cleartrip Private Limited	1.71	-	-	-	-
Headstand Pte. Ltd.	-	-	-	-	20,630.30
	3.57	1.13	1.18	10.72	20,631.49
Other assets					
C.E. Info Systems Limited	1.18	1.18	13.22	13.20	13.16
	1.18	1.18	13.22	13.20	13.16
Directors remuneration payable to key managerial personnel	10.50	5.71	12.19	7.16	-
Salary advance recoverable from key managerial personnel	1.66	-	-	-	-

Terms and conditions of transactions with related parties:

- 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.
- A trademark license agreement was entered between the Company and Meteor Sports LLP ("MSL"), a body corporate whose partners/ designated partners include certain key managerial personnel of the Company on February 1, 2023 for a limited period of up to 3 months, for the purpose of displaying/ including the Company's logo/trademark on MSL team's jersey design/merchandise/player's sport accessories and any other related advertisement/display properties during the Prime Volleyball League 2023 in India which ended on March 05, 2023. The provision of license for a limited period has been considered sufficient consideration for the purpose of the agreement.
The necessary disclosures have been made and requisite approvals for this transaction have been obtained, in compliance with the applicable provisions of the Companies Act, 2013.

f) The following are the details of the related party transactions eliminated during the six months period ended September 30, 2025, September 30, 2024 and the year ended March 31, 2025, March 31, 2024 and March 31, 2023:

Nature of Transactions	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
<u>PhonePe Limited</u>					
Revenue from operations					
PhonePe Lending Services Private Limited	181.28	42.46	113.19	140.19	-
PhonePe Insurance Broking Services Private Limited	41.27	21.77	53.52	68.79	44.12
PhonePe Wealth Broking Private Limited	30.09	191.39	268.94	224.88	79.75
Indus Appstore Private Limited	2.91	2.92	4.75	-	-
Pincode Shopping Solutions Private Limited	0.80	6.24	7.41	1.69	-
PhonePe Technology Services Private Limited	-	6.25	-	10.42	-
	256.35	271.03	447.81	445.97	123.87
Sublease Income					
Pincode Shopping Solutions Private Limited	49.01	28.20	65.27	11.84	0.46
PhonePe Lending Services Private Limited	47.79	24.85	61.31	26.92	9.95
PhonePe Wealth Broking Private Limited	47.68	32.58	67.83	41.41	17.60
Indus Appstore Private Limited	21.21	16.35	35.35	51.58	15.26
PhonePe Insurance Broking Services Private Limited	6.23	9.23	18.63	26.70	2.29
PhonePe Technology Services Private Limited	0.34	0.30	0.70	2.51	0.52
PhonePe Finance Private Limited	0.18	0.21	0.50	1.80	0.30
	172.44	111.72	249.59	162.76	46.38
Manpower and Technology services income					
PhonePe Lending Services Private Limited	1,895.63	380.39	1,032.46	278.57	-
PhonePe Insurance Broking Services Private Limited	290.76	34.27	72.99	-	-
PhonePe Wealth Broking Private Limited	184.96	10.19	20.36	-	-
Pincode Shopping Solutions Private Limited	67.83	51.75	104.72	-	-
PhonePe Technology Services Private Limited	9.37	3.00	17.80	5.00	-
Indus Appstore Private Limited	1.67	0.69	2.05	-	-
	2,450.22	480.29	1,250.38	283.57	-
Interest income on loans					
Indus Appstore Private Limited	215.05	122.73	255.40	89.01	21.25
PhonePe Lending Services Private Limited	120.52	128.69	257.65	90.50	-
Pincode Shopping Solutions Private Limited	0.50	-	-	-	-
PhonePe Wealth Broking Private Limited	-	-	-	-	0.11
	336.07	251.42	513.05	179.51	21.36

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28. Related party disclosures (continued)

f) The following are the details of the related party transactions eliminated during the six months period ended September 30, 2025, September 30, 2024 and the year ended March 31, 2025, March 31, 2024 and March 31, 2023 (continued):

Nature of Transactions	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Expenses incurred by related parties on Company's behalf					
PhonePe Insurance Broking Services Private Limited	0.29	-	-	1.74	1.25
PhonePe Lending Services Private Limited	0.13	-	-	-	3.48
Pincode Shopping Solutions Private Limited	-	-	0.88	-	-
PhonePe Finance Private Limited	-	-	5.36	-	0.10
Indus Appstore Private Limited	-	-	-	0.02	-
PhonePe Wealth Broking Private Limited	-	-	-	-	3.01
	0.42	-	6.24	1.76	7.84
Expenses incurred on behalf of related parties					
PhonePe Lending Services Private Limited	62.01	38.59	54.98	0.39	5.78
PhonePe Wealth Broking Private Limited	21.53	36.91	68.73	13.41	0.10
PhonePe Insurance Broking Services Private Limited	21.00	14.33	29.18	85.15	-
Pincode Shopping Solutions Private Limited	9.41	153.19	187.44	152.96	-
Indus Appstore Private Limited	2.50	4.15	16.85	16.20	0.87
PhonePe Technology Services Private Limited	0.20	1.76	4.23	-	-
PhonePe Finance Private Limited	-	2.92	-	5.39	5.21
	116.65	251.85	361.41	273.50	11.96
Advertisement and sales promotions expense					
Indus Appstore Private Limited	-	-	-	-	3.34
	-	-	-	-	3.34
License fee					
PhonePe Lending Services Private Limited	36.26	-	-	-	-
PhonePe Insurance Broking Services Private Limited	8.25	-	-	-	-
PhonePe Wealth Broking Private Limited	2.75	-	-	-	-
Pincode Shopping Solutions Private Limited	0.10	-	-	-	-
	47.36	-	-	-	-
Equity Investment					
Indus Appstore (Singapore) Pte Ltd	2,350.00	-	-	-	490.57
Pincode Shopping Solutions Private Limited	1,750.00	900.00	2,900.00	900.00	-
PhonePe Wealth Broking Private Limited	400.00	1,900.00	3,650.00	2,070.00	4,632.50
PhonePe Insurance Broking Services Private Limited	-	450.00	450.00	2,260.00	5,620.00
PhonePe Technology Services Private Limited	-	30.00	100.00	250.00	-
PhonePe Finance Private Limited	-	-	-	-	50.00
PhonePe Lending Services Private Limited	-	-	-	-	164.50
	4,500.00	3,280.00	7,100.00	5,480.00	10,957.57
Share based payments					
PhonePe Lending Services Private Limited	483.13	507.59	990.95	590.53	33.48
Pincode Shopping Solutions Private Limited	399.89	380.98	749.91	438.36	-
PhonePe Wealth Broking Private Limited	326.45	336.81	639.54	921.12	453.71
PhonePe Insurance Broking Services Private Limited	283.86	354.04	669.52	614.73	351.90
Indus Appstore Private Limited	35.77	182.61	320.12	464.33	290.49
PhonePe Technology Services Private Limited	4.34	17.76	36.56	138.13	7.39
	1,533.44	1,779.79	3,406.60	3,167.20	1,136.97
Employee Transfers asset					
PhonePe Insurance Broking Services Private Limited	8.93	8.13	0.61	-	-
Pincode Shopping Solutions Private Limited	8.32	8.99	2.49	-	-
PhonePe Lending Services Private Limited	5.11	5.10	-	-	-
PhonePe Technology Services Private Limited	3.62	2.43	-	-	-
Indus Appstore Private Limited	2.16	5.83	-	3.66	-
PhonePe Wealth Broking Private Limited	1.08	2.37	5.27	3.37	-
	29.22	32.85	8.37	7.03	-
Employee Transfers liability					
PhonePe Lending Services Private Limited	15.97	2.16	5.83	40.36	-
PhonePe Insurance Broking Services Private Limited	4.13	1.54	-	2.12	-
Indus Appstore Private Limited	3.17	-	5.73	-	-
Pincode Shopping Solutions Private Limited	1.57	2.29	-	66.54	5.57
PhonePe Wealth Broking Private Limited	1.19	0.39	-	-	-
PhonePe Technology Services Private Limited	0.44	1.24	1.12	4.14	-
	26.47	7.62	12.68	113.16	5.57

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28. Related party disclosures (continued)

f) The following are the details of the related party transactions eliminated during the six months period ended September 30, 2025, September 30, 2024 and the year ended March 31, 2025, March 31, 2024 and March 31, 2023 (continued):

Nature of Transactions	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Transfer of other liability					
PhonePe Insurance Broking Services Private Limited	-	-	0.06	2.88	-
	-	-	0.06	2.88	-
Sale of intangibles					
PhonePe Lending Services Private Limited	-	-	-	2,136.00	-
	-	-	-	2,136.00	-
Purchase of intangibles					
PhonePe Lending Services Private Limited	-	-	-	14.30	-
	-	-	-	14.30	-
<u>PhonePe Insurance Broking Services Private Limited</u>					
Advertisement and sales promotions expense					
PhonePe Limited	8.25	-	-	-	-
	8.25	-	-	-	-
Rent expense					
PhonePe Limited	6.23	9.23	18.63	26.70	2.29
	6.23	9.23	18.63	26.70	2.29
Information technology infrastructure and service expense					
PhonePe Limited	64.22	47.80	107.79	68.79	44.12
	64.22	47.80	107.79	68.79	44.12
Legal and professional expense					
PhonePe Limited	267.81	8.24	18.72	-	-
	267.81	8.24	18.72	-	-
Share based payments					
PhonePe Limited	283.86	354.04	669.52	614.73	351.90
	283.86	354.04	669.52	614.73	351.90
Equity Investment					
PhonePe Limited	-	450.00	450.00	2,260.00	5,620.00
	-	450.00	450.00	2,260.00	5,620.00
Expenses incurred on behalf of related parties					
PhonePe Limited	0.29	-	-	1.74	1.25
	0.29	-	-	1.74	1.25
Expenses incurred by related parties on Company's behalf					
PhonePe Limited	21.00	14.33	29.18	85.15	-
	21.00	14.33	29.18	85.15	-
Employee Transfers asset					
PhonePe Limited	4.13	1.54	-	2.12	-
PhonePe Wealth Broking Private Limited	0.04	2.17	-	0.48	-
PhonePe Lending Services Private Limited	0.26	2.37	-	-	-
Indus Appstore Private Limited	-	0.18	-	-	-
Pincode Shopping Solutions Private Limited	-	0.40	-	-	-
PhonePe Technology Services Private Limited	-	-	0.60	-	-
	4.43	6.66	0.60	2.60	-
Employee Transfers liability					
PhonePe Technology Services Private Limited	-	0.82	-	0.33	0.19
PhonePe Lending Services Private Limited	0.03	-	4.21	3.92	-
PhonePe Limited	8.93	8.13	0.61	-	-
Indus Appstore Private Limited	-	-	0.09	-	-
PhonePe Wealth Broking Private Limited	-	-	2.86	-	-
Pincode Shopping Solutions Private Limited	-	-	0.65	-	-
	8.96	8.95	8.42	4.25	0.19
Transfer of other asset					
PhonePe Wealth Broking Private Limited	-	-	12.89	-	-
PhonePe Lending Services Private Limited	-	-	3.68	-	-
PhonePe Limited	-	-	0.06	2.88	-
	-	-	16.63	2.88	-
<u>Pincode Shopping Solutions Private Limited</u>					
Interest on borrowings					
PhonePe Limited	0.50	-	-	-	-
	0.50	-	-	-	-
Payment processing charges					
PhonePe Limited	0.47	3.11	3.70	1.69	-
	0.47	3.11	3.70	1.69	-
Rent expense					
PhonePe Limited	49.01	28.20	65.27	11.84	0.46
	49.01	28.20	65.27	11.84	0.46

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28. Related party disclosures (continued)

- f) The following are the details of the related party transactions eliminated during the six months period ended September 30, 2025, September 30, 2024 and the year ended March 31, 2025, March 31, 2024 and March 31, 2023 (continued):

Nature of Transactions	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Advertisement and sales promotions expense					
PhonePe Limited	0.43	3.12	3.71	-	-
	0.43	3.12	3.71	-	-
Information technology infrastructure and service expense					
PhonePe Limited	54.66	50.87	103.64	-	-
	54.66	50.87	103.64	-	-
Legal and professional expense					
PhonePe Limited	13.16	0.88	1.08	-	-
	13.16	0.88	1.08	-	-
Share based payments					
PhonePe Limited	399.89	380.98	749.91	438.36	-
	399.89	380.98	749.91	438.36	-
Equity Investment					
PhonePe Limited	1,750.00	900.00	2,900.00	900.00	-
	1,750.00	900.00	2,900.00	900.00	-
Expenses incurred by related parties on Company's behalf					
PhonePe Limited	9.41	153.19	187.44	152.96	-
	9.41	153.19	187.44	152.96	-
Expenses incurred on behalf of related parties					
PhonePe Limited	-	-	0.88	-	-
	-	-	0.88	-	-
Employee Transfers asset					
PhonePe Limited	1.57	2.29	-	66.54	5.57
PhonePe Insurance Broking Services Private Limited	-	-	0.65	-	-
	1.57	2.29	0.65	66.54	5.57
Employee Transfers liability					
PhonePe Limited	8.32	8.99	2.49	-	-
PhonePe Wealth Broking Private Limited	-	1.56	1.65	0.93	-
PhonePe Insurance Broking Services Private Limited	-	0.40	-	-	-
	8.32	10.95	4.14	0.93	-
<u>PhonePe Lending Services Private Limited</u>					
Advertisement and sales promotions expense					
PhonePe Limited	36.26	-	-	-	-
	36.26	-	-	-	-
Rent expense					
PhonePe Limited	47.79	24.85	61.31	26.92	9.95
	47.79	24.85	61.31	26.92	9.95
Legal and professional expense					
PhonePe Limited	1,226.52	16.10	39.38	-	-
	1,226.52	16.10	39.38	-	-
Information technology infrastructure and service expense					
PhonePe Limited	283.64	113.90	267.45	140.19	-
	283.64	113.90	267.45	140.19	-
Subcontract and customer support expense					
PhonePe Limited	566.75	292.85	838.82	278.57	-
	566.75	292.85	838.82	278.57	-
Share based payments					
PhonePe Limited	483.13	507.59	990.95	590.53	33.48
	483.13	507.59	990.95	590.53	33.48
Interest on borrowings					
PhonePe Limited	120.52	128.69	257.65	90.50	-
	120.52	128.69	257.65	90.50	-
Equity Investment					
PhonePe Limited	-	-	-	-	164.50
	-	-	-	-	164.50
Expenses incurred by related parties on Company's behalf					
PhonePe Limited	62.01	38.59	54.98	0.39	5.78
PhonePe Wealth Broking Private Limited	-	7.75	9.69	-	-
	62.01	46.34	64.67	0.39	5.78

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28. Related party disclosures (continued)

f) The following are the details of the related party transactions eliminated during the six months period ended September 30, 2025, September 30, 2024 and the year ended March 31, 2025, March 31, 2024 and March 31, 2023 (continued):

Nature of Transactions	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Expenses incurred on behalf of related parties					
PhonePe Limited	0.13	-	-	-	3.48
	0.13	-	-	-	3.48
Employee Transfers asset					
PhonePe Limited	15.97	2.16	5.83	40.36	-
Indus Appstore Private Limited	0.50	-	-	0.15	-
PhonePe Technology Services Private Limited	4.15	-	0.53	-	-
PhonePe Insurance Broking Services Private Limited	0.03	-	4.21	3.92	-
PhonePe Wealth Broking Private Limited	-	-	-	0.98	-
	20.65	2.16	10.57	45.41	-
Employee Transfers Liability					
PhonePe Limited	5.11	5.10	-	-	-
Indus Appstore Private Limited	0.65	-	-	-	-
PhonePe Technology Services Private Limited	0.64	-	-	-	-
PhonePe Insurance Broking Services Private Limited	0.26	2.37	-	-	-
PhonePe Wealth Broking Private Limited	-	0.04	-	-	-
	6.66	7.51	-	-	-
Transfer of other liability					
PhonePe Insurance Broking Services Private Limited	-	-	3.68	-	-
	-	-	3.68	-	-
Purchase of intangibles					
PhonePe Limited	-	-	-	2,136.00	-
	-	-	-	2,136.00	-
Sale of intangibles					
PhonePe Limited	-	-	-	14.30	-
	-	-	-	14.30	-
<u>PhonePe Wealth Broking Private Limited</u>					
Share based payments					
PhonePe Limited	326.45	336.81	639.54	921.12	453.71
	326.45	336.81	639.54	921.12	453.71
Advertisement and sales promotions expense					
PhonePe Limited	23.03	187.31	259.88	-	-
	23.03	187.31	259.88	-	-
Information technology infrastructure and service expense					
PhonePe Limited	25.26	12.42	25.63	224.88	79.75
	25.26	12.42	25.63	224.88	79.75
Legal and professional expense					
PhonePe Limited	169.50	1.84	3.79	-	-
	169.50	1.84	3.79	-	-
Rent expense					
PhonePe Limited	47.68	32.58	67.83	41.41	17.60
	47.68	32.58	67.83	41.41	17.60
Interest on borrowings					
PhonePe Limited	-	-	-	-	0.11
	-	-	-	-	0.11
Equity Investment					
PhonePe Limited	400.00	1,900.00	3,650.00	2,070.00	4,632.50
	400.00	1,900.00	3,650.00	2,070.00	4,632.50
Expenses incurred by related parties on Company's behalf					
PhonePe Limited	21.53	36.91	68.73	13.41	0.10
	21.53	36.91	68.73	13.41	0.10

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28. Related party disclosures (continued)

f) The following are the details of the related party transactions eliminated during the six months period ended September 30, 2025, September 30, 2024 and the year ended March 31, 2025, March 31, 2024 and March 31, 2023 (continued):

Nature of Transactions	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Expenses incurred on behalf of related parties					
PhonePe Limited	-	-	-	-	3.01
PhonePe Lending Services Private Limited	-	7.75	9.69	-	-
	-	7.75	9.69	-	3.01
Employee Transfers asset					
PhonePe Limited	1.19	0.39	-	-	-
Pincode Shopping Solutions Private Limited	-	1.56	1.65	0.93	-
PhonePe Insurance Broking Services Private Limited	-	-	2.86	-	-
PhonePe Lending Services Private Limited	-	0.04	-	-	-
	1.19	1.99	4.51	0.93	-
Employee Transfers liability					
PhonePe Limited	1.08	2.37	5.27	3.37	-
PhonePe Insurance Broking Services Private Limited	0.04	2.17	-	0.48	-
PhonePe Lending Services Private Limited	-	-	-	0.98	-
Indus Appstore Private Limited	-	-	0.99	-	-
	1.12	4.54	6.26	4.83	-
Transfer of other liability					
PhonePe Insurance Broking Services Private Limited	-	-	12.89	-	-
	-	-	12.89	-	-
PhonePe Technology Services Private Limited					
Share based payments					
PhonePe Limited	4.34	17.76	36.56	138.13	7.39
	4.34	17.76	36.56	138.13	7.39
Legal and professional expense					
PhonePe Limited	-	3.00	-	-	-
	-	3.00	-	-	-
Subcontract and customer support expense					
PhonePe Limited	-	-	-	5.00	-
	-	-	-	5.00	-
Rent expense					
PhonePe Limited	0.34	0.30	0.70	2.51	0.52
	0.34	0.30	0.70	2.51	0.52
Information technology infrastructure and service expense					
PhonePe Limited	9.37	6.25	17.80	10.42	-
	9.37	6.25	17.80	10.42	-
Expenses incurred by related parties on Company's behalf					
PhonePe Limited	0.20	1.76	4.23	-	-
	0.20	1.76	4.23	-	-
Equity Investment					
PhonePe Limited	-	30.00	100.00	250.00	-
	-	30.00	100.00	250.00	-
Employee Transfers asset					
PhonePe Lending Services Private Limited	0.64	-	-	-	-
PhonePe Limited	0.44	1.24	1.12	4.14	-
PhonePe Insurance Broking Services Private Limited	-	0.82	-	0.33	0.19
Indus Appstore Private Limited	-	-	-	0.26	-
	1.08	2.06	1.12	4.73	0.19
Employee Transfers liability					
PhonePe Lending Services Private Limited	4.15	-	0.53	-	-
PhonePe Limited	3.62	2.43	-	-	-
PhonePe Insurance Broking Services Private Limited	-	-	0.60	-	-
	7.77	2.43	1.13	-	-
PhonePe Finance Private Limited					
Rent expense					
PhonePe Limited	0.18	0.21	0.50	1.80	0.30
	0.18	0.21	0.50	1.80	0.30
Equity Investment					
PhonePe Limited	-	-	-	-	50.00
	-	-	-	-	50.00

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28. Related party disclosures (continued)

f) The following are the details of the related party transactions eliminated during the six months period ended September 30, 2025, September 30, 2024 and the year ended March 31, 2025, March 31, 2024 and March 31, 2023 (continued):

Nature of Transactions	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Expenses incurred by related parties on Company's behalf					
PhonePe Limited	-	2.92	-	5.39	5.21
	-	2.92	-	5.39	5.21
Expenses incurred on behalf of related parties					
PhonePe Limited	-	-	5.36	-	0.10
	-	-	5.36	-	0.10
Indus Appstore Private Limited					
Revenue from operations					
PhonePe Limited	-	-	-	-	3.34
	-	-	-	-	3.34
Revenue share - platform providers expense					
Indus Appstore (Singapore) Pte Ltd	-	-	-	2.33	5.07
	-	-	-	2.33	5.07
Share based payments					
PhonePe Limited	35.77	182.61	320.12	464.33	290.49
	35.77	182.61	320.12	464.33	290.49
Rent expense					
PhonePe Limited	21.21	16.35	35.35	51.58	15.26
	21.21	16.35	35.35	51.58	15.26
Advertisement and sales promotions expense					
PhonePe Limited	2.91	2.92	4.75	-	-
	2.91	2.92	4.75	-	-
Equity Investment					
Indus Appstore (Singapore) Pte Ltd	2,419.86	-	828.00	-	5.12
	2,419.86	-	828.00	-	5.12
Information technology infrastructure and service expense					
PhonePe Limited	1.67	0.69	2.05	-	-
	1.67	0.69	2.05	-	-
Expenses incurred by related parties on Company's behalf					
PhonePe Limited	2.50	4.15	16.85	16.20	0.87
	2.50	4.15	16.85	16.20	0.87
Expenses incurred on behalf of related parties					
PhonePe Limited	-	-	-	0.02	-
	-	-	-	0.02	-
Interest on borrowings					
PhonePe Limited	215.05	122.73	255.40	89.01	21.25
	215.05	122.73	255.40	89.01	21.25
Interest on Compulsory convertible debentures					
Indus Appstore (Singapore) Pte Ltd	-	-	-	-	19.94
	-	-	-	-	19.94
Employee Transfers asset					
PhonePe Limited	3.17	-	5.73	-	-
PhonePe Lending Services Private Limited	0.65	-	-	-	-
PhonePe Wealth Broking Private Limited	-	-	0.99	-	-
PhonePe Insurance Broking Services Private Limited	-	-	0.09	-	-
	3.82	-	6.81	-	-
Employee Transfers liability					
PhonePe Limited	2.16	5.83	-	3.66	-
PhonePe Lending Services Private Limited	0.50	-	-	0.15	-
PhonePe Insurance Broking Services Private Limited	-	0.18	-	-	-
PhonePe Technology Services Private Limited	-	-	-	0.26	-
	2.66	6.01	-	4.07	-
Purchase of Intellectual property rights					
Indus Appstore (Singapore) Pte Ltd	-	-	-	793.00	-
	-	-	-	793.00	-

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28. Related party disclosures (continued)

- f) The following are the details of the related party transactions eliminated during the six months period ended September 30, 2025, September 30, 2024 and the year ended March 31, 2025, March 31, 2024 and March 31, 2023 (continued):

Nature of Transactions	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Indus Appstore (Singapore) Pte Ltd					
Revenue from operations					
Indus Appstore Private Limited	-	-	-	2.33	5.07
	-	-	-	2.33	5.07
Equity Investment					
PhonePe Limited	2,350.00	-	-	-	490.57
Indus Appstore Private Limited	2,419.86	-	828.00	-	5.12
	4,769.86	-	828.00	-	495.69
Interest income on Loans					
Indus Appstore Private Limited	-	-	-	-	19.94
	-	-	-	-	19.94
Proceeds from sale of intellectual property rights					
Indus Appstore Private Limited	-	-	-	793.00	-
	-	-	-	793.00	-

- g) The following are the details of the balances eliminated during the six months period ended September 30, 2025, September 30, 2024 and the year ended March 31, 2025, March 31, 2024 and March 31, 2023:

Nature of Outstanding balances	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
PhonePe Limited					
Trade receivables					
PhonePe Lending Services Private Limited	194.04	42.46	-	90.96	-
PhonePe Insurance Broking Services Private Limited	44.45	21.77	-	6.64	8.62
PhonePe Wealth Broking Private Limited	32.11	191.39	-	24.80	42.50
Pincode Shopping Solutions Private Limited	0.35	3.12	-	-	-
Indus Appstore Private Limited	-	2.92	-	-	-
	270.95	261.66	-	122.40	51.12
Loans					
Indus Appstore Private Limited	6,367.60	3,289.28	3,495.08	3,016.23	509.90
PhonePe Lending Services Private Limited	3,315.58	3,315.58	3,315.58	3,240.58	-
	9,683.18	6,604.86	6,810.66	6,256.81	509.90
Other receivables					
PhonePe Lending Services Private Limited	2,823.51	986.68	324.38	302.97	77.47
PhonePe Insurance Broking Services Private Limited	755.34	442.75	120.89	115.32	573.18
PhonePe Wealth Broking Private Limited	724.53	414.91	143.64	156.43	817.36
Pincode Shopping Solutions Private Limited	703.36	608.37	158.35	230.58	8.86
Indus Appstore Private Limited	228.86	257.56	95.71	79.71	339.79
PhonePe Technology Services Private Limited	31.69	59.66	16.81	31.76	11.89
PhonePe Finance Private Limited	0.19	14.93	-	11.79	7.51
	5,267.48	2,784.86	859.78	928.56	1,836.06
Trade Payables					
Indus Appstore Private Limited	84.95	5.98	4.92	6.00	3.89
PhonePe Insurance Broking Services Private Limited	41.25	19.13	10.91	19.40	5.26
PhonePe Lending Services Private Limited	39.63	49.45	9.44	51.49	4.43
PhonePe Technology Services Private Limited	1.33	2.06	0.90	2.91	1.50
PhonePe Wealth Broking Private Limited	32.33	12.26	15.61	8.73	29.06
Pincode Shopping Solutions Private Limited	43.91	59.86	80.15	62.09	-
	243.40	148.74	121.93	150.62	44.14
Payable to merchants (net)					
Pincode Shopping Solutions Private Limited	0.99	-	1.52	6.68	-
PhonePe Wealth Broking Private Limited	2.74	-	4.15	2.04	-
	3.73	-	5.67	8.72	-
Interest accrued					
Indus Appstore Private Limited	256.11	228.28	65.65	107.70	19.13
PhonePe Lending Services Private Limited	147.67	208.13	48.48	86.79	-
Pincode Shopping Solutions Private Limited	0.45	-	-	-	-
	404.23	436.41	114.13	194.49	19.13

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28. Related party disclosures (continued)

g) The following are the details of the balances eliminated during the six months period ended September 30, 2025, September 30, 2024 and the year ended March 31, 2025, March 31, 2024 and March 31, 2023 (continued):

Nature of Outstanding balances	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
<u>PhonePe Insurance Broking Services Private Limited</u>					
Trade receivables					
PhonePe Limited	-	-	0.05	-	-
	-	-	0.05	-	-
Other receivables					
PhonePe Limited	41.25	19.13	10.91	19.40	5.26
PhonePe Wealth Broking Private Limited	16.82	0.69	16.78	2.86	4.44
PhonePe Lending Services Private Limited	0.31	-	0.06	0.03	-
PhonePe Technology Services Private Limited	-	0.08	-	-	-
	58.38	19.90	27.75	22.29	9.70
Trade Payables					
PhonePe Limited	799.79	464.52	120.94	121.96	581.80
PhonePe Lending Services Private Limited	1.94	6.29	1.91	3.95	-
PhonePe Wealth Broking Private Limited	1.56	0.86	1.56	0.86	2.91
Pincode Shopping Solutions Private Limited	0.45	0.20	0.65	-	-
PhonePe Technology Services Private Limited	0.19	-	0.19	0.51	0.19
Indus Appstore Private Limited	-	0.09	0.09	-	-
	803.93	471.96	125.34	127.28	584.90
<u>Pincode Shopping Solutions Private Limited</u>					
Other receivables					
PhonePe Limited	44.90	59.86	81.67	68.77	-
PhonePe Insurance Broking Services Private Limited	0.45	0.20	0.65	-	-
PhonePe Wealth Broking Private Limited	-	1.71	1.71	0.93	-
	45.35	61.77	84.03	69.70	-
Trade Payables					
PhonePe Limited	703.71	611.49	158.35	230.58	8.86
PhonePe Wealth Broking Private Limited	2.43	-	2.43	-	-
PhonePe Technology Services Private Limited	0.20	-	0.22	-	-
	706.34	611.49	161.00	230.58	8.86
Interest accrued but not due on borrowings					
PhonePe Limited	0.45	-	-	-	-
	0.45	-	-	-	-
<u>PhonePe Lending Services Private Limited</u>					
Borrowings					
PhonePe Limited	3,315.58	3,315.58	3,315.58	3,240.58	-
	3,315.58	3,315.58	3,315.58	3,240.58	-
Other receivables					
PhonePe Limited	39.63	49.45	9.44	51.49	4.43
PhonePe Technology Services Private Limited	4.80	1.04	0.65	1.04	-
PhonePe Insurance Broking Services Private Limited	1.94	6.29	1.91	3.95	-
PhonePe Wealth Broking Private Limited	0.95	0.85	0.95	0.85	-
Indus Appstore Private Limited	0.66	0.15	0.15	0.15	-
	47.98	57.78	13.10	57.48	4.43
Trade Payables					
PhonePe Limited	3,017.55	1,029.14	324.38	393.93	77.47
Indus Appstore Private Limited	0.65	-	-	-	-
PhonePe Technology Services Private Limited	0.64	0.03	-	0.03	-
PhonePe Insurance Broking Services Private Limited	0.31	-	0.06	0.03	-
PhonePe Wealth Broking Private Limited	0.22	0.15	0.22	0.13	-
	3,019.37	1,029.32	324.66	394.12	77.47
Interest accrued but not due on borrowings					
PhonePe Limited	147.67	208.13	48.48	86.79	-
	147.67	208.13	48.48	86.79	-

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28. Related party disclosures (continued)

g) The following are the details of the balances eliminated during the six months period ended September 30, 2025, September 30, 2024 and the year ended March 31, 2025, March 31, 2024 and March 31, 2023 (continued):

Nature of Outstanding balances	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
PhonePe Wealth Broking Private Limited					
Trade receivables					
PhonePe Limited	-	-	4.04	-	-
	-	-	4.04	-	-
Other receivables					
PhonePe Limited	35.07	12.26	19.77	10.77	29.06
Pincode Shopping Solutions Private Limited	2.43	-	2.43	-	-
PhonePe Insurance Broking Services Private Limited	1.56	0.86	1.56	0.86	2.91
PhonePe Technology Services Private Limited	0.27	0.27	0.27	0.27	0.27
PhonePe Lending Services Private Limited	0.22	0.15	0.22	0.13	-
	39.55	13.54	24.25	12.03	32.24
Trade Payables					
PhonePe Limited	756.64	606.30	147.69	181.23	859.86
PhonePe Insurance Broking Services Private Limited	16.82	0.69	16.78	2.86	4.44
Indus Appstore Private Limited	0.99	-	0.99	-	-
PhonePe Lending Services Private Limited	0.95	0.85	0.95	0.85	-
PhonePe Technology Services Private Limited	0.44	0.44	0.44	0.44	0.44
Pincode Shopping Solutions Private Limited	-	1.71	1.71	0.93	-
	775.84	609.99	168.56	186.31	864.74
PhonePe Technology Services Private Limited					
Other receivables					
PhonePe Limited	1.33	2.06	0.90	2.91	1.50
PhonePe Lending Services Private Limited	0.64	0.03	-	0.03	-
PhonePe Wealth Broking Private Limited	0.44	0.44	0.44	0.44	0.44
Indus Appstore Private Limited	0.26	0.26	0.26	0.26	-
Pincode Shopping Solutions Private Limited	0.20	-	0.22	-	-
PhonePe Insurance Broking Services Private Limited	0.19	-	0.19	0.51	0.19
	3.06	2.79	2.01	4.15	2.13
Trade Payables					
PhonePe Limited	31.69	59.66	16.81	31.76	11.88
PhonePe Lending Services Private Limited	4.80	1.04	0.65	1.04	-
PhonePe Wealth Broking Private Limited	0.27	0.27	0.27	0.27	0.27
PhonePe Insurance Broking Services Private Limited	-	0.08	-	-	-
	36.76	61.05	17.73	33.07	12.15
PhonePe Finance Private Limited					
Trade Payables					
PhonePe Limited	0.19	14.93	-	11.79	7.51
	0.19	14.93	-	11.79	7.51
Indus Appstore Private Limited					
Borrowings					
PhonePe Limited	6,367.60	3,289.28	3,495.08	3,016.23	509.90
	6,367.60	3,289.28	3,495.08	3,016.23	509.90
Interest accrued but not due on borrowings					
PhonePe Limited	256.11	228.28	65.65	107.70	19.13
	256.11	228.28	65.65	107.70	19.13
Other receivables					
PhonePe Limited	84.95	5.98	4.92	6.00	3.89
PhonePe Wealth Broking Private Limited	0.99	-	0.99	-	-
PhonePe Lending Services Private Limited	0.65	-	-	-	-
PhonePe Insurance Broking Services Private Limited	-	0.09	0.09	-	-
	86.59	6.07	6.00	6.00	3.89
Trade Payables					
PhonePe Limited	228.86	260.48	95.71	79.71	339.79
Indus Appstore (Singapore) Pte Ltd	-	7.61	-	7.82	5.38
PhonePe Technology Services Private Limited	0.26	0.26	0.26	0.26	-
PhonePe Lending Services Private Limited	0.66	0.15	0.15	0.15	-
	229.78	268.50	96.12	87.94	345.17
Indus Appstore (Singapore) Pte Ltd					
Other receivables					
Indus Appstore Private Limited	-	7.61	-	7.82	5.38
	-	7.61	-	7.82	5.38

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29. Employee Benefit Plans

Defined Contribution Plan

The Group participates in certain defined contribution plans such as Provident Fund, 401K plan and National Pension Scheme. Under these plans, the Group's sole obligation is to pay a fixed contribution. The Group has recognised Rs. 225.16 (September 30, 2024: Rs. 175.05; March 31, 2025: Rs. 372.03; March 31, 2024: Rs. 314.93; March 31, 2023: Rs. 155.08) for such defined contribution plan in the Restated Consolidated Summary Statement of Profit and Loss.

Defined Benefit Plan

The Group 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 Group. 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 Group 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 Restated Consolidated Summary Statement of Profit and Loss and amounts recognized in the Restated Consolidated Summary Statement of Assets and Liabilities:

	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Restated Consolidated Summary Statement of Profit and Loss					
Current service cost	98.41	83.97	174.32	129.99	106.85
Interest cost	23.82	19.29	39.13	27.32	17.10
Past service cost	-	-	-	-	0.72
	122.23	103.26	213.45	157.31	124.67
Remeasurement loss/ (gains) in Other Comprehensive Income					
Actuarial losses/ (gains) arising from changes in -					
- experience adjustments	25.77	9.86	0.46	22.14	(3.90)
- financial assumptions	16.76	25.20	44.93	10.41	(12.98)
- demographic assumptions	(6.83)	-	(31.02)	9.41	(4.48)
	35.70	35.06	14.37	41.96	(21.36)
Net benefit expense	157.93	138.32	227.82	199.27	103.31
Restated Consolidated Summary Statement of Assets and Liabilities					
	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation (DBO) - current [refer note 19]	119.29	83.76	115.86	68.43	48.99
Defined benefit obligation (DBO) - non-current [refer note 19]	753.58	582.31	621.69	475.40	324.40
Net defined benefit liability	872.87	666.07	737.55	543.83	373.39
Change in the present value of the defined benefit obligation are as follows:					
Opening defined benefit obligation	737.55	543.83	543.83	373.39	246.78
Current service cost	98.41	83.97	174.32	129.99	106.85
Past service cost	-	-	-	-	0.72
Interest cost	23.82	19.29	39.13	27.32	17.10
Amount recognised in Other Comprehensive Income	35.70	35.06	14.37	41.96	(21.36)
Benefits paid	(22.61)	(16.08)	(34.10)	(28.83)	(6.23)
Effect of business combinations	-	-	-	-	29.53
Closing defined benefit obligation	872.87	666.07	737.55	543.83	373.39

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

Particulars	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Discount rate	6.30%	6.80%	6.55%	7.20%	7.30%
Salary escalation rate	8% to 10%	8% to 10%	8% to 10%	8% to 10%	8% to 12%
Mortality rate	100% of IALM*	100% of IALM*	100% of IALM *	100% of IALM *	100% of IALM *
Withdrawal rate	14.59% to 47.58%	13.8% to 38.10%	17.27% to 37.13%	13.80% to 38.10%	15.00% to 26.00%

* 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.

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29. Employee Benefit Plans (continued)

Sensitivity analysis of assumptions used	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Decrease in DBO due to 0.5% increase in discount rate	(23.08)	(19.50)	(17.38)	(15.85)	(9.79)
Increase in DBO due to 0.5% decrease in discount rate	24.26	20.58	18.16	16.51	10.27
Increase in DBO due to 0.5% increase in salary escalation rate	15.92	14.32	12.39	11.83	6.95
Decrease in DBO due to 0.5% decrease in salary escalation rate	(15.77)	(14.12)	(12.27)	(11.47)	(6.88)

Method used for sensitivity analysis: The sensitivity analysis above determines the individual impact on the plan's defined benefit obligation at period/ 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 September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Within 1 year	119.84	83.85	115.86	68.43	48.99
2 - 5 years	512.48	360.00	464.52	296.32	225.27
6 - 10 years	351.97	303.43	292.20	258.52	171.91
More than 10 years	318.84	341.26	189.13	293.20	149.20

The weighted average duration of the defined benefit obligation is 5 to 6 years.

30. Earnings per share (EPS)	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
The following reflects the profit/ (loss) and share data used in computation of EPS:					
Restated profit/ (loss) for the period/ year	(14,444.22)	(12,032.05)	(17,274.10)	(19,961.71)	(27,960.69)
Weighted average number of equity shares #*	471,912,999	455,578,469	461,115,924	441,947,110	408,791,608
Restated basic (loss) per share (Rs.)	(30.61)	(26.41)	(37.46)	(45.17)	(68.40)
Restated diluted (loss) per share (Rs.)**	(30.61)	(26.41)	(37.46)	(45.17)	(68.40)

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

* Not annualised for September 30, 2025 and September 30, 2024.

** 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 recognised for employee services received during the period/ year is shown in the following table:

	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Expense arising from cash-settled share-based payment transactions [refer note (b) and (i) below]	1,561.22	3,923.10	5,932.55	2,880.50	769.18
Expense arising from equity-settled share-based payment transactions [refer note (b), (e), (g) and (j) below]	8,575.95	9,229.37	17,646.07	16,230.60	19,228.93
Acceleration of expense and incremental fair value recognised [refer note (c) and (h) below]	7,948.59	-	-	2,820.56	-
Acceleration of expense related to cash-settled share based payment transactions [refer note (c) below]	42.92	-	-	-	-
Settlement related to equity-settled share based payment transactions [refer note (m) below]	-	-	-	-	575.01
Total expense recognized in the Restated Consolidated Summary Statement of Profit and Loss	18,128.68	13,152.47	23,578.62	21,931.66	20,573.12

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31. Share based payments (continued)

(a) Stock Split

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

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

Eligible employees of the Group 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 therein. The exercise price of the time-based share options is Re. 1 per option (September 30, 2024: Rs. 10 per option; March 31, 2025: Re. 1 per option; March 31, 2024: Rs. 10 per option; March 31, 2023: Rs. 10 per option).

During the year ended March 31, 2024, the Board of Directors approved a modification to the PSOP 2022 plan, introducing cash settlement upto 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 September 30, 2025 (Number)	As at September 30, 2024 (Number) [^]	As at March 31, 2025 (Number)	As at March 31, 2024 (Number) [^]	As at March 31, 2023 (Number) [^]
Outstanding as at the beginning of the period/ year	41,662,640	3,911,243	3,911,243	4,055,270	-
- Granted	7,219,619	515,407	5,841,480	413,926	140,096
- Migrated*	-	-	-	-	3,945,027
- Replaced with SARs**	-	-	-	(9,718)	(876)
- Forfeited unvested	(608,086)	(59,931)	(1,253,080)	(139,809)	(28,977)
- Repurchased (refer note (c) below)	(547,360)	-	(2,038,190)	(408,426)	-
- Options net settled for employees tax obligation (refer note (c) below)	(1,738,219)	-	-	-	-
- Exercised [refer note (c) below]#	(20,654,026)	-	-	-	-
- Split of 1 share of Rs. 10 each to 10 shares of Rs. 1 each	-	-	35,201,187	-	-
Outstanding as at the end of the period/ year	25,334,568	4,366,719	41,662,640	3,911,243	4,055,270
Exercisable as at the end of the period/ year	-	-	-	-	-

* During the year ended March 31, 2023, the employees of the Group were granted 3,945,027 share options of the Company on the basis of pre-determined ratio, approved by board of directors and shareholders to its employees as migration of share options of Headstand Pte. Ltd (incorporated in Singapore) (formerly known as 'PhonePe Private Limited') (erstwhile immediate holding company).

** During the year ended March 31, 2024, certain former employees of the Group were granted SARs under SARs Plan 2022 against the equity stock options held under PSOP 2022 plan.

The weighted average fair value of options exercised was 2,337.60 per option.

[^]Calculated on a pre stock split basis.

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 (DCF) model for deriving the share price [refer below for further details] for options issued during the six months ended September 30, 2025 and the DCF model and Finnerty model for calculation of DLOM for options issued till March 31, 2025 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 Group during the period is Rs. 2,395.39 per option (September 30, 2024: Rs. 19,121.60[^]; March 31, 2025: Rs. 2,395.39 per option; March 31, 2024: Rs. 16,234.00[^]; March 31, 2023: 16,234.00[^]). The weighted average fair value of options exercised during the period is 2,337.60 per option (September 30, 2024: NA, March 31, 2025: NA, March 31, 2024: NA, March 31, 2023: NA). As of September 30, 2025, the contractual life of time-based options is 4 years (September 30, 2024: 4 years; March 31, 2025: 4 years; March 31, 2024: 4 years; March 31, 2023: 4 years).

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

	September 30, 2025	September 30, 2024	March 31, 2025	March 31, 2024	March 31, 2023
Inputs used in DCF model:					
Risk free interest rate (% p.a.)	6.30%	7.00%	6.3% - 7.0%	7.4%	7.4%
Weighted average exercise price (in Rs.)	1	10	1	10	10
Long term growth rate	5.00%	5.00%	5.00%	5.00%	5.00%
Discount rate	16.40%	18.00%	16.40%	18.80%	18.80%
Inputs used in Finnerty model:					
Dividend yield (% p.a.)	NA	0%	0%	0%	0%
Expected volatility (% p.a.)	NA	53.9%	53.9%	50.6% - 53.9%	50.6%
Expected life of option (years)	NA	2.7 years	2.7 years	2.7 years - 3.0 years	3.0 years

[^]Calculated on a pre stock split basis.

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31. Share based payments (continued)

(c) Transactions during the six-months period ended September 30, 2025 - PSOP 2022:

(i) Acceleration of Vesting and Repurchase of PhonePe Stock Options for Certain Eligible Employees (Part A)

In accordance with the terms of PSOP 2022, and pursuant to a Board approval dated August 07, 2025, the Company extended a one-off offer to eligible employees who satisfied the prescribed conditions to accelerate the vesting of all their unvested options. Following the accelerated vesting, employees were required to surrender 100% of their PhonePe options in exchange for a cash consideration determined based on the fair value of the cancelled options. The acceleration of the vesting conditions did not result in any incremental fair value. Upon acceleration of vesting, the Group recognised Rs. 132.68 which had not been previously expensed in the Restated Consolidated Summary Statement of Profit and Loss.

The consideration paid (including related employee tax obligation) for repurchase of vested equity settled options is Rs. 1,041.24 and settlement of all the outstanding cash settled options held by these employees is Rs. 238.27.

(ii) Early exercise of PhonePe Stock Options held by Certain Eligible Employees (Part B)

In accordance with the terms of PSOP 2022, and pursuant to a Board approval dated August 07, 2025, the Company extended an offer to eligible employees permitting the exercise of vested options prior to Company's listing on recognised stock exchanges.

The transaction was settled on a net-basis whereby a total of 4,709,337 vested options (including outstanding cash settled options) were exercised by eligible employees, of which 1,738,219 options were withheld and cancelled representing the fair value equal to the employees' tax obligation amounting to Rs. 4,063.26 which was paid to the tax authority on the employees' behalf on October 06, 2025. For the remaining options, the Company has issued an equivalent number of equity shares. Consequently, the cash-settled share-based payment liability of Rs. 1,504.90 relating to these vested cash-settled options has been transferred to equity upon equity settlement.

(iii) Early exercise of PhonePe Stock Options held by Certain Eligible Employees (Part C)

In accordance with the terms of PSOP 2022, and pursuant to a Board approval dated August 07, 2025, the Company extended an offer to eligible employees permitting the exercise of vested options prior to listing. A total of 17,682,908 vested options were exercised by eligible employees for which the Company has issued an equivalent number of equity shares (including equity shares issued against the cash settled options). Refer Note 18 for arrangement entered for employees' tax obligations arising upon such exercise. Consequently, the cash-settled share-based payment liability of Rs. 3,078.02 relating to these vested cash-settled options has been transferred to equity upon equity settlement.

(d) Carrying value of the Cash-settled share based payment liabilities -PSOP 2022

	September 30, 2025	September 30, 2024	March 31, 2025	March 31, 2024	March 31, 2023
Carrying value	7,187.07	13,320.22	10,404.11	9,512.74	-
Fair value of each option	2,337.60	2,405.20	2,405.20	1,996.80	-

(e) 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)	As at March 31, 2023 (Number)
Outstanding as at the beginning of the year	3,129,445	3,129,445
- Migrated to PFA 2023 plan [refer note (f) below]	(3,129,445)	-
Outstanding as at the end of the year	-	3,129,445

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

Expected life of option (years)

As at March 31, 2024	As at March 31, 2023
NA	1.72 years

Performance based options:

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

	As at March 31, 2024 (Number)	As at March 31, 2023 (Number)
Outstanding as at the beginning of the year	2,738,265	2,738,265
- Migrated to PFA 2023 plan [refer note (f) below]	(2,738,265)	-
Outstanding as at the end of the year	-	2,738,265

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

Expected life of option (years)

As at March 31, 2024	As at March 31, 2023
NA	10 years

(f) 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 year ended March 31, 2024. Pursuant to such approval, options granted under PFA 2020 by Headstand Pte. Ltd. (formerly known as 'PhonePe Private Limited') (incorporated in Singapore) (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, approved by board of directors and shareholders. 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.

31. Share based payments (continued)

(g) 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 (September 30, 2024: Rs. 10 per option; March 31, 2025: 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).

The options under both time and performance awards including the Restricted Time-Award Shares and the Restricted Performance-Award Shares have been exercised during the six months ended September 30, 2025.

During the period the terms of PFA 2023 were modified. Refer to note (h) for the same.

No fresh options were granted during the current period and previous period/ 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 (b) above for the assumptions used for calculation of fair value).

(h) Modifications to 'PFA 2023'

Pursuant to the approvals granted by the Board of Directors on September 12, 2025 and by the Shareholders on September 19, 2025, the Company has amended the terms of PFA 2023. The amendment replaces the clause relating to the buyback of shares and other restrictions with new lock-up provisions (transferability restrictions). These lock-up provisions will remain in effect during continued employment until the relevant service or performance conditions have been satisfied. Upon cessation of employment, the eligible employee whose award shares remain subject to Lock-up may, at their sole discretion, either allow the Lock-up to continue until it is released pursuant to a mutual arrangement between the Company and the employee or by the Company or remove the Lock-up on any such shares by paying the applicable unlock consideration in accordance with the scheme.

This amendment was accounted for as a modification under Ind AS 102, and an amount of Rs. 4,920.75 on time-based options and Rs. 950.82 on performance-based options on shares issued upon the exercise of restricted time-based and performance-based options was recognized in the Restated Consolidated Summary Statement of Profit and Loss upon acceleration of vesting. In addition, the incremental fair value of Rs. 1,987.26 being the difference between the fair value of the original performance award and that of the modified performance award, both measured as of the date of modification was also recognized in the Restated Consolidated Summary Statement of Profit and Loss upon acceleration of vesting. The modification of time-based options did not result in any incremental fair value.

This pre-modification fair value was determined using the Monte-Carlo simulation method with key inputs being the term of the options (13 years), risk free rate (4.31%) and volatility (42.7%). The post-modification fair value was concluded to be the same as the fair value of the shares i.e., Rs. 2,337.60 per option. Refer note (b) above for input used for post modification fair value.

The weighted average fair value of options exercised was 2,337.60 per option.

Time based options:

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

	As at September 30, 2025 (Number)	As at September 30, 2024 (Number) [^]	As at March 31, 2025 (Number)	As at March 31, 2024 (Number) [^]
Outstanding as at the beginning of the period/ year	26,973,160	2,697,316	2,697,316	-
- Exercised#	(26,973,160)	-	-	-
- Migrated [refer note (f) above]	-	-	-	1,855,276
- Granted	-	-	-	842,040
- Split of 1 share of Rs. 10 each to 10 shares of Rs. 1 each	-	-	24,275,844	-
Outstanding as at the end of the period/ year	-	2,697,316	26,973,160	2,697,316
Exercisable as at the end of the period/ year*	-	2,697,316	26,973,160	-

* includes Nil Restricted Time-Award Shares (September 30, 2024: 842,040; March 31, 2025: 8,420,400; March 31, 2024: Nil).

includes 8,420,400 lock-up shares (September 30, 2024: Nil; March 31, 2025: Nil; March 31, 2024: Nil).

[^] Calculated on a pre stock split basis

Expected life of option (years)

As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024
NA	1.75 years	1.25 years	1.19 years

Performance based options:

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

	As at September 30, 2025 (Number)	As at September 30, 2024 (Number) [^]	As at March 31, 2025 (Number)	As at March 31, 2024 (Number) [^]
Outstanding as at the beginning of the period/ year	16,233,660	1,623,366	1,623,366	-
- Exercised#	(16,233,660)	-	-	-
- Migrated [refer note (f) above]	-	-	-	1,623,366
- Split of 1 share of Rs. 10 each to 10 shares of Rs. 1 each	-	-	14,610,294	-
Outstanding as at the end of the period/ year	-	1,623,366	16,233,660	1,623,366
Exercisable as at the end of the period/ year*	-	1,623,366	16,233,660	-

* Includes Nil Restricted Performance-Award Shares (September 30, 2024: 927,637; March 31, 2025: 9,276,377; March 31, 2024: Nil).

includes 9,276,377 lock-up shares (September 30, 2024: Nil; March 31, 2025: Nil; March 31, 2024: Nil).

[^] Calculated on a pre stock split basis

Expected life of option (years)

As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024
NA	10.5 years	10 years	11 years

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31. Share based payments (continued)
(i) PhonePe Share Appreciation Rights Plan

The Group's eligible employees or former employees were granted share appreciation rights (SARs), to be settled in cash under the 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 did not impact the 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 September 30, 2025 (Number)	As at September 30, 2024 (Number)	As at March 31, 2025 (Number)	As at March 31, 2024 (Number)	As at March 31, 2023 (Number)
Outstanding as at the beginning of the period/ year	-	1,976	1,976	81,082	-
- Granted**	-	-	-	9,718	81,082
- Repurchased*	-	-	(1,976)	(88,824)	-
Outstanding as at the end of the period/ year	-	1,976	-	1,976	81,082
Exercisable as at the end of the period/ 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 Finnerly 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 period, as SARs Plan 2022 plan is no longer in existence. Weighted average fair value of the SARs granted to the employees of the Group during the year ended March 31, 2024: Rs. 16,234.

The following table lists the inputs to the option pricing models for the options granted:

	March 31, 2024	March 31, 2023
Risk free interest rate (% p.a.)	7.4%	7.4%
Dividend yield (% p.a.)	0%	0%
Expected volatility (% p.a.)	50.6% - 53.9%	50.60%
Expected life of option (years)	2.7 years - 3.0 years	3 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.

** During the year ended March 31, 2023, certain existing and former employees of the Group were granted SARs towards migration of options granted under PSOP 2022 (876 SARs) and PSOP 2020 (80,206 SARs) on the basis of pre-determined ratio of share options of the Company and Headstand Pte. Ltd. (Formerly known as 'PhonePe Private Limited') (incorporated in Singapore) as approved by board of directors and shareholders.

(j) PhonePe Founder Stock Option Plan 2025 ('PSOP 2025'/'Plan')

During the six months ended September 30, 2025, the Company, pursuant to the resolutions passed by our Board and Shareholders granted (i) new time based awards, (ii) one time options conditional on listing ("One-time Awards") and (iii) performance based awards to certain eligible employees of the Company at an exercise price of Re. 1 per option subject to fulfilment of vesting conditions.

Vesting period for time based awards and one time awards range between one and six years, while the vesting conditions for new performance based awards have not been defined or communicated to the employees.

Time based awards and one time awards that have not been exercised will lapse and be cancelled following the expiry of ten years from the grant date. The performance based awards that have not been exercised will lapse and be cancelled following the expiry of twelve years from the grant date.

Weighted average price per option is Rs. 2,337.60.

Time based options:

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

	As at September 30, 2025 (Number)
Outstanding as at the beginning of the period	-
- Granted	339,002
Outstanding as at the end of the period	339,002
Exercisable as at the end of the period	-

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

	As at September 30, 2025
Expected life of option (years)	3.56

Performance based options:

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

	As at September 30, 2025 (Number)
Outstanding as at the beginning of the period	-
- Granted #	-
Outstanding as at the end of the period	-
Exercisable as at the end of the period	-

As of the reporting date, vesting conditions for new performance based awards have not been defined or communicated to the employees. As a result, a mutual understanding of the terms, which is required to establish a 'grant date' as defined by Ind AS 102, Share-based Payment, had not been reached. Accordingly, no share-based payment expense has been recognised.

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31. Share based payments (continued)

(j) PhonePe Founder Stock Option Plan 2025 ('PFSOP 2025'/Plan') (continued)

	As at September 30, 2025
Expected life of option (years)	12.00

One-time options:

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

	As at September 30, 2025 (Number)
Outstanding as at the beginning of the period	-
- Granted	740,990
Outstanding as at the end of the period	740,990
Exercisable as at the end of the period	-

	As at September 30, 2025
Expected life of option (years)	2.54

Refer note (b) above for inputs used in the DCF model.

(k) PhonePe Stock Option Plan, Singapore ('PSOP 2020')

Eligible employees of the Group have been granted share options of Headstand Pte Ltd (incorporated in Singapore) (formerly known as 'PhonePe Private Limited') (erstwhile immediate holding company) under the PhonePe Stock Option Plan ('PSOP 2020'). Time-based stock options granted under PSOP 2020 would vest between one day 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 attached to vesting are outlined in the document given to the option grantee at the time of grant of options. Weighted average fair value of the options granted to the employees of the Group during the period is USD Nil per option (September 30, 2024: USD Nil; March 31, 2025: USD Nil; March 31, 2024: USD Nil and March 31, 2023: USD 112.82). The exercise price of the time-based share options is Rs. Nil. No additional grants were given during the six months period ended September 30, 2025 (September 30, 2024: Nil; March 31, 2025: Nil; March 31, 2024: Nil).

Time based options:

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

	As at September 30, 2025 (Number)	As at September 30, 2024 (Number)	As at March 31, 2025 (Number)	As at March 31, 2024 (Number)	As at March 31, 2023 (Number)
Outstanding as at the beginning of the period/ year	-	-	-	-	3,189,929
- Granted	-	-	-	-	3,500,380
- Replaced with SARs*	-	-	-	-	(134,754)
- Migrated to PSOP 2022 plan #	-	-	-	-	(6,570,801)
- Forfeitures	-	-	-	-	(198,247)
- Transfers (net)^	-	-	-	-	213,493
Outstanding as at the end of the period/ year	-	-	-	-	-

During the year ended March 31, 2023, the employees of the Group were granted 3,945,027 share options of the Company on the basis of pre-determined ratio to its employees as migration of share options of Headstand Pte Ltd as approved by board of directors and shareholders.

* During the current year ended March 31, 2023, former employees of the Group were granted SARs of the Company in replacement of 134,754 vested options under PSOP 2020 on the basis of pre-determined ratio as approved by board of directors and shareholders.

^ Transfers (net) pertains to transfer of employees.

Fair value of time based share options granted

The fair value of share options granted that are classified as time-based options is estimated at the grant date using Finnerty model, 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. No fresh options were granted during current period, as PSOP 2020 plan is no longer in existence.

The following table lists the inputs to the option pricing models for the options granted:

	March 31, 2023
Dividend yield (% p.a.)	0%
Expected volatility (% p.a.)	42.60%-50.60%
Expected life of option (years)	2.75 years -3 years

(l) Migration of share-based payment plan from PSOP 2020 to PSOP 2022

PhonePe Stock Option Plan, India ('PSOP 2022') was approved by the Board of Directors and Shareholders of the Company during the year ended March 31, 2023. Pursuant to such approval, options granted under PSOP 2020 by Headstand Pte. Ltd. (formerly known as 'PhonePe Private Limited') (incorporated in Singapore) (erstwhile immediate holding company) got migrated to a new plan, namely PSOP 2022. The migration of share-based payment arrangement from PSOP 2020 to PSOP 2022 plan has been treated as a modification of an existing share-based payment plan. All the options granted under PSOP 2020 were automatically cancelled, and fresh options were granted to the eligible employees on the basis of a pre-determined swap ratio, approved by board of directors and shareholders.

(m) Flipkart Stock Option Plan, Singapore ('FSOP 2012')

Eligible employees of the Group were granted share options of Flipkart Private Limited (intermediate holding company, upto December 23, 2022) based upon performance, and long-term potential for the Group. The share options granted under FSOP 2012 shall vest between on day one and not more than five years from the date of grant of such options. Vesting of options would be subject to continued employment with the Group 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 document given to the option grantee at the time of grant of options.

The exercise price of the option is Rs. Nil.

During the year ended March 31, 2023, Out of 395,548 outstanding options, Flipkart Private Limited (intermediate holding company, upto December 23, 2022) had repurchased 358,705 options granted to the eligible employees of the group under FSOP 2012. No additional grants were given during the six months period ended September 30, 2025, September 30, 2024 and the year ended March 31, 2023, March 31, 2024 and March 31, 2025.

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32. Capital management

The Group'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 Group does not have any borrowings as on September 30, 2025, March 31, 2025, September 30, 2024, March 31, 2024 and March 31, 2023.

33. Financial risk management objectives and policies

The Group 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 and interest rate risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks.

The following sections provide details regarding the Group'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 period/ year to the Group'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 Group'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 Group through continuously monitoring the creditworthiness of the parties that the Group deals with in the normal course of business.

The Group's exposure to credit risk arises primarily from trade receivables, other financial assets and financial guarantee contracts. The Group 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 Group has computed expected credit losses using a provision matrix based on historical credit loss experience of the Group. Credit risk on balances with banks (including short term deposits), financial institutions, commercial papers/ certificate of deposits, liquid mutual funds is limited as the Group only deals with counterparties which have high credit rating given by external rating agencies as well as based on Group's internal assessment and managed by the Group in accordance with the Group'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 on financial assets

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 141,916.64 (September 30, 2024: Rs. 73,258.51; March 31, 2025: Rs. 82,197.02; March 31, 2024: Rs. 65,560.38; March 31, 2023: Rs. 62,599.38), being the total of the carrying amount of balances with banks, bank deposits, investments, trade receivables and other financial assets. None of the Group'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:

Trade receivables [refer note 7]

Other financial assets [refer note 11]

Loans [refer note 10]

Total past due and impaired

	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Trade receivables [refer note 7]	726.43	740.43	568.63	528.33	317.28
Other financial assets [refer note 11]	372.36	358.03	329.92	264.85	166.09
Loans [refer note 10]	-	-	-	-	76.19
Total past due and impaired	1,098.79	1,098.46	898.55	793.18	559.56

Concentration of credit risk in terms of Top 5 amounts receivable from customers is 25.11% (September 30, 2024: 67.15%; March 31, 2025: 35.92%; March 31, 2024: 54.70%; March 31, 2023: 38.40%).

Financial Guarantee Contracts

As a Lending Service Provider (LSP), the Group has entered into arrangement with various NBFCs/Banks (Lenders) to facilitate the distribution of loans to borrowers through its mobile applications, with loans disbursed directly by the Lenders to the borrowers as per the applicable regulatory guidelines.

For specific loan portfolios, the Group provides a Default Loss Guarantee (DLG), compensating Lenders for losses up to the contractually agreed and permissible DLG limit in line with the Reserve Bank of India (Commercial Banks – Credit Facilities) Directions, 2025 and the Reserve Bank of India (Non-Banking Financial Companies– Credit Facilities) Directions, 2025 (collectively, "DL Directions"). This financial guarantee is collateralized by the Group creating a lien against a corresponding amount of a fixed deposit.

Exposure to credit risk on financial guarantee

The Group has, based on current available information, calculated impairment loss allowance as contractually agreed with the lenders and capped up to the extent permissible in line with the DL Directions to cover the guarantees provided to its financing partners.

No amount of DLG has been invoked during the period (September 30, 2024: Nil; March 31, 2025: Nil; March 31, 2024: Nil; March 31, 2023: Nil)

Total provision recognized through the Restated Consolidated Summary Statement of Profit and Loss during the period is Rs. 348.97 (September 30, 2024: Nil; March 31, 2025: Nil; March 31, 2024: Nil; March 31, 2023: Nil) and amount paid/ settled during the period is Nil (September 30, 2024: Nil; March 31, 2025: Nil; March 31, 2024: Nil; March 31, 2023: Nil).

Movement in financial guarantee obligation

	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance as at the beginning of the period/ year	-	-	-	-	-
Addition made during the period/ year	384.97	-	-	-	-
Utilised/ reversed	-	-	-	-	-
Balance as at the end of the period/ year	384.97	-	-	-	-

For movement in the allowance for expected credit losses of trade receivables refer note 7.

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33. Financial risk management objectives and policies (continued)

b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

Considering the nature of business activity of the Group, the concentration of liquidity risk is low as merchant payments are generally backed by customer receivables in a designated escrow account. The Group has obtained fund and non-fund based lines of credit from various banks. The Group invests its surplus funds in fixed deposits, liquid mutual fund schemes and commercial papers, which carry no/low mark to market risks. Further, the amounts outstanding under the financial guarantee contracts are payable on demand.

Analysis of financial instruments by remaining contractual maturities

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

	As at September 30, 2025			
	Less than 1 year	1-5 years	More than 5 years	Total
Financial liabilities				
Trade payables	7,872.65	-	-	7,872.65
Lease liabilities	2,095.34	5,507.29	740.71	8,343.34
Other financial liabilities	44,367.31	-	-	44,367.31
Cash-settled share based payment liabilities	-	7,187.07	-	7,187.07
Total undiscounted financial liabilities	54,335.30	12,694.36	740.71	67,770.37
	As at September 30, 2024			
	Less than 1 year	1-5 years	More than 5 years	Total
Financial liabilities				
Trade payables	7,333.69	-	-	7,333.69
Lease liabilities	1,554.29	3,605.07	720.55	5,879.91
Other financial liabilities	6,545.34	-	-	6,545.34
Cash-settled share based payment liabilities	-	13,320.22	-	13,320.22
Total undiscounted financial liabilities	15,433.32	16,925.29	720.55	33,079.16
	As at March 31, 2025			
	Less than 1 year	1-5 years	More than 5 years	Total
Financial liabilities				
Trade payables	8,642.44	-	-	8,642.44
Lease liabilities	2,038.13	5,086.85	808.21	7,933.19
Other financial liabilities	51,979.61	-	-	51,979.61
Cash-settled share based payment liabilities	-	10,404.11	-	10,404.11
Total undiscounted financial liabilities	62,660.18	15,490.96	808.21	78,959.35
	As at March 31, 2024			
	Less than 1 year	1-5 years	More than 5 years	Total
Financial liabilities				
Trade payables	4,689.62	-	-	4,689.62
Lease liabilities	1,376.89	2,963.52	-	4,340.41
Other financial liabilities	6,985.83	-	-	6,985.83
Cash-settled share based payment liabilities	-	9,512.74	-	9,512.74
Total undiscounted financial liabilities	13,052.34	12,476.26	-	25,528.60
	As at March 31, 2023			
	Less than 1 year	1-5 years	More than 5 years	Total
Financial liabilities				
Trade payables	3,866.94	-	-	3,866.94
Lease liabilities	970.10	2,941.09	-	3,911.19
Other financial liabilities	28,428.08	-	-	28,428.08
Total undiscounted financial liabilities	33,265.12	2,941.09	-	36,206.21

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

	April 01, 2025	New loans	Cash flows	Interest	September 30, 2025
Short term borrowings	-	887.37	(888.48)	1.11	-
	April 01, 2023	New loans	Cash flows	Interest	March 31, 2024
Short term borrowings	-	8,300.45	(8,311.57)	11.12	-
	April 01, 2022	New loans	Cash flows	Interest	March 31, 2023
Short term borrowings	-	7,253.77	(7,262.72)	8.95	-

There are no new loans availed or repaid during the year ended March 31, 2025 and the six months period ended September 30, 2024.

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33. Financial risk management objectives and policies (continued)

c) Foreign currency risk

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

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

As at September 30, 2025					
Particulars	USD	AED	SGD	EUR	Total
Financial assets	92.61	-	-	-	92.61
Financial liabilities	238.00	-	4.21	-	242.21
As at September 30, 2024					
Particulars	USD	AED	SGD	EUR	Total
Financial assets	113.75	38.34	-	-	152.09
Financial liabilities	58.10	1.82	29.57	0.47	89.96
As at March 31, 2025					
Particulars	USD	AED	SGD	EUR	Total
Financial assets	60.55	-	-	-	60.55
Financial liabilities	2,426.20	5.12	6.48	-	2,437.80
As at March 31, 2024					
Particulars	USD	AED	SGD	EUR	Total
Financial assets	73.07	38.72	-	0.31	112.10
Financial liabilities	258.10	-	4.06	-	262.16
As at March 31, 2023					
Particulars	USD	AED	SGD	EUR	Total
Financial assets	229.61	-	-	-	229.61
Financial liabilities	20,786.09	-	-	-	20,786.09

Foreign exchange rate sensitivity

The fluctuation in foreign currency exchange rates may have potential impact on the Restated Consolidated Summary Statement of Profit and Loss and Restated Consolidated Summary 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 Group. The impact on the Group's Profit/ loss before tax due to changes in the foreign currency rate is as below:

	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Percentage points	(+/-) 5%	(+/-) 5%	(+/-) 5%	(+/-) 5%	(+/-) 5%
Increase/decrease in loss before tax	7.48	3.11	118.86	7.50	1,027.82

d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group has investments in commercial papers with high credit rating (held till maturity) with fixed yield and in deposits with counter parties bearing fixed interest rates. There is no interest rate risk as the Group does not have borrowings at the end of the current period (September 30, 2024: Nil; March 31, 2025: Nil; March 31, 2024: Nil; March 31, 2023: 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, loans, other assets, cash and cash equivalents, bank balances other than cash and cash equivalents, trade payables, lease liabilities, other liabilities including 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]

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

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

As at September 30, 2025				
Financial assets measured at fair value:	Total	Quoted prices in active markets *	Significant observable inputs	Significant unobservable inputs **
		(Level 1)	(Level 2)	(Level 3)
Investments (through Other Comprehensive Income)	278.69	-	-	278.69
Investments (through Profit and Loss)	70,650.63	70,650.63	-	-
	70,929.32	70,650.63	-	278.69
As at September 30, 2024				
Financial assets measured at fair value:	Total	Quoted prices in active markets *	Significant observable inputs	Significant unobservable inputs **
		(Level 1)	(Level 2)	(Level 3)
Investments (through Other Comprehensive Income)	210.79	-	-	210.79
Investments (through Profit and Loss)	4,962.12	4,962.12	-	-
	5,172.91	4,962.12	-	210.79
As at March 31, 2025				
Financial assets measured at fair value:	Total	Quoted prices in active markets *	Significant observable inputs	Significant unobservable inputs **
		(Level 1)	(Level 2)	(Level 3)
Investments (through Other Comprehensive Income)	210.79	-	-	210.79
Investments (through Profit and Loss)	14,645.55	14,645.55	-	-
	14,856.34	14,645.55	-	210.79

34. Fair value hierarchy (continued)

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

Financial assets measured at fair value:	As at March 31, 2024			
	Total	Quoted prices in active markets *	Significant observable inputs	Significant unobservable inputs **
		(Level 1)	(Level 2)	(Level 3)
Investments (through Other Comprehensive Income)	149.60	-	-	149.60
Investments (through Profit and Loss)	343.64	343.64	-	-
	493.24	343.64	-	149.60

Financial assets measured at fair value:	As at March 31, 2023			
	Total	Quoted prices in active markets *	Significant observable inputs	Significant unobservable inputs **
		(Level 1)	(Level 2)	(Level 3)
Investments (through Other Comprehensive Income)	116.70	-	-	116.70
Investments (through Profit and Loss)	14,393.97	14,393.97	-	-
	14,510.67	14,393.97	-	116.70

* Represents investment in quoted mutual funds valued at net asset value available in active market.

** 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 Group has chosen to designate these investments in equity instruments at FVTOCI as the Group 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.

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.

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

	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	210.79	149.60	149.60	116.70	77.02
Changes in fair value	67.90	61.19	61.19	32.90	39.68
Closing balance	278.69	210.79	210.79	149.60	116.70

Financial assets not measured at fair value:

	As at September 30, 2025			
	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
Investments (at amortised cost)	7,225.87	-	7,225.87	-
	7,225.87	-	7,225.87	-

	As at September 30, 2024			
	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
Investments (at amortised cost)	34,898.95	-	34,898.95	-
	34,898.95	-	34,898.95	-

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

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

	As at March 31, 2023			
	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
Investments (at amortised cost)	36,615.11	-	36,615.11	-
	36,615.11	-	36,615.11	-

35. Contingent liabilities and commitments

	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
a. Contingent liability	-	-	-	-	-
b. Commitments					
- Towards property, plant and equipment (net of capital advances)	3,548.30	2,322.42	2,404.26	3,587.44	5,492.79
- Towards right-of-use assets [refer note 15]	1,956.63	253.41	-	9.60	-

The Group has reviewed all pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities in its Restated Consolidated Summary Statements where financial outflow is not probable.

36. RBI Inspection

The Group's Prepaid Payment Instruments ("PPIs") and Bharat Bill Payment Operating Unit ("BBPOU") Licences were subject to inspection by the Regulator. The Group received an Inspection Report dated June 06, 2025 from the RBI for the inspection period October 2023 to December 2024. The Group has submitted its responses addressing the observations and is in the process of addressing the follow up clarifications received from the regulator in this regard, based on its internal assessment, the Group is of the view these will not have any material impact on the operation and financial statements.

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37. Ratio Analysis

Ratio	Numerator	Denominator	As at September 30, 2025	As at September 30, 2024	% Change	Reason for variances exceeding 25% as compared to previous year
Current ratio	Current assets	Current liabilities	1.58	3.97	(60.31%)	Due to increase in current liabilities as at September 30, 2025
Return on Equity ratio*	Net profit after taxes	Average shareholder's equity	(15.06%)	(12.91%)	16.65%	NA
Trade Receivable Turnover ratio*	Revenue from operations	Average Trade Receivable	6.21	5.87	5.79%	NA
Trade Payable Turnover ratio*	Payment processing charges+other expenses-non-cash expenditure	Average Trade Payables	3.15	3.09	1.98%	NA
Net Capital Turnover ratio*	Revenue from operations	Working capital = Current assets – Current liabilities	0.56	0.48	16.67%	NA
Net Profit ratio	Net profit before taxes	Revenue from operations	(37.02%)	(37.62%)	(1.61%)	NA
Return on Capital Employed*	Earnings before interest and taxes	Capital Employed = Tangible Net Worth+Deferred tax liability	(25.07%)	(18.55%)	35.10%	Due to decrease in Earnings before interest and taxes during the six months period ended September 30, 2025
Return on Investment	Income from investments	Time weighted average investments	7.23%	7.72%	(6.35%)	NA

Debt-equity and debt service coverage ratios are not applicable as the Group did not have any debt outstanding as at the period ended September 30, 2025 and September 30, 2024.

*Not annualised for September 30, 2025 and September 30, 2024.

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	1.99	4.36	(54.36%)	Due to increase in current liabilities as at March 31, 2025
Return on Equity ratio	Net profit after taxes	Average shareholder's equity	(18.22%)	(23.52%)	22.55%	NA
Trade Receivable Turnover ratio	Revenue from operations	Average Trade Receivable	12.16	13.53	(10.08%)	NA
Trade Payable Turnover ratio	Payment processing charges+other expenses-non-cash expenditure	Average Trade Payables	5.75	6.91	16.73%	NA
Net Capital Turnover ratio	Revenue from operations	Working capital = Current assets – Current liabilities	1.02	0.77	32.21%	Due to increase in revenue from operations during the year ended March 31, 2025
Net Profit ratio	Net profit before taxes	Revenue from operations	(24.39%)	(39.62%)	38.44%	Due to increase in revenue from operations during the year ended March 31, 2025
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Deferred tax liability	(26.52%)	(32.44%)	18.25%	NA
Return on Investment	Income from investments	Time weighted average investments	7.72%	7.62%	1.31%	NA

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

37. Ratio Analysis (continued)

Ratio	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% Change	Reason for variances exceeding 25% as compared to previous year
Current ratio	Current assets	Current liabilities	4.36	2.08	109.19%	Due to higher current assets as at March 31, 2024
Return on Equity ratio	Net profits after taxes	Average shareholder's equity	(23.52%)	(57.96%)	(59.42%)	Due to higher equity as at March 31, 2024
Trade Receivable Turnover ratio	Revenue from operations	Average Trade Receivable	13.53	12.36	9.41%	NA
Trade Payable Turnover ratio	Payment processing charges+other expenses-non-cash expenditure	Average Trade Payables	6.91	6.02	14.67%	NA
Net Capital Turnover ratio	Revenue from operations	Working capital = Current assets – Current liabilities	0.77	0.70	10.58%	NA
Net Profit ratio	Net Profit	Revenue from operations	(39.62%)	(96.16%)	(58.79%)	Due to lower expenditure during the year ended March 31, 2024
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Deferred tax liability	(32.44%)	(45.11%)	(28.09%)	Due to higher net worth during the year ended March 31, 2024
Return on Investment	Income from investments	Time weighted average investments	7.62%	5.53%	37.79%	Due to higher investments as at March 31, 2024

Debt-equity and debt service coverage ratios are not applicable as the Group did not have any debt outstanding as at the year ended March 31, 2024 and March 31, 2023.

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38. Investment accounted for using equity method

The Group holds 13.66% (March 31, 2025: 18.74%; September 30, 2024: 18.75%; March 31, 2024: 18.86%; March 31, 2023: 19.00%) interest in the voting rights of C.E. Info Systems Limited ("C.E. Info") (incorporated in India). Principal activities of C.E. Info include provision of GPS navigation and location based services. The country of incorporation is also its principal place of business.

On June 13, 2025, the Group divested 5% of its holding in C.E. Info, for a total consideration of Rs. 4,808.94. Gain arising from such sale amounting to Rs. 4,344.74 has been disclosed under exceptional items in the Restated Consolidated Summary Statement of Profit and Loss.

Management has assessed the level of influence that the Group exercises on C.E. Info and determined that it has significant influence through the right to board representation and other relevant facts and circumstances, even though the shareholding is below 20%. Accordingly, C.E. info has been classified as an associate.

Fair value of the associate based on the quoted market price as at September 30, 2025 amounts to Rs. 12,331.76 (September 30, 2024: Rs. 22,130.10; March 31, 2025: Rs. 17,227.93; March 31, 2024: Rs. 19,007.98 and March 31, 2023: Rs. 10,120.00).

The Group received dividend of Rs. 26.17 during the current period (September 30, 2024: Rs. 35.69; March 31, 2025: Rs. 35.69; March 31, 2024: Rs. 30.59 and March 31, 2023: Nil).

The Group has determined its share of profits for the six months period ended September 30, 2025 and September 30, 2024 based on audited Interim Consolidated Financial Statements of C.E. Info and for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 based on the audited Consolidated Financial Statements of C.E. Info.

The following table illustrates the summarised financial information of the Group's investment in C.E. Info based on its audited Interim Consolidated Financial Statements for the six months period ended September 30, 2025 and September 30, 2024 and based on the audited Consolidated Financial Statements of C.E. Info for the years ended March 31, 2025, March 31, 2024 and March 31, 2023:

	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
	Audited	Audited	Audited	Audited	Audited
Current assets	5,554.30	5,278.40	5,586.50	4,342.90	4,414.00
Non-current assets	4,190.30	3,151.10	3,831.00	3,576.50	2,291.20
Current liabilities	(1,231.20)	(1,016.50)	(1,353.70)	(1,193.20)	(1,133.50)
Non-current liabilities	(183.20)	(131.50)	(146.80)	(129.10)	(148.90)
Equity	8,330.20	7,281.50	7,917.00	6,597.10	5,422.80
Less: Share based payment reserve	(123.20)	(171.48)	(142.60)	(159.20)	(167.40)
Less: Non-controlling interest	(1.20)	(6.30)	(9.60)	(5.60)	(1.40)
Adjusted Equity	8,205.80	7,103.72	7,764.80	6,432.30	5,254.00
Group's share (undiluted)	1,120.91	1,331.95	1,455.12	1,213.13	998.26
Amount identified as goodwill	180.24	222.35	238.40	243.68	247.49
Group's carrying amount of the investment	1,301.15	1,554.30	1,693.52	1,456.81	1,245.75
	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
	Audited	Audited	Audited	Audited	Audited
Total revenue	2,353.80	2,051.60	4,632.50	3,794.20	2,814.60
Other income	241.20	200.30	524.40	381.60	343.20
Total expenses	(1,674.40)	(1,364.10)	(3,060.90)	(2,409.40)	(1,762.40)
Share of profit of equity accounted investee	(33.20)	(9.10)	(39.10)	(15.20)	(2.80)
Income tax	(244.10)	(216.30)	(581.00)	(407.40)	(317.30)
Profit after tax (PAT) for the period/ year (continuing operations)	643.30	662.40	1,475.90	1,343.80	1,075.30
Other Comprehensive Income/ (loss)	7.40	5.50	4.10	(26.90)	4.90
Total comprehensive income for the period/ year	650.70	667.90	1,480.00	1,316.90	1,080.20
PAT for the period/ year attributable to owners of C.E. Info	646.20	661.70	1,471.90	1,339.60	1,072.50
OCI for the period/ year attributable to owners of C.E. Info	7.40	5.40	3.90	(25.70)	4.90
Group's share of profit	96.97	135.26	271.55	254.38	204.51
Group's share of other comprehensive income/ (loss) for the period/ year, net of taxes	1.01	1.03	0.85	(3.23)	0.68

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39. Business combinations

Acquisitions during the year ended March 31, 2023

(i) Wealth Technology and Services Private Limited ("WealthTech")

PhonePe Wealth Broking Private Limited ("PPWB") acquired 100% control of WealthTech on August 4, 2022 for a total consideration of Rs. 2,615.53. This acquisition is expected to strengthen the Group's stock broking business and qualifies as a business as defined in Ind-AS 103-Business Combinations. The fair value of amounts recognised in respect of the identifiable assets acquired and liabilities assumed as at the acquisition date are as set out in the table below:

	Fair value recognised on acquisition
Assets (a):	
Financial assets	
Trade receivables	2.76
Cash and Cash Equivalents	66.43
Other financial assets	58.79
Other assets	7.07
Property, plant and equipment	0.24
Intellectual property rights (Identified Intangible assets)	188.13
Liabilities (b):	
Financial liabilities	
Trade Payables	(9.31)
Borrowings	(15.64)
Other liabilities	(1.70)
Provision for employee benefits	(1.95)
Deferred tax assets/(liabilities)	(47.35)
Total identifiable assets acquired and liabilities assumed (c = (a)+(b))	<u>247.47</u>
Goodwill arising on acquisition (d)	<u>2,368.06</u>
Total consideration payable ((c)+(d))	<u><u>2,615.53</u></u>
Total consideration satisfied by:	
Cash consideration	2,615.53
Net cash outflow arising on acquisition:	
Cash consideration	(2,615.53)
Add: cash and cash equivalent balances acquired	66.43
Net cash outflow arising on acquisition:	<u><u>(2,549.10)</u></u>

The goodwill of Rs. 2,368.06 is calculated as the excess of the consideration transferred over the net assets recognised and represents anticipated synergies of acquiring WealthTech. Goodwill recognised as a result of these acquisitions is not deductible for tax purposes.

The acquisition date fair value of the financial assets amounts to Rs. 61.55. The gross amount of financial assets is Rs. 61.55. However, none of the financial assets is credit impaired and it is expected that the full contractual amounts can be collected.

From the date of acquisition, WealthTech has contributed Rs. 52.39 of revenue from operations and Rs. 352.13 to the restated profit/ (loss) before tax. If the combination had taken place at the beginning of year ended March 31, 2023, the WealthTech revenue from operations would have been Rs. 68.50 and the restated profit/ (loss) before tax would have been Rs. 460.69.

(ii) Quantech Capital Investment Advisors Private Limited ("OpenQ")

On September 28, 2022 PhonePe Wealth Broking Private Limited acquired 100% controlling stake in the issued share capital of OpenQ. This acquisition is expected to strengthen the Group's stock broking business and qualifies as a business as defined in Ind-AS 103 - Business Combinations. The fair value of amounts recognised in respect of the identifiable assets acquired and liabilities assumed as at the acquisition date are as set out in the table below:

	Fair value recognised on acquisition
Assets (a):	
Financial assets	
Trade receivables	0.59
Cash and cash equivalents	1.67
Other financial assets	1.09
Other assets	2.05
Property, plant and equipment	0.05
Intellectual property rights (Identified Intangible assets)	92.47
Liabilities (b):	
Financial liabilities	
Trade payables	(2.08)
Borrowings	(13.21)
Other liabilities	(0.33)
Provision for employee benefits	-
Deferred tax assets/(liabilities)	(23.39)
Total identifiable assets acquired and liabilities assumed (c = (a)+(b))	<u>58.91</u>
Goodwill arising on acquisition (d)	<u>697.70</u>
Total consideration payable ((c)+(d))	<u><u>756.61</u></u>
Total consideration satisfied by:	
Cash consideration	756.61
Net cash outflow arising on acquisition:	
Cash consideration	(756.61)
Add: cash and cash equivalent balances acquired	1.67
Net cash outflow arising on acquisition:	<u><u>(754.94)</u></u>

The goodwill of Rs. 697.70 is calculated as the excess of the consideration transferred over the net assets recognised and represents anticipated synergies of acquiring OpenQ. Goodwill recognised as a result of these acquisitions is not deductible for tax purposes.

The acquisition date fair value of the financial assets amounts to Rs. 1.68 . The gross amount of financial assets is Rs. 1.68. However, none of the financial assets is credit impaired and it is expected that the full contractual amounts can be collected.

From the date of acquisition, OpenQ has contributed Rs. 5.76 of revenue from operations and Rs. 89.92 to the restated profit/ (loss) before tax. If the combination had taken place at the beginning of year ended March 31, 2023, the OpenQ revenue from operations would have been Rs. 11.88 and the restated profit/ (loss) before tax would have been Rs. 106.20.

If the combination of WealthTech and OpenQ had taken place at the beginning of year ended March 31, 2023, the Group's revenue from operations would have been Rs. 28,165.10 and the restated profit/ (loss) before tax would have been Rs. 28,148.33.

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39. Business combinations (continued)

(iii) Acquisition of Indus Appstore (Singapore) Pte Ltd. (Formerly known as 'OS Labs Pte. Ltd') ('Indus')

Headstand Pte Ltd (incorporated in Singapore) (formerly known as 'PhonePe Private Limited') (erstwhile immediate holding company), had acquired 100% controlling stake in Indus in July 28, 2022. Headstand Pte Ltd had accounted for the transaction in its Consolidated Financial Statements using the acquisition method, with non-controlling interests measured at fair value on initial recognition. Further, pursuant to the share purchase agreement executed on October 03, 2022 between the Company and Headstand Pte. Ltd, the entire shareholding of Headstand Pte. Ltd in Indus was acquired by the Company for a cash consideration of Rs. 5,763.75. The value of assets and liabilities acquired from Headstand Pte. Ltd have been recorded in accordance with the "Pooling of Interest Method" laid down by Appendix C of Indian Accounting Standard 103 (Ind-AS 103) - (Business combinations of entities under common control), notified under the Companies Act, 2013.

Accordingly, all assets including goodwill recognised on acquisition of Indus, liabilities and reserves of Indus have been recorded in the books of account of the Company at their existing carrying amounts and in the same form as was accounted for by Headstand Pte. Ltd on July 28 2022, being the date on which control was initially obtained by Headstand Pte. Ltd in Indus. The difference, between the consideration paid by the Company and all assets, liabilities and reserves of Indus, has been credited to capital reserve. Restatement of financial statements was not warranted as acquisition of control by Headstand Pte. Ltd was also completed in the same financial year.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed along with the non-controlling interest as at the acquisition date are as under:

	Carrying value recognised
Assets (a):	
Financial assets	
Trade receivables	270.64
Cash and cash equivalents	23.19
Other financial assets	34.31
Other assets	111.26
Property, plant and equipment	16.25
Goodwill	6,846.85
Intellectual property rights (Identified Intangible assets)	1,244.00
Liabilities (b):	
Financial liabilities	
Trade payables	(539.20)
Borrowings	(237.55)
Other financial liabilities	(0.55)
Other liabilities	(23.71)
Provision for employee benefits	(27.78)
Deferred tax assets/(liabilities)	(313.11)
Total identifiable assets acquired and liabilities assumed (c = (a)+(b))	7,404.60
Less: assets allocated to non-controlling interest - at fair value (d) *	275.58
Net identifiable assets acquired and liabilities assumed (e = c - d)	7,129.02
Total consideration payable (f)	5,763.75
Amount credited to capital reserve on account of common control transaction (g = (f)-(e))	(1,365.27)
Net cash outflow/ adjustments arising on acquisition:	
Cash consideration paid to Headstand Pte. Ltd [refer note 28]	(5,763.75)
Add: cash and cash equivalent balances acquired	23.19
Net cash outflow/ adjustments arising on acquisition:	(5,740.56)

*This NCI represents stock options held by employees at the acquisition date.

Subsequent to the acquisition date, an amount of Rs. 134.53 was settled towards the remaining interest of the non-controlling interest in Indus.

(iv) Acquisition of additional interest in PhonePe Lending Services Private Limited (formerly known as 'PhonePe Credit Services Private Limited')

During the year ended March 31, 2023, the Company acquired the remaining equity interest of 11.21 % in the issued share capital of PhonePe Lending Services Private Limited (formerly known as 'PhonePe Credit Services Private Limited') for a cash consideration of Rs. 145.10. Pursuant to this, PhonePe Lending Services Private Limited (formerly known as 'PhonePe Credit Services Private Limited') became a wholly owned subsidiary of the Group (equity interest of the Company as at March 31, 2022 - 88.79%).

Following is a schedule of additional interest acquired in Indus Appstore (Singapore) Pte Ltd. and PhonePe Lending Services Private Limited (formerly known as 'PhonePe Credit Services Private Limited') during the year ended March 31, 2023:

	Non controlling interest acquired %	Non controlling interest acquired	Cash consideration paid	Difference recognised in other reserves
Indus Appstore (Singapore) Pte Ltd.	*	275.58	134.53	141.05
PhonePe Lending Services Private Limited (formerly known as 'PhonePe Credit Services Private Limited')	11.21%	145.10	145.10	-
		420.68	279.63	141.05

*This NCI represents stock options held by employees at the acquisition date.

40. Other statutory information for the six months period ended September 30, 2025, September 30, 2024 and years ended March 31, 2025, March 31, 2024 and March 31, 2023:

- (i) The Group 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 Group 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 Group has not revalued its Property, plant & equipment, Intangible assets and Right-of-use assets during the period/ year.
- (iv) The Group 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 Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vi) The Group has not traded or invested in Crypto currency or Virtual Currency during the current period/ year.
- (vii) The Group 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 Group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (viii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group 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 Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period/ 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 Group has not granted any loans and advances to promoters, directors, KMP's and other related parties (as defined under Companies Act, 2013) that are repayable on demand or without specifying any terms or period of repayment during the period/ year.
- (xi) The Group 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.

PhonePe Private Limited

CIN: U67190KA2012PLC176031

Annexure VI - Notes to the Restated Consolidated Summary Statements
(All amounts in Rs. million, unless otherwise stated)
41. Statutory Group Information

Additional information pursuant to paragraph 2 of Part III of Division II of Schedule III to the Companies Act, 2013 'General instructions for preparation of consolidated financial statements'.

Group companies	Net assets i.e. total assets minus total liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Holding company								
India								
PhonePe Limited (formerly known as 'PhonePe Private Limited')								
September 30, 2025	95.48%	124,039.36	64.20%	(9,170.68)	187.72%	35.78	64.03%	(9,134.90)
September 30, 2024	96.72%	114,229.14	58.83%	(7,102.60)	115.97%	23.02	58.74%	(7,079.58)
March 31, 2025	96.40%	117,107.42	58.00%	(12,645.19)	46.23%	34.20	58.04%	(12,610.99)
March 31, 2024	95.24%	111,978.16	62.36%	(11,660.16)	(16.22%)	1.74	62.32%	(11,658.42)
March 31, 2023	92.14%	84,323.38	75.82%	(21,078.54)	96.00%	45.81	75.77%	(21,032.73)
Subsidiaries								
India								
PhonePe Technology Services Private Limited								
September 30, 2025	0.01%	15.75	0.14%	(20.07)	(1.57%)	(0.30)	0.14%	(20.37)
September 30, 2024	0.02%	23.25	0.47%	(56.20)	(0.86%)	(0.17)	0.47%	(56.37)
March 31, 2025	0.03%	35.88	0.52%	(113.40)	(0.41%)	(0.30)	0.52%	(113.70)
March 31, 2024	0.04%	49.64	1.19%	(223.40)	3.73%	(0.40)	1.20%	(223.80)
March 31, 2023	0.03%	23.44	0.06%	(17.34)	(0.21%)	(0.10)	0.06%	(17.44)
PhonePe Insurance Broking Services Private Limited								
September 30, 2025	1.01%	1,317.13	3.52%	(503.36)	(4.83%)	(0.92)	3.53%	(504.28)
September 30, 2024	1.54%	1,822.28	1.67%	(201.46)	(7.20%)	(1.43)	1.68%	(202.89)
March 31, 2025	1.50%	1,821.41	0.94%	(204.82)	1.42%	1.05	0.94%	(203.77)
March 31, 2024	1.34%	1,575.18	13.23%	(2,472.91)	27.59%	(2.96)	13.24%	(2,475.87)
March 31, 2023	1.96%	1,791.05	15.37%	(4,273.28)	3.54%	1.69	15.39%	(4,271.59)
PhonePe Wealth Broking Private Limited								
September 30, 2025	2.92%	3,797.82	6.33%	(903.65)	(14.59%)	(2.78)	6.35%	(906.43)
September 30, 2024	3.02%	3,569.99	17.23%	(2,079.51)	(9.42%)	(1.87)	17.27%	(2,081.38)
March 31, 2025	3.54%	4,304.25	14.21%	(3,097.12)	(0.01%)	(0.01)	14.26%	(3,097.13)
March 31, 2024	3.19%	3,751.38	9.71%	(1,814.94)	37.47%	(4.02)	9.72%	(1,818.96)
March 31, 2023	3.83%	3,500.34	4.60%	(1,278.51)	(3.58%)	(1.71)	4.61%	(1,280.22)
Pincode Shopping Solutions Private Limited (formerly known as 'PhonePe Shopping Solutions Private Limited')								
September 30, 2025	(0.24%)	(317.25)	14.40%	(2,056.51)	(12.43%)	(2.37)	14.43%	(2,058.88)
September 30, 2024	(0.55%)	(648.50)	12.18%	(1,470.83)	-9.92%	(1.97)	12.22%	(1,472.80)
March 31, 2025	(0.01%)	(8.36)	12.99%	(2,832.02)	(0.87%)	(0.64)	13.04%	(2,832.66)
March 31, 2024	(0.06%)	(75.70)	5.73%	(1,070.60)	11.84%	(1.27)	5.73%	(1,071.87)
March 31, 2023	0.11%	96.17	0.01%	(1.42)	0.00%	-	0.01%	(1.42)
PhonePe Finance Private Limited								
September 30, 2025	0.11%	148.25	(0.02%)	2.36	0.00%	-	(0.02%)	2.36
September 30, 2024	0.13%	148.29	(0.01%)	1.36	0.00%	-	(0.01%)	1.36
March 31, 2025	0.12%	145.90	0.00%	(1.03)	0.00%	-	0.00%	(1.03)
March 31, 2024	0.12%	146.90	(0.01%)	1.64	0.00%	-	(0.01%)	1.64
March 31, 2023	0.16%	145.31	0.01%	(2.47)	0.00%	-	0.01%	(2.47)
PhonePe Lending Services Private Limited (formerly known as 'PhonePe Credit Services Private Limited')								
September 30, 2025	(2.56%)	(3,325.46)	2.98%	(425.43)	(13.80%)	(2.63)	3.00%	(428.06)
September 30, 2024	(1.51%)	(1,786.67)	4.21%	(507.94)	-6.60%	(1.31)	4.23%	(509.25)
March 31, 2025	(2.38%)	(2,897.44)	7.44%	(1,620.93)	1.23%	0.91	7.46%	(1,620.02)
March 31, 2024	(1.09%)	(1,277.42)	6.86%	(1,282.23)	12.30%	(1.32)	6.86%	(1,283.55)
March 31, 2023	0.01%	6.14	0.82%	(227.03)	8.80%	4.20	0.80%	(222.83)

PhonePe Private Limited
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Annexure VI - Notes to the Restated Consolidated Summary Statements
(All amounts in Rs. million, unless otherwise stated)
41. Statutory Group Information (continued)

Group companies	Net assets i.e. total assets minus total liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Indus Appstore Private Limited (formerly known as 'OS Labs Technology (India) Private Limited')								
September 30, 2025	(1.51%)	(1,955.22)	9.13%	(1,303.70)	(19.36%)	(3.69)	9.16%	(1,307.39)
September 30, 2024	(2.65%)	(3,127.41)	6.68%	(806.34)	-4.84%	(0.96)	6.70%	(807.30)
March 31, 2025	(2.53%)	(3,067.71)	7.23%	(1,575.58)	(0.01%)	(0.01)	7.25%	(1,575.59)
March 31, 2024	(1.97%)	(2,320.07)	6.58%	(1,229.89)	43.15%	(4.63)	6.60%	(1,234.52)
March 31, 2023	(1.19%)	(1,085.54)	4.08%	(1,135.38)	13.43%	6.41	4.07%	(1,128.97)
Singapore Indus Appstore (Singapore) Pte. Ltd. (formerly known as 'OS Labs Pte. Limited')								
September 30, 2025	3.77%	4,891.75	0.01%	(0.74)	(26.44%)	(5.04)	0.04%	(5.78)
September 30, 2024	1.96%	2,316.71	(0.13%)	15.74	17.68%	3.51	(0.16%)	19.25
March 31, 2025	1.94%	2,353.35	(0.08%)	17.98	51.26%	37.92	(0.26%)	55.90
March 31, 2024	1.95%	2,297.61	(4.29%)	802.38	(49.95%)	5.36	(4.32%)	807.74
March 31, 2023	1.59%	1,455.28	(0.03%)	8.23	(19.40%)	(9.26)	0.00%	(1.03)
United Arab Emirates PhonePe International Holdings Limited								
September 30, 2025	0.00%	-	0.00%	-	0.00%	-	0.00%	-
September 30, 2024	NA	NA	NA	NA	NA	NA	NA	NA
March 31, 2025	NA	NA	NA	NA	NA	NA	NA	NA
March 31, 2024	NA	NA	NA	NA	NA	NA	NA	NA
March 31, 2023	NA	NA	NA	NA	NA	NA	NA	NA
Associate (Investment accounted using the equity method) C.E. Info Systems Limited								
September 30, 2025	1.00%	1,301.15	(0.68%)	96.97	5.30%	1.01	(0.69%)	97.98
September 30, 2024	1.32%	1,554.30	(1.12%)	135.26	5.20%	1.03	(1.13%)	136.29
March 31, 2025	1.39%	1,693.52	(1.25%)	271.55	1.15%	0.85	(1.25%)	272.40
March 31, 2024	1.24%	1,456.81	(1.36%)	254.38	30.10%	(3.23)	(1.34%)	251.15
March 31, 2023	1.36%	1,245.75	(0.74%)	204.51	1.42%	0.68	(0.74%)	205.19
Total								
September 30, 2025	100.00%	129,913.28	100.00%	(14,284.81)	100.00%	19.06	100.00%	(14,265.75)
September 30, 2024	100.00%	118,101.38	100.00%	(12,072.52)	100.00%	19.85	100.00%	(12,052.67)
March 31, 2025	100.00%	121,488.22	100.00%	(21,800.56)	100.00%	73.97	100.00%	(21,726.59)
March 31, 2024	100.00%	117,582.49	100.00%	(18,695.73)	100.00%	(10.73)	100.00%	(18,706.46)
March 31, 2023	100.00%	91,501.32	100.00%	(27,801.23)	100.00%	47.72	100.00%	(27,753.51)
Adjustments arising out of consolidation								
September 30, 2025	-	(33,163.95)	-	(159.41)	-	16.55	-	(142.86)
September 30, 2024	-	(26,241.69)	-	40.47	-	(4.05)	-	36.42
March 31, 2025	-	(26,397.10)	-	4,526.46	-	(1.39)	-	4,525.07
March 31, 2024	-	(23,030.09)	-	(1,265.98)	-	(5.59)	-	(1,271.57)
March 31, 2023	-	(16,318.70)	-	(159.46)	-	(14.10)	-	(173.56)
Grand Total								
September 30, 2025	-	96,749.33	-	(14,444.22)	-	35.61	-	(14,408.61)
September 30, 2024	-	91,859.69	-	(12,032.05)	-	15.80	-	(12,016.25)
March 31, 2025	-	95,091.12	-	(17,274.10)	-	72.58	-	(17,201.52)
March 31, 2024	-	94,552.40	-	(19,961.71)	-	(16.32)	-	(19,978.03)
March 31, 2023	-	75,182.62	-	(27,960.69)	-	33.62	-	(27,927.07)

42. Transfer Pricing

The Group has established a comprehensive system for maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income Tax Act, 1961. In this regard the Accountant's Report (Form 3CEB), certified by a Chartered Accountant, has been timely filed with the tax authorities for the financial years 2025, 2024, and 2023.

Further since the law requires contemporaneous transfer pricing documentation, the Group is in the process of updating the documentation in respect of international transactions entered into with the associated enterprises during the six months period ended September 30, 2025, and expects such records to be in existence on or before the due date prescribed under the law.

The management is of the opinion that the international transactions entered are at arm's length and that the aforesaid transfer pricing legislation is not expected to have any impact on the Restated Consolidated Financial Information.

43. Segment reporting

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

Information about geographical areas:

The Group derives its revenue from rendering of services in India. All non-current segmental assets including property, plant and equipment, intangible assets, right-of-use assets, and other non-current assets are located in India.

44. Back up of servers

For the year ended March 31, 2025

The Group 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 Group 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).

45. Audit Trail

For the year ended March 31, 2025

The Holding Company and its subsidiaries, incorporated in India, ("Group Companies") have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated 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 for the year ended March 31, 2025 has been preserved by the Group Companies 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 year ended March 31, 2024 was not enabled and accordingly, audit trail for the year ended March 31, 2024 has not been preserved by the Group Companies.

Further, the Holding Company and one subsidiary have used certain other accounting software(s) for maintaining its books of account which does not have the feature of recording audit trail (edit log).

The Holding 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 Holding Company is unable to assess whether the audit trail has been preserved as per the statutory requirements for record retention.

The associate has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, there are no instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved as per the statutory requirements for record retention.

46. Events occurring after the reporting period

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India and is effective from November 21, 2025. Based on a preliminary assessment, the management believes the impact of the Code published is not expected to be material to these Restated Consolidated Summary Statements.

The above statement should be read with Annexure V and Annexure VII to the Restated Consolidated Summary Statements.

As per our report of even date attached

For S.R. Batliboi & Associates LLP

Chartered Accountants

Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of

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

per Bharath N S

Partner

Membership no.: 210934

Place: Chennai

Date: January 14, 2026

Sameer Nigam

CEO & Whole-time Director

DIN: 02292840

Place: New Delhi

Date: January 14, 2026

Rahul Chari

Whole-time Director

DIN: 03052804

Place: Bengaluru

Date: January 14, 2026

Adarsh Nahata

Chief Financial Officer

Place: Bengaluru

Date: January 14, 2026

Ankit G Popat

Company Secretary and Compliance Officer

Membership No.: A20774

Place: Bengaluru

Date: January 14, 2026

All the amounts included in Independent Auditors Report have been converted into Indian rupees million for the purpose of disclosure under Part-B: Non-adjusting events.

Part A: Statement of restatement adjustments to audited consolidated financial statements

Material Restatement Adjustments:

These Restated Consolidated Summary Statements have been compiled from the Audited Consolidated Financial Statements and

(a) The accounting policies applied as at and for the six months period ended September 30, 2024 and the years ended March 31, 2025, March 31, 2024 and March 31, 2023 are consistent with those adopted in the preparation of Interim Consolidated Financial Statements for the six months period ended September 30, 2025;

(b) there were no material amounts which have been adjusted for in arriving at profit/ (loss) of the respective periods/ years; and

(c) there were no material adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the Audited Consolidated Financial Statements and the requirements of the SEBI Regulations.

- (a) Reconciliation between audited consolidated total comprehensive income/(loss) and restated consolidated total comprehensive income/(loss):

Particulars	For the six months period ended September 30, 2025	For the six months period ended September 30, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Audited consolidated total comprehensive income/(loss)	(14,408.61)	(12,016.25)	(17,201.52)	(19,978.03)	(27,927.07)
B. Material restatement adjustments					
(i) Audit qualifications	-	-	-	-	-
(ii) Other material adjustments					
Change in accounting policies	-	-	-	-	-
Other adjustments	-	-	-	-	-
Total (B)	-	-	-	-	-
C. Restated consolidated total comprehensive income/(loss) (A+B)	(14,408.61)	(12,016.25)	(17,201.52)	(19,978.03)	(27,927.07)

- (b) Reconciliation between audited consolidated total equity and restated consolidated total equity:

Particulars	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
A. Audited consolidated total equity	96,749.33	91,859.69	95,091.12	94,552.40	75,182.62
B. Material restatement adjustments					
(i) Audit qualifications	-	-	-	-	-
(ii) Other material adjustments					
Change in accounting policies	-	-	-	-	-
Other adjustments	-	-	-	-	-
Total (B)	-	-	-	-	-
C. Restated consolidated total equity (A+B)	96,749.33	91,859.69	95,091.12	94,552.40	75,182.62

Part B: Non-adjusting events

- (a) **Audit qualifications for the respective years, which do not require any adjustments in the Restated Consolidated Summary Statements are as follows:**

There are no audit qualification in the auditor's report for each of the six months period ended September 30, 2025, September 30, 2024 and the years ended March 31, 2025, March 31, 2024 and March 31, 2023.

- (b) **Matters included in the Independent Auditor's Report of the Consolidated Financial Statements of the Group that does not require any corrective adjustment in the Restated Consolidated Summary Statements are as follows:**

For the year ended March 31, 2025

Clause 2(b) of Report on Other Legal and Regulatory Requirements of auditor's report

In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidation of the Ind-AS Financial Statements have been kept so far as it appears from our examination of those books and reports of the other auditors except that with respect to Holding Company, 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 Consolidated Ind-AS Financial Statements.

Clause 2(i)(vi) of Report on Other Legal and Regulatory Requirements of auditor's report

Based on our examination and that performed by the respective auditor of two subsidiaries whose financial statements have been audited by the respective auditor under the Act, the Holding Company and its seven subsidiaries, incorporated in India, ("Group Companies") have 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, as stated in note 42 to the Consolidated Ind-AS Financial Statements. Further, during the course of our audit and based on the procedures performed by the other auditor, 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 these companies 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 Consolidated Ind-AS Financial Statement.

Further, the Holding Company and one subsidiary have 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 Holding Company and one subsidiary as per the statutory requirements for record retention, as stated in note 42 to the Consolidated Ind-AS Financial Statements.

The Holding Company has also used an ancillary accounting software which is operated by 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 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 Consolidated Ind-AS Financial Statement, we are unable to comment whether the audit trail has been preserved by the Company as per the statutory requirements for record retention.

In respect of associate, which is company incorporated in India, whose financial statements have been audited under the Act, and as described in note 42, the associate has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit, the respective auditor of the associate did not come across any instance of audit trail feature being tampered with.

For the year ended March 31, 2024

Clause 2(b) of Report on Other Legal and Regulatory Requirements of auditor's report

In our opinion, proper books of account with provisions of daily backups as required by law have been kept by the Group, in electronic mode on servers physically located in India so far as it appears from our examination of those books; except for the matters stated in paragraph (i) (vi) below on reporting Rule 11(g), certain ancillary applications, supporting computation and an application acting as a repository are hosted on servers located outside India as stated in note 34 to these Consolidated Ind-AS Financial Statements, although manual records/backups of these are retained by the Group.

Clause 2(h)(vi) of Report on Other Legal and Regulatory Requirements of auditor's report

Based on our examination, as specified in the note 35 to Consolidated Ind-AS Financial Statements, the Holding Company and its nine subsidiaries, incorporated in India, have used an accounting software where the feature of recording audit trail (edit log) was not enabled throughout the year for all relevant transactions recorded in the software. Accordingly, we are unable to comment whether during the year there was any instance of audit trail feature being tampered in respect of the accounting software.

The Holding Company has used certain accounting software(s) for maintaining its books of account which do not have the feature of recording audit trail (edit log). The Holding Company and its eight subsidiaries, incorporated in India, have also used certain accounting software which are operated by third-party software service providers, for maintaining its books of account and for such applications, the System and Organization Control (SOC) reports do not include information related to audit trail. In the absence of audit trail facility and information not made available in SOC reports, we are unable to comment upon tampering of audit trail feature.

Based on examination which included test checks performed by the respective auditor of the associate which is a company incorporated in India whose financial statements have been audited under the Act, and as described in note 35, the associate has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit, the respective auditor of the above referred associate did not come across any instance of audit trail feature being tampered with.

For the year ended March 31, 2023

Clause 2(b) of Report on Other Legal and Regulatory Requirements of auditor's report

In our opinion, proper books of account with provision of daily backups, as required by law, have been kept by the Company, in electronic mode on servers physically located in India so far as it appears from our examination of those books; certain ancillary application, supporting computation and an application acting as a repository are hosted on servers located outside India, as stated in Note 35 to Consolidated Ind-AS Financial Statements, although manual records/backups of these are retained by the Company.

- (c) **Matters included in the Annexure to the Independent Auditors' Report issued under Companies (Auditor's Report) Order, 2020 (CARO 2020) that does not require any corrective adjustment in the Restated Consolidated Summary Statements are as follows:**

For the year ended March 31, 2025

Clause (vii)(a) of CARO, 2020 Order of PhonePe Limited (formerly known as 'PhonePe Private Limited')

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:

Name of the Statute	Nature of the Dues	Amounts in Rs. Million	Period to which the amount relates	Due date	Date of payment
The Employee's Provident Funds and Miscellaneous Provisions Act, 1952	Employee's Provident Fund	2.09	Various dates	Various dates	INR 1.28 million paid on various dates

For the year ended March 31, 2024

Clause (vii)(a) of CARO, 2020 Order of PhonePe Limited (formerly known as 'PhonePe Private Limited')

Undisputed statutory dues including goods and servicestax, income-tax and other statutory dues have generally been regularly deposited with the appropriate authorities except 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 were outstanding, at the year end, for a period of more than six months from the date they became payable, as follows:

Name of the Statute	Nature of the Dues	Amounts in Rs. Million	Period to which the amount relates	Due date
The Employee's Provident Funds and Miscellaneous Provisions Act, 1952	Employee's Provident Fund	30.00	Various dates	Various dates

- (d) **Other audit qualifications included in the Annexure to the auditors' report issued under Section 143(3)(i) of the Act on the audit of Internal Financial Controls which do not require any adjustments in the Restated Consolidated Summary Statements are as follows:**

There are no other audit qualifications included in the Annexure to the auditors' report issued under Section 143(3)(i) of the Act on the audit of Internal Financial Controls for the six months period ended September 30, 2025, September 30, 2024 and the financial year ended March 31, 2025, March 31, 2024 and March 31, 2023.

PART-C: Material Regrouping

Appropriate regroupings have been made in the Restated Consolidated Summary Statement of Assets and Liabilities, Restated Consolidated Summary Statement of Profit and Loss and Restated Consolidated Summary Statement of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cashflows, in order to bring them in line with the accounting policies and classification as per audited interim consolidated financial statements of the Group for the six months period ended September 30, 2025 prepared in accordance with Division II of Schedule III of Companies Act, 2013, requirements of Ind AS 1: Presentation of financial statements and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2018, as amended.

The above statement should be read with Annexure V and Annexure VI to the Restated Consolidated Summary Statements.

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

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

per Bharath N S
Partner
Membership no.: 210934
Place: Chennai
Date: January 14, 2026

Sameer Nigam
CEO & Whole-time Director
DIN: 02292840
Place: New Delhi
Date: January 14, 2026

Rahul Chari
Whole-time Director
DIN: 03052804
Place: Bengaluru
Date: January 14, 2026

Adarsh Nahata
Chief Financial Officer

Place: Bengaluru
Date: January 14, 2026

Ankít G Popat
Company Secretary and Compliance Officer
Membership No.: A20774
Place: Bengaluru
Date: January 14, 2026

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations derived from our Restated Consolidated Financial Information are given below:

(All amounts ₹ in million unless otherwise stated)

Particulars	As at and for the six months period ended September 30, 2025	As at and for the six months period ended September 30, 2024	As at and for the Fiscal Year ended March 31, 2025	As at and for the Fiscal Year ended March 31, 2024	As at and for the Fiscal Year ended March 31, 2023
Restated Basic (loss) per equity share of ₹1 each ^{(1)(6)*}	(30.61)	(26.41)	(37.46)	(45.17)	(68.40)
Restated Diluted (loss) per equity share of ₹1 each ^{(2)(6)*}	(30.61)	(26.41)	(37.46)	(45.17)	(68.40)
Return on net worth (%) ^{(3)(4)*}	(15.14)%	(13.29)%	(18.43)%	(21.41)%	(37.85)%
Net asset value per equity share (in ₹) ⁽⁵⁾⁽⁶⁾	185.08	177.07	182.79	199.35	170.00
EBITDA (in ₹ million) ⁽⁷⁾	(8,587.50)	(5,447.31)	(3,369.91)	(8,577.80)	(22,431.73)

*Not Annualised for the six months period ended September 30, 2025 and September 30, 2024.

Notes: The ratios have been computed as under:

- ⁽¹⁾ Restated Basic (loss) per equity share of ₹1 each is calculated by dividing the Restated profit/ (loss) by the weighted average number of equity shares computed in accordance with Ind AS 33 Earnings per share.
- ⁽²⁾ Restated Diluted (loss) per equity share of ₹1 each is calculated by dividing the Restated profit/ (loss) by the weighted average number of equity shares adjusted for effect of dilution computed in accordance with Ind AS 33 Earnings per share.
- ⁽³⁾ Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations. We have calculated net worth as aggregate value of equity share capital, securities premium, share based payment reserve, other reserves, retained earnings, remeasurement of the defined benefit plan and equity instruments through other comprehensive income.
- ⁽⁴⁾ Return on net worth (%) is calculated as Restated profit/(loss) divided by net worth at the end of the period/ year.
- ⁽⁵⁾ Net asset value per equity share (in ₹) is defined as net worth divided by outstanding number of equity shares and such number of equity shares which will result upon exercise of vested options under various employee stock option plans.
- ⁽⁶⁾ Pursuant to resolutions passed by the Board of Directors and the Shareholders in their respective meetings held on March 11, 2025 and March 31, 2025, the face value of the equity shares of the Company was sub-divided from ₹ 10 each to ₹ 1 each, the disclosure of basic and diluted earnings per share, Net Asset Value per equity share for all the period/ years presented has been arrived at after giving effect to the sub-division in accordance with the principles of Ind AS 33 Earnings per share.
- ⁽⁷⁾ EBITDA is calculated as aggregate of restated profit/(loss), before finance costs, depreciation and amortization expense and total tax expense/ (credit).

Non-GAAP Financial Measures

This Updated Draft Red Herring Prospectus - I includes certain non-GAAP financial measures and other statistical information relating to our operations and financial performance (together, “**Non-GAAP Measures**” and each a “**Non-GAAP Measure**”), namely, EBITDA, EBIT, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBIT, Adjusted EBIT Margin, Profit/ (loss) Margin, Adjusted profit/ (loss), Adjusted profit/ (loss) Margin, Free cash generated/ (used), Bank balances and Investments, Net-worth, Return on Net worth, Net Asset Value per equity share, Total revenue from payment services and Adjusted employee benefits expense. These Non-GAAP Measures are not required by or presented in accordance with Ind AS.

Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ periods or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, these Non-GAAP Measures are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting their usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company’s operating performance. For further details, please see “*Risk Factors – We track certain metrics and non-GAAP measures with internal systems and tools. Certain of these metrics are subject to inherent challenges in measurement and any real or perceived inaccuracies in such metrics may adversely affect our business and reputation*” on page 86.

Reconciliation of non-GAAP measures

Analysts, and other interested parties frequently use various non-GAAP financial measures as performance measures, and our management believes that providing such non-GAAP financial measure allows users to make additional comparisons and to understand our ongoing business.

Below tables mention the details of the reconciliation for the following non-GAAP financial measures included in this Updated Draft Red Herring Prospectus - I, namely EBITDA, EBIT, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBIT, Adjusted EBIT Margin, Profit/ (loss) Margin, Adjusted profit/ (loss), Adjusted profit/ (loss) Margin, Free cash generated/ (used), Bank balances and Investments, Net-worth, Return on Net worth, Net Asset Value per equity share, Total revenue from payment services and Adjusted employee benefits expense.

Reconciliation from Restated profit/ (loss) for the period/ year to EBITDA and EBIT for the period/ year

(All amounts in ₹ million)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Restated profit/ (loss) (A)	(14,444.22)	(12,032.05)	(17,274.10)	(19,961.71)	(27,960.69)
Finance costs (B)	240.99	158.58	382.58	323.07	225.88
Depreciation and amortisation expense (C)	5,677.41	6,462.04	13,603.11	11,165.66	5,365.88
Total tax expense/(credit) (D)	(61.68)	(35.88)	(81.50)	(104.82)	(62.80)
EBITDA (E = A+B+C+D)	(8,587.50)	(5,447.31)	(3,369.91)	(8,577.80)	(22,431.73)
EBIT (F= A+B+D)	(14,264.91)	(11,909.35)	(16,973.02)	(19,743.46)	(27,797.61)

Reconciliation from Restated profit/ (loss) for the period/ year to Adjusted EBITDA and Adjusted EBITDA Margin for the period/ year

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Restated profit/ (loss) (A)	(14,444.22)	(12,032.05)	(17,274.10)	(19,961.71)	(27,960.69)
Other income (B)	2,560.38	2,521.92	5,165.24	6,580.67	1,691.47
Finance costs (C)	240.99	158.58	382.58	323.07	225.88
Depreciation and amortisation expense (D)	5,677.41	6,462.04	13,603.11	11,165.66	5,365.88
Share of profit of associate, net of taxes (E)	96.97	135.26	271.55	254.38	204.51
Exceptional item (F)	4,344.74	-	-	-	-
Total tax expense/(credit) (G)	(61.68)	(35.88)	(81.50)	(104.82)	(62.80)
Share based payments (H)	18,128.68	13,152.47	23,578.62	21,931.66	20,573.12
Adjusted EBITDA (I= A-B+C+D-E-F+G+H)	2,539.09	5,047.98	14,771.92	6,518.81	(3,754.59)
Revenue from operations (J)	39,184.69	32,075.16	71,148.58	50,641.33	29,142.87
Adjusted EBITDA Margin (K) = (I/J*100) (%)	6.48%	15.74%	20.76%	12.87%	(12.88)%

Reconciliation from Restated profit/ (loss) for the period/ year to Adjusted EBIT and Adjusted EBIT Margin for the period/ year

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Restated profit/ (loss) (A)	(14,444.22)	(12,032.05)	(17,274.10)	(19,961.71)	(27,960.69)
Other income (B)	2,560.38	2,521.92	5,165.24	6,580.67	1,691.47
Finance costs (C)	240.99	158.58	382.58	323.07	225.88
Share of profit of associate, net of taxes (D)	96.97	135.26	271.55	254.38	204.51
Exceptional item (E)	4,344.74	-	-	-	-
Total tax expense/ (credit) (F)	(61.68)	(35.88)	(81.50)	(104.82)	(62.80)
Share based payments (G)	18,128.68	13,152.47	23,578.62	21,931.66	20,573.12
Adjusted EBIT (H= A-B+C-D-E+F+G)	(3,138.32)	(1,414.06)	1,168.81	(4,646.85)	(9,120.47)
Revenue from operations (I)	39,184.69	32,075.16	71,148.58	50,641.33	29,142.87
Adjusted EBIT Margin (J) = (H/I*100) (%)	(8.01)%	(4.41)%	1.64%	(9.18)%	(31.30)%

Reconciliation from Restated profit/ (loss) for the period/ year to Adjusted profit/ (loss), Profit/ (loss) Margin and Adjusted profit/ (loss) Margin for the period/ year

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Restated profit/ (loss) (A)	(14,444.22)	(12,032.05)	(17,274.10)	(19,961.71)	(27,960.69)
Share based payments (B)	18,128.68	13,152.47	23,578.62	21,931.66	20,573.12
Exceptional item (C)	4,344.74	-	-	-	-
Adjusted profit/ (loss) (D= A+B-C)	(660.28)	1,120.42	6,304.52	1,969.95	(7,387.57)
Total income (E)	41,745.07	34,597.08	76,313.82	57,222.00	30,834.34
Profit/ (loss) Margin (F) = (A/E*100) (%)	(34.60)%	(34.78)%	(22.64)%	(34.88)%	(90.68)%
Adjusted profit/ (loss) Margin (G) = (D/E*100) (%)	(1.58)%	3.24%	8.26%	3.44%	(23.96)%

Reconciliation of free cash generated/ (used) for the period/ year

(All amounts in ₹ million)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Net cash flows generated from/ (used in) operating activities (A)	(1,172.71)	10,126.52	12,019.84	(6,291.52)	(7,682.50)
Purchase of property, plant and equipment, including capital advances, capital work in progress and other intangible assets (B)	(3,048.15)	(6,916.00)	(8,563.98)	(13,327.66)	(13,932.45)
Proceeds from sale of property, plant and equipment (C)	13.61	7.20	11.76	5.91	61.83
Payment of principal portion of lease liabilities (D)	(771.54)	(560.18)	(1,183.18)	(933.81)	(556.85)
Interest on lease liabilities (E)	(239.54)	(155.93)	(379.68)	(303.66)	(196.57)
Free cash generated/ (used) (F = A+B+C+D+E)	(5,218.33)	2,501.61	1,904.76	(20,850.74)	(22,306.54)

Reconciliation of Bank balances and Investments as of the period/ year end
(All amounts in ₹ million)

Particulars	As of six months period ended September 30,		As of March 31,		
	2025	2024	2025	2024	2023
Current assets					
Financial assets					
Investments (A)	77,876.50	39,861.07	34,823.07	24,672.83	51,009.08
Cash and cash equivalents (B)	11,275.77	1,961.40	5,954.14	8,579.00	6,702.06
Bank balances other than cash and cash equivalents (C)	32,440.44	20,137.15	22,550.00	22,513.15	-
Non-current assets					
Financial assets					
Other financial assets					
Bank deposits (D) ⁽¹⁾	5.00	5.00	5.00	-	-
Bank balances and Investments (A+B+C+D)	121,597.71	61,964.62	63,332.21	55,764.98	57,711.14

⁽¹⁾ Represents deposits with original maturity of more than twelve months and remaining maturity of more than twelve months.

Reconciliation of Net-worth and Net Asset Value per equity share as of the period/ year end
(All amounts in ₹ million, unless otherwise stated)

Particulars	As of six months period ended September 30,		As of March 31,		
	2025	2024	2025	2024	2023
Equity share capital (A)	506.60	442.74	442.74	442.74	434.53
Securities premium (B)	247,982.31	181,908.20	181,908.20	181,908.20	165,529.49
Share-based payment reserve (C)	18,736.17	58,662.96	67,079.66	49,339.42	21,830.61
Other reserves (D)	(8,873.71)	(7,146.05)	(7,146.05)	(7,146.05)	(2,598.13)
Retained earnings (E)	(163,045.07)	(143,358.80)	(148,600.85)	(131,326.75)	(111,365.04)
Remeasurement of the defined benefit plan (F)	(88.95)	(77.35)	(54.98)	(40.62)	5.84
Equity instruments through other comprehensive income (G)	172.83	114.65	114.65	64.28	35.14
Net-worth (H=A+B+C+D+E+F+G)	95,390.18	90,546.35	93,743.37	93,241.22	73,872.44
Number of shares outstanding at the end of the year on a fully diluted basis (I)	515,387,981	511,346,470	512,860,140	467,721,570	434,536,610
Net Asset Value per equity share (in ₹) (H/I)	185.08	177.07	182.79	199.35	170.00

Reconciliation of Return on Net worth for the period/ year end
(All amounts in ₹ million, unless otherwise stated)

Particulars	As of and for the six months period ended September 30,		As of and for the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Equity share capital (A)	506.60	442.74	442.74	442.74	434.53
Securities premium (B)	247,982.31	181,908.20	181,908.20	181,908.20	165,529.49
Share-based payment reserve (C)	18,736.17	58,662.96	67,079.66	49,339.42	21,830.61
Other reserves (D)	(8,873.71)	(7,146.05)	(7,146.05)	(7,146.05)	(2,598.13)
Retained earnings (E)	(163,045.07)	(143,358.80)	(148,600.85)	(131,326.75)	(111,365.04)
Remeasurement of the defined benefit plan (F)	(88.95)	(77.35)	(54.98)	(40.62)	5.84
Equity instruments through other comprehensive income (G)	172.83	114.65	114.65	64.28	35.14
Net-worth (H=A+B+C+D+E+F+G)	95,390.18	90,546.35	93,743.37	93,241.22	73,872.44
Restated profit/ (loss) (I)	(14,444.22)	(12,032.05)	(17,274.10)	(19,961.71)	(27,960.69)
Return on Net Worth (I/H*100) (%)	(15.14)%	(13.29)%	(18.43)%	(21.41)%	(37.85)%

Reconciliation of Total revenue from payment services for the period/ year
(All amounts in ₹ million)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Total revenue from sale of services					
- Payment services (A)	32,317.36	29,322.56	62,997.11	47,885.09	27,071.15
Other operating revenue					
- Incentives on payment services (B)	1,674.86	290.65	1,982.28	698.29	1,388.50
- Others (C)	66.38	-	-	-	-
Total revenue from payment services (A+B+C)	34,058.60	29,613.21	64,979.39	48,583.38	28,459.65

Reconciliation from Employee benefits expense to Adjusted employee benefits expense for the period/ year end

(All amounts in ₹ million)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Employee benefits expense (A)	28,691.09	21,496.63	40,967.05	36,039.76	30,965.74
Share based payments (B)	18,128.68	13,152.47	23,578.62	21,931.66	20,573.12
Adjusted employee benefits expense (A-B)	10,562.41	8,344.16	17,388.43	14,108.10	10,392.62

Audited standalone financial statements of our Company and material subsidiaries

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company for the Fiscals Years 2025, 2024 and 2023 (collectively, the “**Company Audited Financial Statements**”) and the audited standalone financial statements for Fiscal Years 2025, 2024 and 2023, (“**Subsidiaries Audited Financial Statements**”) for three of our Subsidiaries, namely PSSPL, PWBPL and PIBSPL, which have deemed as ‘material subsidiaries’ only for the purpose of uploading standalone audited financial statements on the website of our Company, have been uploaded on the website of our Company at ir.phonepe.com/investor-relations/ipo-kit/material-subsidiaries.

Our Company will be providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Company Audited Financial Statements and Subsidiaries Audited Financial Statements (collectively, the “**Audited Financial Statements**”) and reports thereon do not constitute, (i) a part of this Updated Draft Red Herring Prospectus - I; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements and reports thereon should not be considered as part of information that any investor should consider when subscribing for or purchasing any securities of our Company and should not be relied upon or used as a basis for any investment decision.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 ‘Related Party Disclosures’ read with the SEBI ICDR Regulations, for the six months periods ended September 30, 2025 and September 30, 2024, respectively and for the Fiscal Years 2025, 2024 and 2023, and as reported in the Restated Consolidated Financial Information, see “*Annexure VI - Notes to the Restated Consolidated Summary Statements - 28. Related party disclosures*” on page 344.

FINANCIAL INDEBTEDNESS

Our Company and our Subsidiaries avail loans in the ordinary course of business for, *inter alia*, meeting working capital and cash flow requirements, funding the settlement transactions, business requirements, and meeting general corporate purposes. These credit facilities availed by our Company, *inter alia*, include fund-based working capital facilities and non-fund based bank guarantees and letter of credit facilities.

For details of the borrowing powers of our Board, see “*Our Management – Borrowing Powers of our Board of Directors*” on page 281.

We have undertaken the necessary intimations, as applicable and to the extent required under the relevant financing documentation for undertaking the activities in relation to the Offer.

As of November 30, 2025, our outstanding indebtedness (on a consolidated basis) aggregated to ₹ 1,699.94 million. The following table sets forth the details of our aggregate consolidated outstanding indebtedness as November 30, 2025:

(in ₹ million)		
Particulars*	Sanctioned limit*	Outstanding amount as of November 30, 2025*
Unsecured		
Fund Based ⁽¹⁾⁽²⁾		
Working capital facilities (Overdraft/ intraday overdraft/ working capital demand loans and short-term line of credit) (A)	22,000.00	-
Non-Fund Based		
Bank guarantee and letter of credit facilities (B)	6,500.00	1,699.94 ⁽³⁾
Total Fund Based and Non-Fund Based (C) = (A) + (B)	28,500.00	1,699.94
Restricted to	25,000.00⁽⁴⁾	1,699.94

* As certified by Manian & Rao, Chartered Accountants (FRN No. 001983S), by way of their certificate dated January 21, 2026.

⁽¹⁾ Comprises of working capital demand loans, overdraft limits and short-term line of credit which are interchangeable and can be utilised based on an agreed sub-limit for each of the categories.

⁽²⁾ Includes sub-limits which can also be utilised interchangeably between fund-based facilities such as working capital demand loans, overdraft, import/ buyer facility: import documentary credit facility - import documentary credit issuance, short term loan/ line of credit, intraday overdraft and non-fund-based facilities including guarantees, bonds, import credit and corporate credit card limit based on an agreed sub-limit for each of the categories.

⁽³⁾ Represents bank guarantees issued against the sub-limit under (2).

⁽⁴⁾ The total sanction limits of ₹28,500.00 million may be utilised by the Company and subsidiary interchangeably towards fund based and non-fund based facilities, subject to overall ceiling of ₹25,000.00 million. Utilisation under one facility will proportionately reduce the available limit under the other.

Principal terms of the borrowings availed by our Company and Subsidiaries:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various financing documentation executed by our Company and Subsidiaries in relation to our indebtedness.

- Interest:** The applicable rate of interest for the various working capital facilities availed by our Company and Subsidiaries in India are typically linked to benchmark rates such as the repo rate, three-month treasury bill rate (“**3M T-Bill**”), or the prevalent overnight Mumbai interbank offer rate (“**MIBOR**”), plus a specified spread per annum. These rates are subject to mutual discussions between the relevant lenders and our Company or our Subsidiaries. For instance, certain facilities carry an interest rate of repo rate plus agreed basis points, while others carry an interest rate of up to 3M T-Bill plus agreed basis points or overnight MIBOR plus agreed basis points.
- Tenor and Repayment:** The tenor of certain working capital facilities availed by our Company and Subsidiaries ranges from on demand to 180 days/ six months, from the date of sanction or drawdown. The overdraft facilities may either be repayable on demand or have a tenor of up to 12 months. The short-term credit facilities may have a tenor as short as 10 days.
- Penal interest:** The terms of certain financing facilities availed by us prescribe penalties for non-compliance of certain obligations by us. These include, *inter alia*, non-submission of documentation required for renewal of loan facilities, non-submission or delay in submission of periodical financial statements and periodic reports, deterioration of account conduct, delays in interest repayment, non-renewal of insurance policy in a timely manner, delay in submission of legal entity identifier certificate and breach of financial covenants. The terms of certain borrowings availed by us prescribe a penalty interest rate that ranges from 1.00% per annum or higher, with the lenders reserving the right to amend the penal rates, at their discretion.

4. **Pre-payment penalty:** The borrowings availed by us typically have pre-payment provisions which allow for pre-payment of the outstanding amount at any given point in time, subject to the conditions specified in the borrowing arrangements, including the penalties at the bank's discretion, requirement of prior notice or as may be determined by the lender or mutually agreed between us and the lender.
5. **Security:** The facilities are availed by our Company and Subsidiaries are unsecured.
6. **Key covenants:** In terms of our loan documentation and sanction letters, we are required to:
 - (a) utilise the funds for the purposes for which the facilities have been availed;
 - (b) ensure that the funds are not deployed either directly or indirectly for any investment in any stock exchange or the capital market or for investments in subsidiaries, acquisition or real estate;
 - (c) take prior consent before availing any loans from any bank/financial institution;
 - (d) give post-facto intimation in case of any change in ownership, management or control of the Company/Subsidiaries;
 - (e) give post-facto intimation in case of any change in the shareholding pattern of our Company;
 - (f) take prior written consents from the lenders before any reduction in holding company's shareholding below majority;
 - (g) give post-facto intimation in case of change in the memorandum of association, articles of association or any other constitutional documents of our Company/Subsidiaries; and
 - (h) give intimation to the lenders about winding up, liquidation or dissolution of its affairs or take any steps for its voluntary winding up or liquidation or dissolution.

The above is an indicative list and there may be additional key covenants under the various borrowing arrangements entered into by us.

7. **Events of default:** The borrowing facilities availed by us contain certain standard events of default, including:
 - (a) Occurrence of any material adverse change, as specified in the relevant lender documents;
 - (b) Default in payment / repayment of interest or loan instalment amount on relevant due dates or on extended period as agreed with the lender;
 - (c) Utilising the borrowings for any purpose other than the purpose for which they are sanctioned;
 - (d) Non-compliance with terms and conditions of the transaction documents;
 - (e) Non-compliance of financial covenants; and
 - (f) Breach of security arrangements.

The above is an indicative list and there may be additional event of defaults under the various borrowing arrangements entered by us.

8. **Consequences of occurrence of events of default:** In terms of our borrowing arrangements, due to the occurrence of events of default, our lenders may:
 - (a) Declare all outstanding dues to be immediately repayable, irrespective of maturity date;
 - (b) Without any prior or further notice disclose to the RBI or any other statutory or regulatory authority, or to any third party, the identity of the Borrower and the fact that the Borrower has committed a default, along with full particulars and details pertaining thereto;
 - (c) Cancel the undrawn commitment and suspend withdrawals under the facilities; and

(d) Enforce security or change any of the terms of sanction.

The above is an indicative list and there may be additional consequences of an event of default under the various borrowing arrangements entered into by us.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey our management's perspective on our financial condition and results of operations for the six months period ended September 30, 2025 and September 30, 2024 and Fiscal Years 2025, 2024 and 2023. Unless otherwise stated, the financial information in this section has been derived from the Restated Consolidated Financial Information. Our financial year ends on March 31 of each year. Accordingly, references to "Fiscal Year 2025", "Fiscal Year 2024" and "Fiscal Year 2023", are to the 12-month period ended March 31 of the relevant year, and references to the six months period ended September 30, 2025 and 2024 refer to the periods between April 1, 2025 and September 30, 2025, and April 1, 2024 to September 30, 2024, respectively. Financial information for the six months period ended September 30, 2025 and September 30, 2024 is not indicative of the financial results for the full year and is not comparable with financial information for the Fiscal Years 2025, 2024 and 2023. Ind AS differs in certain respects from Indian GAAP, IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Please also see "Risk Factors — Certain differences exist between Ind AS and other accounting principles, particularly U.S. GAAP, which may be material to investors' assessments of our financial condition, results of operations, and cash flows. While Ind AS is largely based on International Financial Reporting Standards, certain carve-outs specific to the Indian economic environment may lead to differences" on page 95. This discussion contains certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as the risks set forth in the chapters entitled "Risk Factors" and "Forward-Looking Statements" beginning on pages 39 and 38, respectively.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled "Democratising Access to Digital Economy" dated January 13, 2026 (the "**Redseer Report**") prepared and issued by Redseer Strategy Consultants Private Limited ("**Redseer**"), which has been exclusively commissioned by and paid for by us in relation to the Offer for the purposes of confirming our understanding of the industry in which we operate. The data included herein (with relevant chapter and page references to "Industry Overview") includes excerpts from the Redseer Report and may have been re-ordered by us for the purposes of presentation. For further details and risks in relation to the Redseer Report, see "Risk Factors – Certain sections of this Updated Draft Red Herring Prospectus – I contain information from the Redseer Report which has been exclusively commissioned and paid for by us in relation to the Offer and any reliance on such information for making an investment decision in this Offer is subject to inherent risks." on page 82.*

Overview of Our Business

Our ecosystem comprises three digital platforms: (i) **the PhonePe Platform**, which caters to two population cohorts – consumers (via the PhonePe Consumer app) and merchants (via the PhonePe Business app) – enabling access to Consumer Payments along with Digital Distribution Services, Merchant Payments, Lending Distribution and Insurance Distribution services, and (ii) two **New Platforms**, which are Share.Market (a stock broking and mutual funds distribution platform) and Indus Appstore (a Made-In-India Android app store). For further details, please refer to "**Our Business**" beginning on page 194.

Key highlights of our financial performance for Fiscal Year 2025, Fiscal Year 2024 and Fiscal Year 2023:

- Total income reached ₹76,313.82 million in Fiscal Year 2025, growing 33.36% from total income of ₹57,222.00 million in Fiscal Year 2024.
- Revenue from operations reached ₹71,148.58 million in Fiscal Year 2025, growing from revenue from operations of ₹29,142.87 million in Fiscal Year 2023.
- Growth in revenue from operations was 40.50% between Fiscal Year 2024 and Fiscal Year 2025 and 73.77% between Fiscal Year 2023 and Fiscal Year 2024.
- Restated profit/ (loss) was ₹(17,274.10) million in Fiscal Year 2025, marking an improvement in Profit/ (loss) Margin to (22.64)% in Fiscal Year 2025 from (90.68)% in Fiscal Year 2023.
- Net cash flows generated from/ (used in) operating activities turned positive in Fiscal Year 2025, reaching ₹12,019.84 million for such year, compared to ₹(7,682.50) million in Fiscal Year 2023.
- Free cash generated amounted to ₹1,904.76 million in Fiscal Year 2025.
- An Adjusted EBIT of ₹1,168.81 million in Fiscal Year 2025.
- We were positive in Adjusted EBITDA and Adjusted profit terms in both Fiscal Year 2025 and Fiscal Year 2024 at the PhonePe Group level. Specifically, in Fiscal Year 2025:
 - Adjusted EBITDA was ₹14,771.92 million with an Adjusted EBITDA Margin of 20.76%; and
 - Adjusted profit was ₹6,304.52 million with an Adjusted profit Margin of 8.26%.

- For the PhonePe Platform, in Fiscal Year 2025:
 - Revenue from Operations was ₹70,555.86 million; and
 - Adjusted EBITDA was ₹19,318.42 million with an Adjusted EBITDA Margin of 27.38%.

Key highlights of our financial performance for the six months period ended September 30, 2025 and 2024

- Total income reached ₹41,745.07 million for the six months period ended September 30, 2025, growing 20.66% from total income of ₹34,597.08 million for the six months period ended September 30, 2024.
- Revenue from operations reached ₹39,184.69 million for the six months period ended September 30, 2025, growing by 22.17% from ₹32,075.16 million for the six months period ended September 30, 2024.
- Restated profit/ (loss) was ₹(14,444.22) million for the six months period ended September 30, 2025, with a Profit/ (loss) Margin of (34.60)%.
- Adjusted EBITDA for the six months period ended September 30, 2025 was ₹2,539.09 million with an Adjusted EBITDA Margin of 6.48%.
- For the PhonePe Platform, for the six months period ended September 30, 2025:
 - Revenue from operations was ₹38,584.86 million; and
 - Adjusted EBITDA was ₹5,241.33 million.

For a reconciliation of non-GAAP measures, see “*Other Financial Information – Non-GAAP Financial Measures – Reconciliation of non-GAAP measures*” on page 380.

Our Business Model

At the PhonePe Group level, we earn revenue from (i) monetisation of payments use cases like person-to-person money transfers, bill payments, offline and online Merchant Payments, (ii) assisting merchants with payment solutions like Payments Devices, including Audio Payment confirmation devices (also called Smartspeakers), Electronic Data Capture (“EDC”) machines and Payment Gateway services, (iii) Lending and Insurance Distribution services, and (iv) mobile recharges, advertisement revenue and other revenue sources across PhonePe Platform and (v) New Platforms such as stock broking and mutual fund distribution and Indus Appstore. Our business model, built on a strong technology and data-driven approach, is intentionally designed for scale and efficiency, resulting in continuous improvement in our bottom-line metrics in the last three Fiscal Years. We have also implemented the deployment of multiple automation initiatives enhancing operational efficiency and minimising overhead costs. This tech-centricity empowers us to rapidly launch new products and services without the need to build from scratch, accelerating time-to-market and enabling innovation.

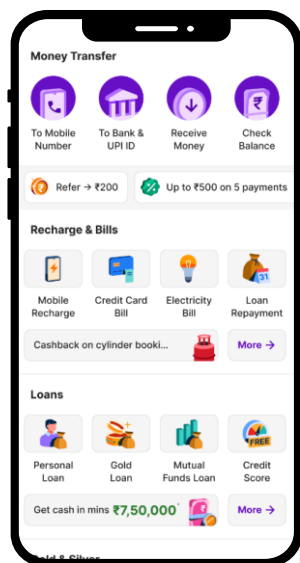
By investing early on in our own data centres, we have established infrastructure where platform costs do not increase linearly with scale. Through data intelligence, we have achieved an efficient customer acquisition cost by leveraging optimised, scalable solutions that enhance user experience and retention from the outset. Thus, our business model combines the attributes of growth at scale, increasing monetisation, and a lean and efficient cost structure, driving improvements in profits and cash flows.

A. Revenue

1. PhonePe Platform Revenue

We monetise two axes, namely (i) Consumers, which includes Consumer Payments along with Consumer Lending and Insurance, and (ii) Merchants, which includes Merchant Payments along with Merchant Lending as illustrated below:

Consumers



Payments

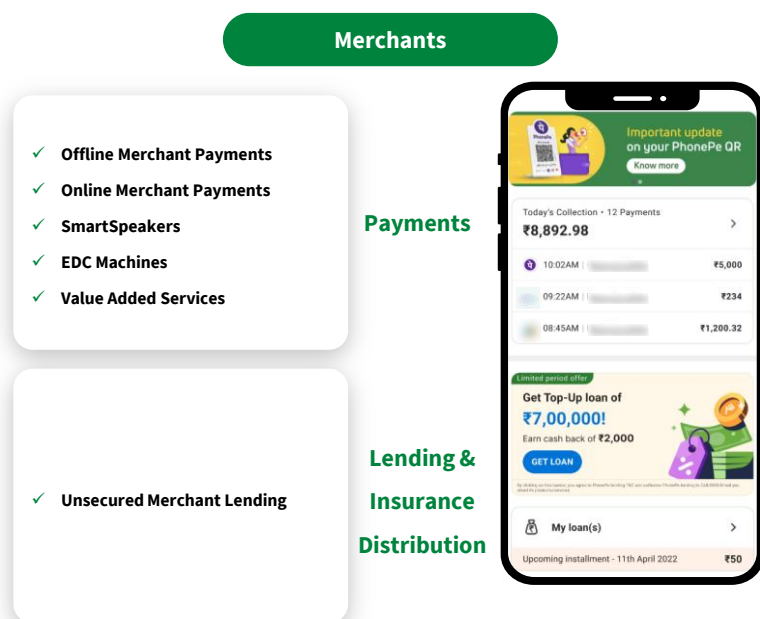
- ✓ Person-to-Person Money Transfers
- ✓ Mobile Recharges & Bill Payments
- ✓ Travel & Transit Ticket Booking
- ✓ Digital Gold and Digital Silver
- ✓ Advertisements
- ✓ Credit Card Distribution

Lending & Insurance Distribution

- ✓ Two-Wheeler Insurance
- ✓ Four-Wheeler Insurance
- ✓ Health & Life Insurance
- ✓ Other General Insurance
- ✓ Unsecured Consumer Lending
- ✓ Secured Consumer Lending

Consumers (including Consumer Payments, Consumer Lending and Insurance)

Nature	Revenue Stream	Earned From
Person-to-Person Money Transfers	Transaction processing fee	Partner Banks.
Mobile Recharges, Bill Payments, Digital Gold and Digital Silver Transactions, Travel Ticketing, Transit Booking, QR Scan-and-pay, Online Payments on Various Apps and Websites	Transaction processing fee	Partners on Bharat Connect (formerly BBPS) and online travel agencies. The transaction processing fee can vary, either as a percentage of the transaction value or a fixed fee per transaction, depending on the type of the partner and offering.
	Platform fee	Consumers are typically charged as a fixed amount per transaction or as a percentage of the payment value.
	Convenience fee	
	Digital Incentive	The Government of India through partner banks. Incentive is received on person-to-merchants ("P2M") UPI Payments less than ₹2,000 in value with small-merchants (turnover up to ₹2 million during a fiscal year) undertaken on the PhonePe Platform. Incentive is earned on, among other things, the TPV on mobile recharges, bill payments, digital gold and digital silver transactions, travel ticketing, transit booking, QR Scan-and-pay as well as online payments on various apps and websites. We receive a share of the digital incentive received by the payer PSP Bank and Payer App for processing. Such incentive, received as a percentage of TPV, can vary depending on the type of the payment, the partner and the payment value undertaken.
Advertisements	Advertisement services revenue	Agencies and Brands.
Consumer Loans Distribution	Lending Sourcing Fees	Lending Institutions (Banks and NBFCs).
Insurance Distribution	Insurance distribution fee	Insurance Companies. The fee is based on a percentage of the total premium paid by customers for Insurance products sold through PhonePe Platform
Two-wheeler motor Insurance, Four-wheeler motor Insurance		
Health Insurance		
Travel, other general Insurance		
Life Insurance		
Shop Insurance		



Merchants (including Merchant Payments and Merchant Lending)

Nature	Revenue Stream	Earned From
Offline and Online Merchant Payments	Transaction processing fee	Offline and online merchants. The fee is primarily levied as a percentage of TPV on the Merchant Payments processed. The percentage of transaction processing fee that we earn varies by the type of payment instrument used by a payer and the category of the merchant. For example, we typically earn a higher transaction processing fee on PhonePe Wallet transaction and Credit Card transactions than on other payment instruments.
	Digital Incentive	The Government of India through partner banks. Incentive is received by acquirer banks for processing P2M UPI Payments less than ₹2,000 in value on small-merchants (turnover up to ₹2 million during a fiscal year), undertaken on PhonePe. Such incentive, received as a percentage of TPV, can vary depending on the type of the payment, the partner and the payment value undertaken.
Payment Devices	Set up and Subscription fee on Payment Devices and related value added services	Offline merchants
Government Incentives	Public Infrastructure Development Fund (“PIDF”)	RBI (This incentive was valid until December 31, 2025). The PIDF scheme is targeted towards the deployment of various Payment Devices (including Smartspeakers and EDC Machines) in locations designated as Tier-3 to Tier-6 centres, as well as certain other regions of India (including the northeastern states of India and the Union Territory of Jammu, Kashmir and Ladakh).
Merchant Loans	Lending sourcing fees and service fee	Lending Institutions (Banks and NBFCs). <u>Lending sourcing fees</u> earned as a percentage of loan disbursement value on loans originated through the PhonePe Platform, and <u>service fees</u> earned for services such as facilitation, collection, monitoring, among others, which are recognised in line with the period of service obligation as per the agreements entered with respective our lending partners.

2. New Platforms Revenue

We also have two emerging platforms that we collectively refer to as our New Platforms: (i) Share.Market, which is our stock broking and mutual funds distribution platform, and (ii) Indus Appstore, which is our Android app store.

The following table summarises the revenue streams from New Platforms:

Platform	Revenue Stream	Earned From
Share.Market	Brokerage and depository services fees	Customers
	Mutual Funds Commission	Asset Management Companies
	Investment income	Banks and asset management companies
Indus Appstore	Ads and In-App Payments (<i>early revenue stage</i>)	Developers and Brands

The tables below set forth our sources of revenue from operations for the consolidated PhonePe Group in absolute terms and as a percentage of total revenue from operations for the periods/ fiscal years indicated. This illustrates our revenue growth and diversification over the periods presented, for reconciliation and reference to (A1), (A2), (B), (C), (E1), (E2), (F1) and (F2), please refer to the table in “ – Summary of Results of Operations for the consolidated PhonePe Group” on page 407.

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the six months period ended September 30,			
	2025		2024	
	₹ million	% of Revenue from operations	₹ million	% of Revenue from operations
Revenue from PhonePe Platform (i)	38,584.86	98.47%	31,781.04	99.08%
A. Consumer Payments (A1)+(E1)+(F1)	21,997.75	56.14%	22,079.68	68.84%
B. Merchant Payments (A2)+(E2)	12,060.85	30.78%	7,533.54	23.48%
C. Lending and Insurance Distribution services (B)	4,526.26	11.55%	2,167.82	6.76%
Revenue from New Platforms (ii)⁽¹⁾	599.83	1.53%	294.12	0.92%
D. Other services (C)+(F2)	599.83	1.53%	294.12	0.92%
Total revenue from operations (iii)=(i)+(ii)	39,184.69	100.00%	32,075.16	100.00%

Note:

(1) The Reported Revenue from New Platforms for prior financial periods includes Share.Market, Indus Appstore and Pincode. After September 30, 2025, the Company transitioned out of the Pincode consumer mobile application. For more details, please refer to “ – Significant Developments After September 30, 2025” on page 421.

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the fiscal year ended March 31,					
	2025		2024		2023	
	₹ million	% of Revenue from operations	₹ million	% of Revenue from operations	₹ million	% of Revenue from operations
Revenue from PhonePe Platform (i)	70,555.86	99.17%	50,393.99	99.52%	28,740.19	98.62%
Consumer Payments (A1)+(E1)+(F1)	45,069.03	63.34%	36,240.43	71.56%	24,163.52	82.91%
Merchant Payments (A2)+(E2)	19,910.36	27.99%	12,342.95	24.38%	4,296.13	14.75%
Lending and Insurance Distribution services (B)	5,576.47	7.84%	1,810.61	3.58%	280.54	0.96%
Revenue from New Platforms (ii)⁽¹⁾	592.72	0.83%	247.34	0.48%	402.68	1.38%
Other services (C)+(F2)	592.72	0.83%	247.34	0.48%	402.68	1.38%
Total revenue from operations (iii)=(i)+(ii)	71,148.58	100.00%	50,641.33	100.00%	29,142.87	100.00%

Note:

(1) The Reported Revenue from New Platforms for prior financial periods includes Share.Market, Indus Appstore and Pincode. After September 30, 2025, the Company transitioned out of the Pincode consumer mobile application. For more details, please refer to “ – Significant Developments After September 30, 2025” on page 421.

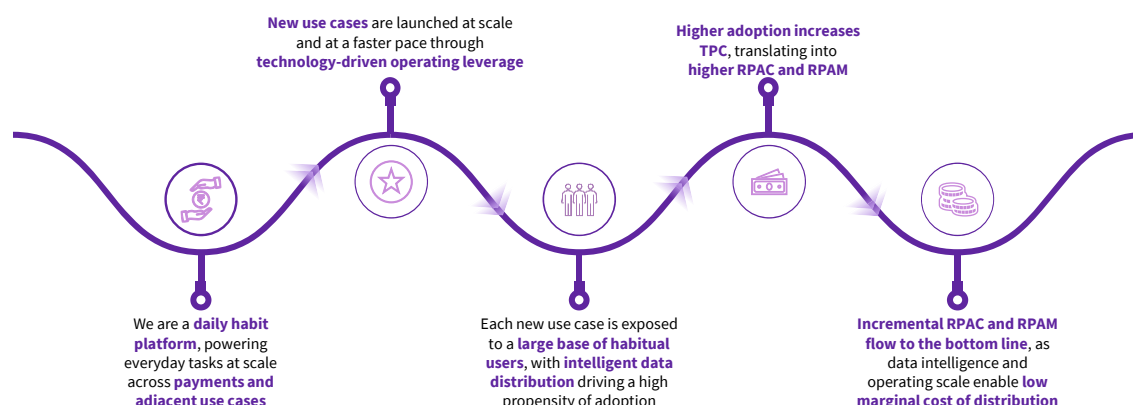
We have received Digital Incentives for the six months period ended September 30, 2025 and 2024, and Fiscal Years 2025, 2024 and 2023, which is included as part of our Consumer Payments and Merchant Payments revenue. Please see the table below for details.

(All amounts in ₹ million)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Payer Side Digital Incentive (Consumer Payments)	411.08	1,007.47	2,754.23	1,244.91	220.68
Payee Side Digital Incentive (Merchant Payments)	247.43	42.21	1,647.26	3,040.81	22.78

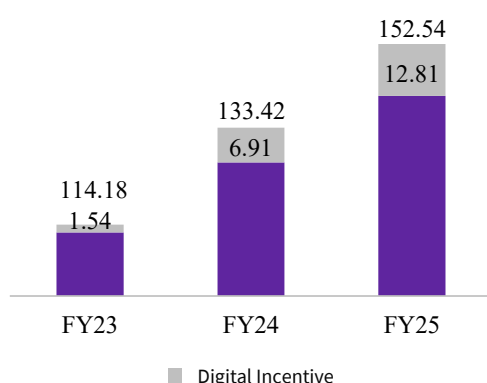
For further details on the reconciliation of our revenue streams, please refer to the table in “– Summary of Results of Operations for the consolidated PhonePe Group” on page 406.

PhonePe Platform Play

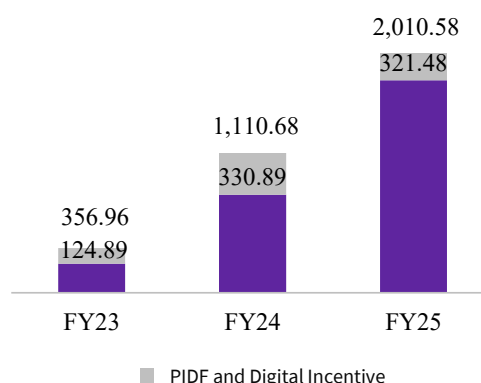


To assess the monetisation potential of our user base, we track our 12-month Revenue per Active Customer ("RPAC") and 12-month Revenue per Active Merchant ("RPAM"). Details of our RPAC and RPAM presented below exclude revenue from Rent & related categories and RMG. Please see “– Principal Factors Affecting Financial Condition and Results of Operations – Government Regulation” on page 403.

Revenue per Active Customer (RPAC)⁽¹⁾
(in ₹)



Revenue per Active Merchant (RPAM)⁽²⁾
(in ₹)



Notes:

- (1) Revenue per Active Customer (RPAC) for a given 12-month period is calculated by dividing: (a) PhonePe Platform revenue earned from consumers during the preceding 12 months counted from the last month of the period, calculated as the sum of Consumer payments revenue (excluding revenue from Rent & related categories and RMG Revenue) and Consumer Lending and Insurance distribution revenue by (b) the average Monthly Active Customers ("MAC") over the same 12-month duration, computed as the average of the MAC of the first and the last month of the 12 months period. This metric reflects overall consumer monetisation presented over the customer base, and does not represent revenue earned solely from customer fees or charges. A detailed break-up and definition of Consumer revenue sources is provided in the table on page 389.
- (2) Revenue per Active Merchant (RPAM) for a given period is calculated by dividing: (a) PhonePe Platform revenue earned from merchants during the preceding 12 months counted from the last month of the period, calculated as the sum of Merchant payments revenue (excluding revenue from Rent & related categories and RMG Revenue) and revenue from the Merchant Lending distribution business, by (b) the average Monthly Active Merchants ("MAM") over the same 12-month duration, computed as the average of the MAM of the first and the last month of the 12 months period. A detailed break-up and definition of Merchant revenue sources is provided in the table on page 390.

Please refer to the table below for calculations of RPAC and RPAM excluding revenue from Rent & related categories and RMG for the fiscal years indicated:

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the fiscal year ended March 31,					
	2025		2024		2023	
	Consumers	Merchants	Consumers	Merchants	Consumers	Merchants
(A) Average Active Customers or Merchants (million) ⁽¹⁾	214.93	11.29	180.27	11.30	143.72	11.30
Payments (excluding revenue from Rent & Related categories and RMG Revenues) (B)	30,488.61	19,419.06	22,957.91	11,834.17	16,130.87	4,031.68
Lending & Insurance Distribution (C)	2,296.03	3,280.44	1,094.11	716.50	278.55	1.99
(D) Total Revenue (B+C)	32,784.64	22,699.50	24,052.03	12,550.66	16,409.42	4,033.67
RPAC and RPAM	152.54	2,010.58	133.42	1,110.68	114.18	356.96
(D/A)						

Note:

(1) Average Active Customers is calculated as MAC of first month of the 12-month period plus MAC of last month of the 12-month period, and such sum divided by two. Average Active Merchants is calculated as MAM of the first month of the 12-month period plus MAM of the last month of the 12-month period, and such sum divided by two.

For calculation of “Payments (excluding revenue from Rent & Related categories and RMG Revenues) (B)” please refer to table below for the fiscal years indicated:

(All amounts in ₹ million)

Particulars	For the fiscal year ended March 31,					
	2025		2024		2023	
	Consumers	Merchants	Consumers	Merchants	Consumers	Merchants
Payments Revenue (B1)	45,069.03	19,910.36	36,240.43	12,342.95	24,163.52	4,296.13
Rent & Related Categories Revenue (B2)	12,622.70	-	11,449.21	-	6,215.97	-
RMG Revenue (B3)	1,957.72	491.30	1,833.31	508.78	1,816.68	264.45
Revenue excluding Rent & Related Categories and RMG (B=B1-B2-B3)	30,488.61	19,419.06	22,957.91	11,834.17	16,130.87	4,031.68

Notes:

(B1) Payments Revenue from Consumer refers to the line item “Consumer Payments (A1)+(E1)+(F1)” and Payments Revenue from Merchants refers the line item “Merchant Payments (A2)+(E2)” in the table in “– Our Business Model – Revenue” on page 391.

(B2) Rent & Related Categories Revenue refers to the line item “Rent & Related Categories Revenue” in the table in “- Government Regulations” on page 404.

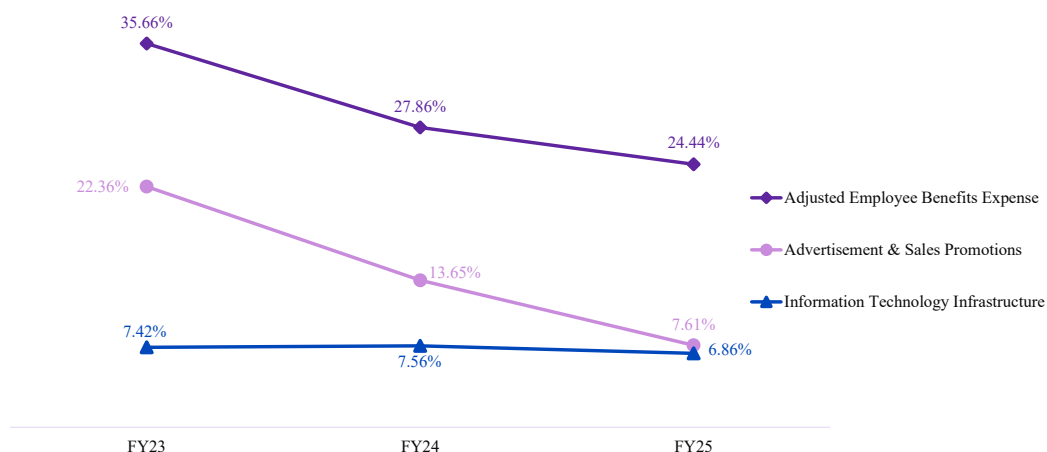
(B3) RMG Revenue refers to the line item “Total RMG Revenue (A+B)” in the table in “– Government Regulations” on page 404.

B. Expenses

Our key expenses include (i) payment processing charges, (ii) employee benefits expenses, (iii) depreciation and amortisation expenses, (iv) advertisement and sales promotions expenses, (v) information technology infrastructure expenses and (vi) subcontract and customer support expenses.

We believe our platform exhibits strong operating leverage. As we scale, we drive efficiency across major cost lines—employee benefits (through productivity gains, automation and disciplined hiring), information technology and data centre spend (through higher utilisation of owned facilities, workload optimisation, and power/cooling efficiency), and other operating expenses (through process discipline and elimination of non-core spends).

The chart below presents the trend of our adjusted employee benefits expense, advertisement and sale promotions expenses and information technology infrastructure expenses as a percentage of revenue from operations for the consolidated PhonePe Group for the fiscal years indicated.



Notes:

FY stands for Fiscal Year

Our adjusted employee benefits expense was ₹10,562.41 million for the six months period ended September 30, 2025 and ₹8,344.16 million for the six months period ended September 30, 2024, and ₹17,388.43 million in Fiscal Year 2025, ₹14,108.10 million in Fiscal Year 2024 and ₹10,392.62 million in Fiscal Year 2023, which, as a % of revenue from operations is 26.96% for the six months period ended September 30, 2025 and 26.01% for the six months period ended September 30, 2024, and 24.44% in Fiscal Year 2025, 27.86% in Fiscal Year 2024 and 35.66% in Fiscal Year 2023. Our expenses on advertisement and sales promotions were ₹4,555.09 million for the six months period ended September 30, 2025, ₹3,076.31 million for the six months period ended September 30, 2024, ₹5,416.54 million in Fiscal Year 2025, ₹6,910.48 million in Fiscal Year 2024 and ₹6,516.35 million in Fiscal Year 2023, representing 11.62% for the six months period ended September 30, 2025, 9.59% for the six months period ended September 30, 2024, 7.61% in Fiscal Year 2025, 13.65% in Fiscal Year 2024 and 22.36% in Fiscal Year 2023 of revenue from operations. Our expenses on information technology infrastructure were ₹2,838.34 million for the six months period ended September 30, 2025, ₹2,237.21 million for the six months period ended September 30, 2024, ₹4,878.72 million in Fiscal Year 2025, ₹3,828.07 million in Fiscal Year 2024 and ₹2,162.25 million in Fiscal Year 2023, representing 7.24% for the six months period ended September 30, 2025, 6.97% for the six months period ended September 30, 2024, 6.86% in Fiscal Year 2025, 7.56% in Fiscal Year 2024 and 7.42% in Fiscal Year 2023 of revenue from operations.

1. Payment Processing Charges

Payment processing charges are paid to banks, payment gateways and other partners for facilitating Customer and Merchant transactions on PhonePe Platform. It constitutes a significant portion of our expenses. Payment processing charges were ₹10,900.01 million for the six months period ended September 30, 2025, ₹7,885.44 million for the six months period ended September 30, 2024, ₹16,881.78 million in Fiscal Year 2025, ₹11,664.38 million in Fiscal Year 2024 and ₹6,669.66 million in Fiscal Year 2023, representing 27.82% for the six months period ended September 30, 2025, 24.58% for the six months period ended September 30, 2024, 23.73% in Fiscal Year 2025, 23.03% in Fiscal Year 2024 and 22.89% in Fiscal Year 2023 of revenue from operations. Payment processing charges for Rent & related categories was ₹3,829.28 million for the six months period ended September 30, 2025, ₹4,051.78 million for the six months period ended September 30, 2024, ₹7,833.74 million in Fiscal Year 2025, ₹7,464.59 million in Fiscal Year 2024 and ₹4,334.62 million in Fiscal Year 2023.

2. Employee Benefits Expenses

Employee benefits expenses include payments to and in connection with our corporate and sales employees in the nature of salaries, contributions to provident and other funds, gratuity and staff welfare costs and share based payments (“ESOPs”). Our talent pool is essential for innovation and growth. We invest in attracting, retaining, and developing top talent across technology, product, corporate and business functions.

The table below sets out the reconciliation for our adjusted employee benefits expense for the periods/ fiscal years indicated:

(All amounts in ₹ million)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Employee benefits expense (A)	28,691.09	21,496.63	40,967.05	36,039.76	30,965.74
Share based payments (B)	18,128.68	13,152.47	23,578.62	21,931.66	20,573.12
Adjusted employee benefits expense (A - B)	10,562.41	8,344.16	17,388.43	14,108.10	10,392.62

The increases in adjusted employee benefits expense were primarily a result of increase in number of employees to support our growth, annual increases in employee compensation and higher share-based payment expense from new grants and one-time charges arising from ESOPs-related corporate actions.

To boost organisational productivity, we are deploying horizontal GenAI tools to improve day-to-day workflows like meetings, documentation, and communication. We are identifying specific automation opportunities across functions such as advertising supervision, merchant classification, and customer support bots, helping us stabilise operational headcount while increasing output.

Our adjusted employee benefits expense as a percentage of revenue from operations decreased from 35.66% in Fiscal Year 2023 to 24.44% in Fiscal Year 2025 and was 26.96% for the six months period ended September 30, 2025.

3. Advertisement and Sales Promotions

Advertisement and sales promotions expenses comprise digital and physical marketing, sponsorships, cashbacks, and other incentives for acquisition and retention of consumers and merchants. These expenses are critical for consumer and merchant acquisition, retention, and engagement. As our platform matures, we have optimised these costs to improve return on investment.

Our advertisement and sales promotions expenses decreased from ₹6,516.35 million in Fiscal Year 2023 to ₹5,416.54 million in Fiscal Year 2025 and was ₹4,555.09 million for the six months period ended September 30, 2025. As a percentage of revenue from operations it reduced from 22.36% in Fiscal Year 2023 to 7.61% in Fiscal Year 2025. For the six months period ended September 30, 2025, our advertisement and sales promotions expenses was 11.62% of revenue from operations.

4. Information Technology Infrastructure

Information technology infrastructure expenses comprise data centre running and maintenance charges, cloud expenses, technology support for Payment Devices (including Smartspeakers and EDC Machines), as well as software maintenance and enhancement charges. Our managed data centre infrastructure provides regulatory confidence and cost efficiency, reducing dependency on third parties, and ensuring reliability and scalability across multiple business verticals. Our information technology infrastructure expenses increased from ₹2,162.25 million in Fiscal Year 2023 to ₹4,878.72 million in Fiscal Year 2025 and was ₹2,838.34 million for the six months period ended September 30, 2025. As a percentage of revenue from operations, information technology infrastructure expenses reduced from 7.42% in Fiscal Year 2023 to 6.86% in Fiscal Year 2025 and was 7.24% for the six months period ended September 30, 2025. We intend to continue to invest in robust, scalable, and secure systems to support our growing transaction volumes while managing costs efficiently.

5. Subcontract and customer support

Subcontract and customer support expenses include the costs associated with outsourced personnel and services that support our operations. Subcontracted staff are dedicated to selling and business development activities, primarily focused on onboarding new merchants, loan distribution and deployment of Payment Devices across the country. Costs for outsourced customer support teams who are responsible for handling consumer and merchant queries, are also part of these expenses.

6. Depreciation and amortisation

Our depreciation and amortisation expenses primarily include depreciation expenses on servers and server-related IT assets, Payment Devices, computers and laptops, and right of use, intangibles and other assets.

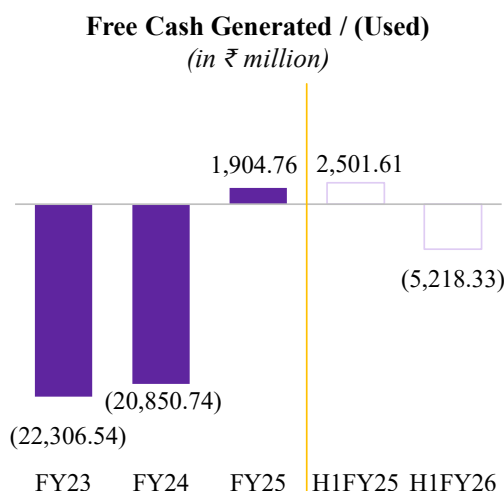
C. Improvement in Profitability and Cash Generation

Our focus on revenue growth and cost efficiency over the past three Fiscal Years has been directed towards improving profitability. Our restated profit/ (loss) was ₹(17,274.10) million in Fiscal Year 2025, which represented an improvement of ₹10,686.59 million between Fiscal Year 2023 and Fiscal Year 2025. Our Profit/ (loss) Margin improved from (90.68)% for Fiscal Year 2023 to (22.64)% for Fiscal Year 2025. We delivered a profitable Adjusted EBIT in Fiscal Year 2025. We were positive in terms of Adjusted EBITDA and Adjusted profit in Fiscal Year 2024 and in Fiscal Year 2025. For more details, please refer to “*Our Business – Our Consolidated PhonePe Group Financial Performance*” on page 211.

Our business model emphasises the generation of Free cash, which provides us with the flexibility to reinvest in our existing businesses, explore new opportunities and expand our footprint in new businesses, thereby driving long-term bottom line growth and reducing revenue concentration risks. We generated Free cash of ₹1,904.76 million in Fiscal Year 2025 and ₹2,501.61 million for the six months period ended September 30, 2024.

Our continued investments in our New Platforms will be supported by our liquidity position, comprising our Bank balances and Investments and any Free cash generation at the PhonePe Group level. We follow a disciplined approach to capital allocation, balancing growth ambitions with resilience and shareholder value creation. Management prioritises maintaining a strong balance sheet and liquidity buffers, while striving to ensure that reinvestments in the core business deliver returns. Growth capital is deployed selectively, in a manner which is linked to performance.

The following chart shows Free cash generated/ (used) from Fiscal Year 2023 to the six months period ended September 30, 2025. We generated Free cash in Fiscal Year 2025 and the six months period ended September 30, 2024 as a result of an increase in net cash flows generated from operating activities.



Note:

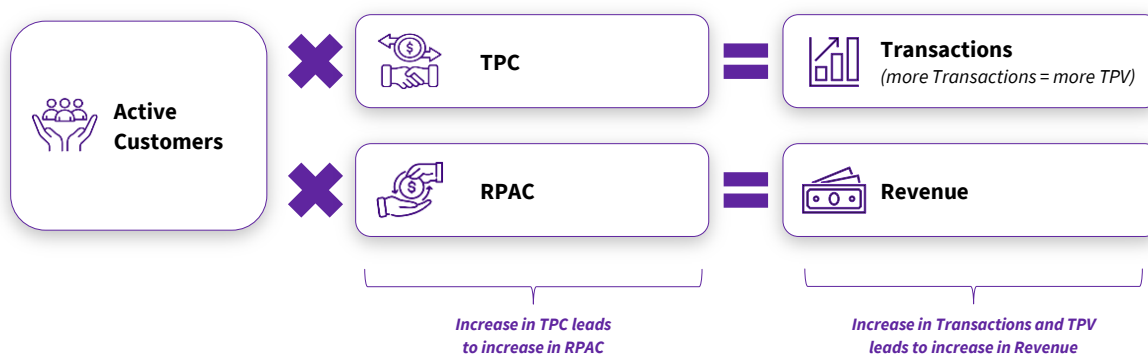
Free cash generated/ (used) refers to the aggregate of net cash flows generated from/ (used in) operating activities, purchase of property, plant and equipment, including capital advances, capital work in progress and other intangible assets, proceeds from sale of property, plant and equipment, payment of principal portion of lease liabilities and interest on lease liabilities. For a reconciliation of non-GAAP measures, see "Other Financial Information – Non-GAAP Financial Measures – Reconciliation of non-GAAP measures" on page 380.

Principal Factors Affecting Financial Condition and Results of Operations

The following describes the key factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

(A) Consumers

Our revenue derived from consumers is impacted by our active customer base, as well as TPC, RPAC, customer transactions and customer TPV, as set out below:



1. Growth in Active Customer Base

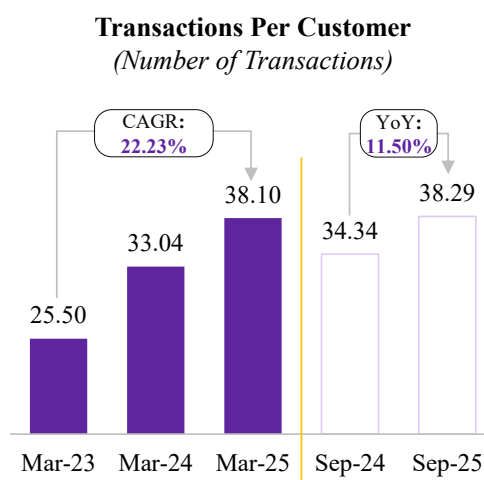
We define active customers as unique Registered Users who have done at least one successful payment transaction on the PhonePe Platform in a defined time period (annual / monthly / daily). Our Yearly Active Customers ("YAC"), MAC and Daily Active Customers ("DAC") have grown since March 2023 to reach 290.24 million, 230.08 million and 102.10 million in March 2025, reflecting a CAGR of 18.18%, 19.64% and 31.48%, respectively, and further

growing to YAC of 305.51 million, MAC of 237.75 million and DAC of 106.56 million in September 2025. Our growth rate of DAC is higher than MAC, which is in turn higher than YAC, all of which are growing at a higher rate than our total Registered User Base. Growth in our customer base reflects the expanding reach and adoption of our PhonePe Platform. As customers adopt more use cases, their engagement deepens and stickiness increases. Each additional service acts as a new hook, reinforcing habit formation and strengthening their relationship with the platform. Please refer to “Our Business” beginning on page 194 for more details.

2. Increasing Engagement with Customers

Our revenue growth is dependent on our ability to not only attract but also retain and increase engagement with our customer base.

Higher transactions per customer reflect increased use-case adoption on the platform and are therefore directly correlated with RPAC. Our Transactions per Customer (“TPC”) for the last months of the Fiscal Year have grown from 25.50 in Fiscal Year 2023 to 38.10 in Fiscal Year 2025 at a CAGR of 22.23%. The following chart shows TPC from March 2023 to September 2025:



Notes:

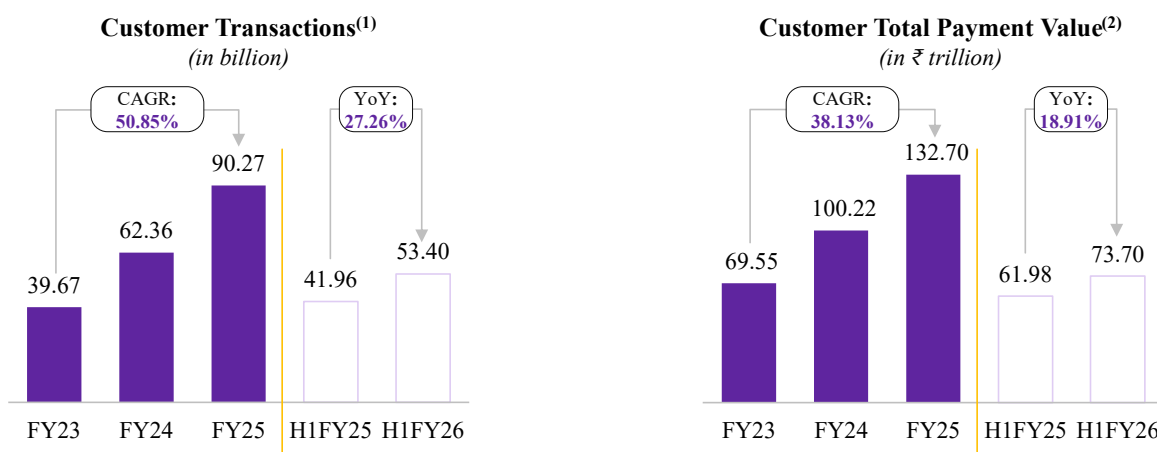
All metrics for PhonePe Platform.

⁽¹⁾ TPC for the last month of the period/ fiscal year is computed as total Customer Transactions in the last month of the period/ fiscal year indicated divided by Monthly Active Customers for that month.

As a result of our growing customer base as well as increasing TPC, our Customer Transactions grew at a 50.85% CAGR from 39.67 billion in Fiscal Year 2023 to 90.27 billion in Fiscal Year 2025, while our Customer TPV grew at a 38.13% CAGR from ₹69.55 trillion in Fiscal Year 2023 to ₹132.70 trillion in Fiscal Year 2025. Over the six months period ended September 30, 2024 and 2025, our Customer Transactions increased by 27.26% year-on-year, from 41.96 billion to 53.40 billion, and our Customer TPV increased by 18.91% from ₹61.98 trillion to ₹73.70 trillion.

This reflects significant growth in platform usage and customer engagement. The increasing digitisation of offline merchants has led to a higher number of digital customer transactions. As a result, the transactions made to merchants, which typically have a lower average transaction value, witnessed a higher growth compared to that of customer transactions, according to the Redseer Report (*chapter 2, page 171*). Consequently, the growth in Customer Transactions has outpaced the growth of Customer TPV. This also highlights the growing acceptance of the PhonePe Platform for everyday payments, including smaller value transactions as more consumers choose our platform for a broader range of use cases.

The following charts show our Customer Transactions and Customer TPV from Fiscal Year 2023 to the six months period ended September 30, 2025:



Notes:

FY stands for Fiscal Year.

All metrics are for PhonePe Platform.

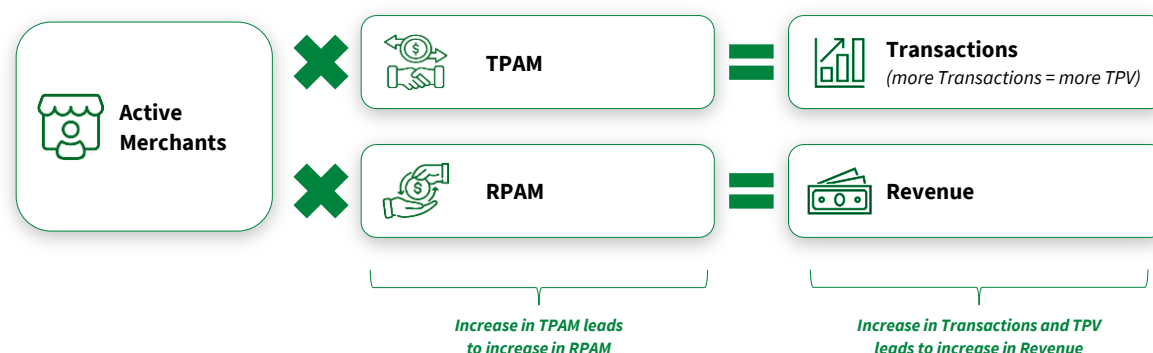
⁽¹⁾ Customer Transactions refers to the total successful payment transactions by PhonePe Customers in the first half of the fiscal year/reporting period.

⁽²⁾ Customer TPV refers to the total payment value of the Customer Transactions in the first half of the fiscal year/reporting period.

Habitual Users, defined as customers doing at least 30 transactions in a month, as a percentage of MAC, increased from 28.41% in March 2023 to 41.43% in March 2025. For details on our retention and cohorts' analysis, see "Our Business – Our Business Offerings – (i) The PhonePe Platform" on page 217.

(B) Merchants

Our revenue derived from merchants is impacted by our active merchant base, as well as TPAM, RPAM, merchant transactions and merchant TPV, as set out below:



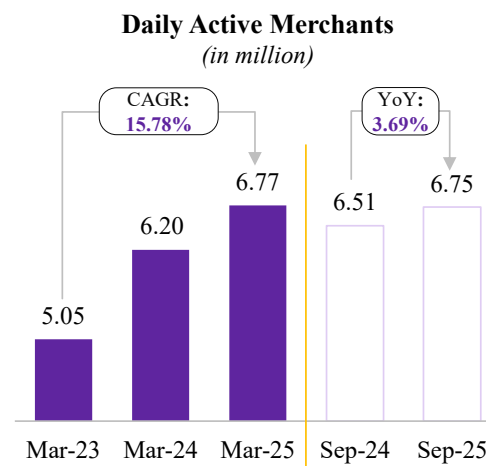
1. Growth in Active Merchant Base

Our merchant network forms a critical pillar of our business model, directly impacting our revenue, TPV, and overall platform strength. We have experienced substantial growth in our LTD Registered Merchant Base, which has increased from 34.94 million as of March 31, 2023 to 47.19 million as of September 30, 2025.

We are focused on increasing our active merchant base by helping merchants enhance the experience of their customers by offering a wide range of payment options across QR codes, Smartspeakers, EDC Machines, Payment Gateway solutions and on-demand settlement service, while also offering reliable transaction settlements, payment reconciliation, trust based relationship through the pan-India feet-on-street network and other value added services through the PhonePe Business app. Merchants can also access digital finance options such as Loans and Shop insurance through our PhonePe Platform. Our Daily Active Merchants ("DAM") on PhonePe Platform have grown from 5.05 million in March 2023 to 6.77 million in March 2025 representing a CAGR of 15.78%. Our MAM on PhonePe Platform stood at 11.31 million in March 2025, which according to the Redseer Report (*chapter 7, page 191*), comprise approximately 54% of an estimated 21 million monthly active merchants in India using UPI.

A key strategy for growing our active merchant base has been deployment of our Payment Devices across merchants in India. We have over 9.19 million net deployed Payment Devices across our merchant network, as of September 30, 2025, including Smartspeakers and EDC machines. These devices enhance the payment experience for both the merchants and consumers while strengthening merchant loyalty and creating a recurring revenue stream for our business.

The following chart shows our DAM from the last month of Fiscal Year 2023 to the September 2025:



Notes:

All metrics are for PhonePe Platform.

⁽¹⁾ DAM refers to the daily average count of unique Registered Merchants to whom at least one successful payment transaction was made, averaged for the days of the last month of the first half of the fiscal year/reporting period.

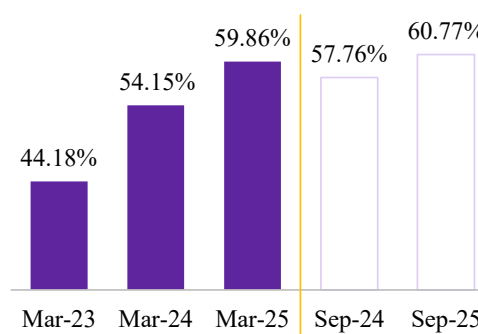
2. Increasing Engagement with Merchants

The volume and value of transactions processed through our merchant network are vital indicators of our platform's strength. The growth rate of transactions and TPV processed by our merchant network reflects our progress in capturing offline and online Merchant Payments.

Our strategic focus has been on driving up DAM on PhonePe Platform since enhancing daily engagement increases transaction volumes. Increasing DAM as a percentage of MAM also indicates increasing platform stickiness - more and more merchants prefer using PhonePe on a daily basis.

The following chart shows the trend in DAM as a percentage of MAM from March 2023 to September 2025:

Daily Active Merchants⁽¹⁾/Monthly Active Merchants⁽²⁾
(in %)



Notes:

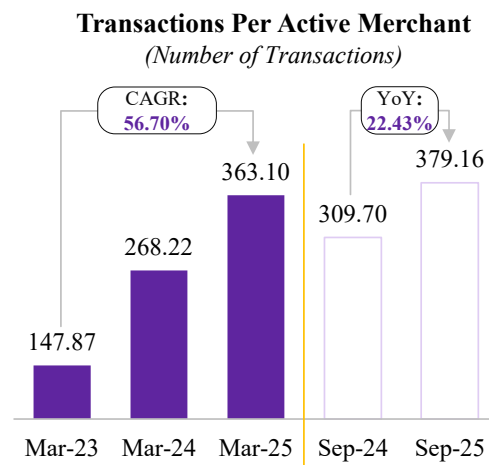
All metrics are for PhonePe Platform.

⁽¹⁾ DAM refers to the daily average count of unique Registered Merchants to whom at least one successful payment transaction was made, averaged for the days of the last month of the first half of the fiscal year/reporting period.

⁽²⁾ MAM refers to the count of unique Registered Merchants to whom at least one successful payment transaction was made in the last month of the first half of the fiscal year/reporting period.

⁽³⁾ DAM / MAM is computed as DAM as a percentage of MAM.

The average number of transactions processed per MAM per month, indicates merchant engagement and the effectiveness of our merchant solutions. The following chart shows average number of Transactions Per Monthly Active Merchant (“TPAM”) from March 2023 to September 2025:



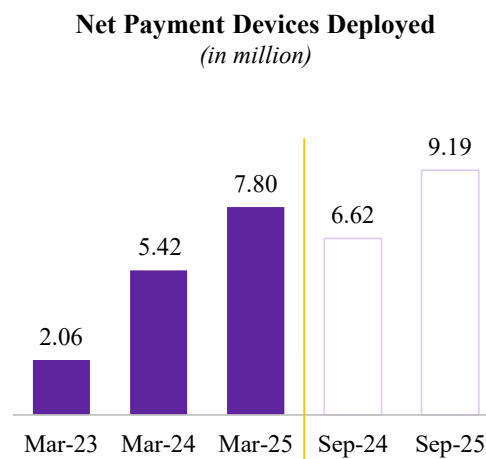
Notes:

All metrics are for PhonePe Platform.

⁽¹⁾ TPAM for the relevant month is computed as Merchant Transactions in such month divided by monthly active merchants for that month.

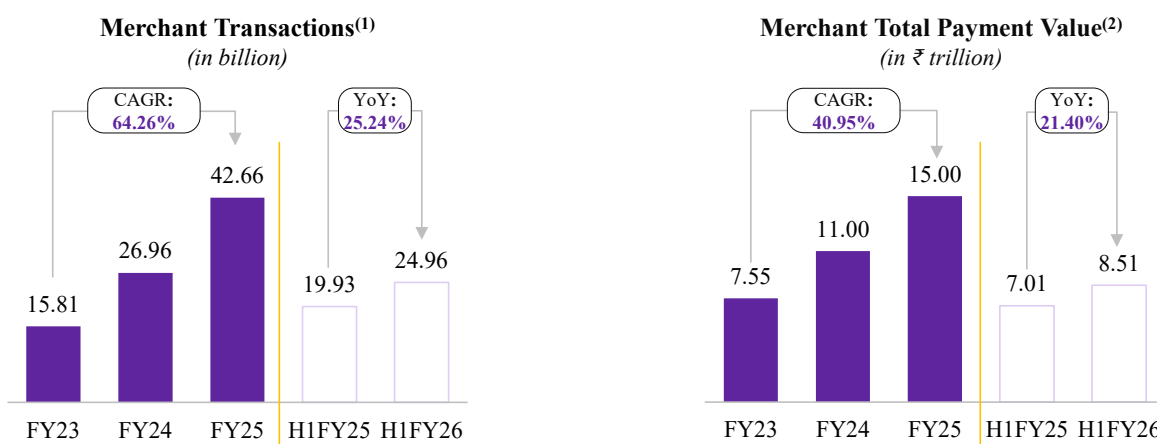
PhonePe’s Merchant Payments strategy is built on scale, stickiness, and on-ground execution. We have a presence across 98.61% of India’s pin codes as of September 30, 2025, enabling merchants nationwide to accept digital payments through our platform. A key driver of TPAM growth has been the rapid deployment of Payment Devices, which not only enhance ease of acceptance but also create long-term merchant lock-in, increasing the share of transactions we capture. Underpinning this is our network of 25,657 on-ground sales force (comprising full-time employees and contracted staff) that drives merchant onboarding, device deployment, and ongoing servicing. As the face of PhonePe for merchants, this team builds trust and deepens engagement.

The following chart shows net Payment Devices deployed (including Smartspeakers and EDC Machines) as of the last month of the period/ fiscal year from Fiscal Year 2023 to September 2025:



For online merchants, we also offer payment solutions that seamlessly integrate into their businesses, allowing them to reach customers who prefer digital payments and effectively manage transactions. Bolt - our Payment Gateway Product - is an advanced digital payment solution that, combined with PhonePe’s extensive user base, positions merchants for success by enabling them to effectively reach and serve their customers’ payment needs seamlessly.

Overall, as a result of our growing active merchant base and rapidly increasing TPAM, our Merchant Transactions have grown with a CAGR of 64.26% and TPV has grown with a CAGR of 40.95% during the period from Fiscal Year 2023 to Fiscal Year 2025. The following charts show our Merchant Transactions and Merchant TPV from Fiscal Year 2023 to the six months period ended September 30, 2025:



Notes:

All metrics are for PhonePe Platform.

FY stands for Fiscal Year

⁽¹⁾ Merchant Transactions refers to total successful payment transactions made to Registered Merchants in the first half of the fiscal year/reporting period.

⁽²⁾ Merchant TPV refers to the total payment value of the Merchant Payment transactions made to Registered Merchants in the first half of the fiscal year/reporting period.

(C) Lending and Insurance Distribution

The growth of our Lending and Insurance Distribution services demonstrates our ability to leverage our scale, brand strength, trust and proprietary technology infrastructure to distribute Financial Services and products. The current scale of these businesses also reflects sustained engagement of our customers and merchants on our platform. Our Lending Distribution business, which was launched in March 2023, has experienced substantial growth with LTD disbursements by our lender partners of ₹142.70 billion as of September 30, 2025. Similarly, since obtaining our insurance broking license in August 2021, we have sold 18.49 million insurance policies on behalf of our insurance partners as of September 30, 2025. Lending and Insurance Distribution services revenue has accordingly grown by a CAGR of 345.84% from ₹280.54 million in Fiscal Year 2023 to ₹5,576.47 million in Fiscal Year 2025. Similarly, Lending and Insurance Distribution services revenue increased from ₹2,167.82 million for the six months period ended September 30, 2024 to ₹4,526.26 million for the six months period ended September 30, 2025.

Key Highlights of Our Financial Performance

Fiscal Years 2023 to 2025:

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the fiscal year ended March 31,		
	2023	2024	2025
Revenue from operations ⁽¹⁾	29,142.87	50,641.33	71,148.58
Growth in revenue from operations (%) ⁽²⁾	-	73.77%	40.50%
Total income ⁽³⁾	30,834.34	57,222.00	76,313.82
Growth in total income (%) ⁽⁴⁾	-	85.58%	33.36%
Adjusted EBITDA ⁽⁵⁾	(3,754.59)	6,518.81	14,771.92
PhonePe Platform Adjusted EBITDA	(2,607.04)	8,389.62	19,318.43
New Platform Adjusted EBITDA ⁽⁶⁾	(1,147.55)	(1,870.81)	(4,546.51)
Adjusted EBITDA Margin (%) ⁽⁷⁾	(12.88)%	12.87%	20.76%
Adjusted EBIT ⁽⁸⁾	(9,120.47)	(4,646.85)	1,168.81
Adjusted EBIT Margin (%) ⁽⁹⁾	(31.30) %	(9.18)%	1.64%
Restated profit/(loss) ⁽¹⁰⁾	(27,960.69)	(19,961.71)	(17,274.10)
Profit/(loss) Margin (%) ⁽¹¹⁾	(90.68)%	(34.88)%	(22.64)%
Adjusted profit/(loss) ⁽¹²⁾	(7,387.57)	1,969.95	6,304.52
Adjusted profit/(loss) Margin (%) ⁽¹³⁾	(23.96)%	3.44%	8.26%

Six months period ended September 30, 2024 and 2025:

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the six months period ended September 30,	
	2024	2025
Revenue from operations ⁽¹⁾	32,075.16	39,184.69
Growth in revenue from operations (%) ⁽²⁾	-	22.17%
Total income ⁽³⁾	34,597.08	41,745.07
Growth in total income (%) ⁽⁴⁾	-	20.66%
Adjusted EBITDA ⁽⁵⁾	5,047.98	2,539.09
PhonePe Platform Adjusted EBITDA	7,790.89	5,241.32
New Platform Adjusted EBITDA ⁽⁶⁾	(2,742.91)	(2,702.23)
Adjusted EBITDA Margin (%) ⁽⁷⁾	15.74%	6.48%
Adjusted EBIT ⁽⁸⁾	(1,414.06)	(3,138.32)
Adjusted EBIT Margin (%) ⁽⁹⁾	(4.41)%	(8.01)%
Restated profit/(loss) ⁽¹⁰⁾	(12,032.05)	(14,444.22)
Profit/(loss) Margin (%) ⁽¹¹⁾	(34.78)%	(34.60)%
Adjusted profit/(loss) ⁽¹²⁾	1,120.42	(660.28)
Adjusted profit/(loss) Margin (%) ⁽¹³⁾	3.24%	(1.58)%

Notes:

- (1) Revenue from operations means revenue generated by our Company from sale of services and other operating revenue.
- (2) Growth in revenue from operations percentage is calculated as a percentage of revenue from operations of the relevant fiscal period/ year minus revenue from operations of the preceding fiscal period/ year, divided by revenue from operations of the preceding fiscal period/ year.
- (3) Total income means revenue from operations and other income.
- (4) Growth in total income is calculated as a percentage of total income of the relevant fiscal period/ year minus total income from the preceding fiscal period/ year, divided by total income of the preceding fiscal period/ year.
- (5) Adjusted EBITDA is calculated as restated profit/ (loss), before other income, finance costs, depreciation and amortisation expense, share of profit of associate, net of taxes, exceptional item, total tax expense/ (credit) and share based payments.
- (6) New Platform Adjusted EBITDA for prior financial periods includes Share.Market, Indus Appstore and Pincode. After September 30, 2025 the Company transitioned out of the Pincode consumer mobile application, please refer “ – Significant Developments After September 30, 2025” on page 421.
- (7) Adjusted EBITDA margin percentage is derived by dividing Adjusted EBITDA by revenue from operations.
- (8) Adjusted EBIT is calculated as restated profit/ (loss), before other income, finance costs, share of profit of associate, net of taxes, exceptional item, total tax expense/ (credit) and share based payments.
- (9) Adjusted EBIT Margin percentage is derived by dividing Adjusted EBIT by revenue from operations.
- (10) Restated profit/ (loss) means profit/ (loss) for the relevant fiscal period/ year.
- (11) Profit/ (Loss) Margin percentage is derived by dividing restated profit/ (loss) by total income.
- (12) Adjusted profit/ (loss) is calculated as restated profit/ (loss), before exceptional item and share based payments.
- (13) Adjusted profit/ (loss) Margin percentage is derived by dividing Adjusted profit/ (loss) by total income.

For a reconciliation of non-GAAP measures, see “Other Financial Information – Non-GAAP Financial Measures – Reconciliation of non-GAAP measures” on page 380.

Government Regulations

Our results of operations can be impacted by government regulation and policies that are applicable to our business.

During the six months period ended September 30, 2025, we were impacted by certain material regulatory and corporate developments that had a significant effect on our operations and financial performance, as outlined below:

- **Online Gaming Ban in India:** On August 22, 2025, the Parliament enacted the Promotion and Regulation of Online Gaming Act, 2025, which imposes the RMG ban, whether based on skill, chance or a combination thereof, and prohibits related financial transactions and advertisements. Accordingly, we ceased to generate revenues from advertising and payment gateway services associated with real money gaming with effect from August 22, 2025. While our results of operations going forward from October 2025 will reflect the impact of the RMG ban, details of our revenue from RMG for the six months period ended September 30, 2025 and 2024, and Fiscal Years 2025, 2024 and 2023 are set out below:

(All amounts in ₹ million unless otherwise indicated)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Total RMG Revenue (A+B)	709.87	1,470.66	2,449.02	2,342.09	2,081.13
RMG Revenue in Consumer Payments (A)	506.51	1,225.25	1,957.72	1,833.31	1,816.68
RMG Revenue in Merchant Payments (B)	203.36	245.40	491.30	508.78	264.45
RMG Revenue as % of Revenue of PhonePe Platform	1.84%	4.63%	3.47%	4.65%	7.24%
RMG-GM	600.60	1,377.60	2,250.67	2,240.99	2,054.43
RMG GM as % of GM of PhonePe Platform	2.17%	5.77%	4.19%	5.79%	9.31%

- **Regulatory direction from RBI on PA / PG Guidelines:** In September 2025, prompted by regulatory direction, PhonePe discontinued its payment services for Rent & related categories, where "**related categories**" refers to categories such as rent, maintenance and brokerage. While our results of operations going forward from October 2025 will reflect the impact of the discontinuation of Rent & related categories, details of our revenue from Rent & related categories for the six months period ended September 30, 2025 and 2024, and Fiscal Years 2025, 2024 and 2023 are set out below:

(All amounts in ₹ million unless otherwise indicated)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Rent & related categories Revenue	5,185.24	6,682.62	12,622.70	11,449.21	6,215.97
Rent & related categories Revenue as % of Revenue of PhonePe Platform	13.44%	21.03%	17.89%	22.72%	21.63%
Rent & related categories Gross Margin	1,355.95	2,630.84	4,788.97	3,984.61	1,881.35
Rent & related categories GM as % of GM of PhonePe Platform	4.90%	11.01%	8.92%	10.29%	8.52%

We also receive incentives under government schemes, such as PIDF and Digital Incentive, which are intended to promote various products or services in our industry, which contribute to our revenue from operations. The recognition of such incentives is often uncertain and irregular, which may result in variability in our revenue recognition patterns. This uncertainty in timing of revenue recognition could lead to volatility in our quarterly financial results, and uneven distribution of cash flows.

According to the Redseer Report, prior to 2020, UPI transactions attracted a Merchant Discount Rate (MDR), which served as a revenue stream for TPAPs, Payment Aggregators and Sponsor banks, and to drive mass adoption of digital payments, especially among small and micro merchants, the government waived off MDR on UPI and RuPay transactions. According to the Redseer Report (*chapter 2, page 171*), recognising the need for a sustainable monetisation model, the Payments Council of India (PCI) has urged the government to review the Zero MDR policy on UPI transactions for large merchants and all RuPay debit card transactions. According to the Redseer Report, going forward, a carefully structured MDR regime could provide the necessary commercial incentive for ecosystem players to continue investing in innovation, infrastructure, and merchant acquisition, and while it may marginally increase costs for certain segments, the revenue potential could strengthen the business case for digital payment providers, enabling deeper coverage, improved service quality, and continued growth in UPI adoption across the country. Such changes could also in turn impact our results of operations.

Key Corporate Actions

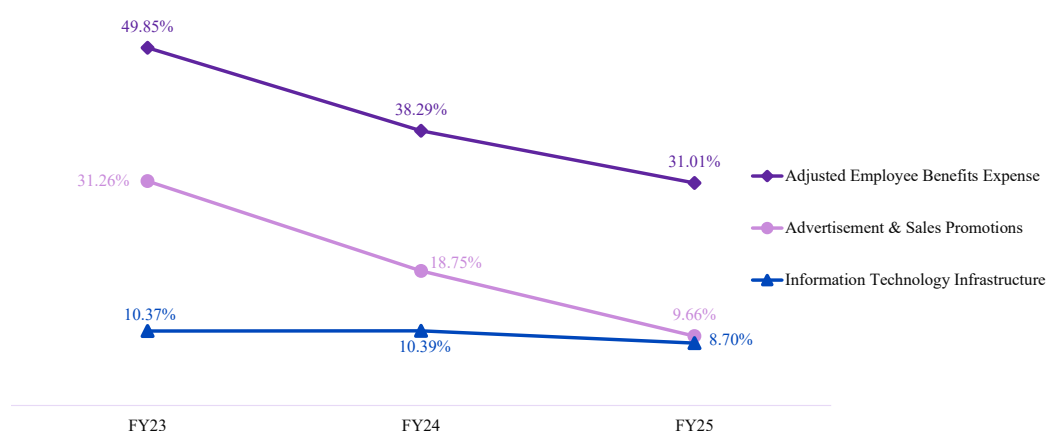
ESOP-related event: Certain actions were undertaken in relation to our employee stock option plans and founder awards, which resulted in one-time impacts on our consolidated statements of profit and loss, cash flows and balance sheet, summarized below:

- Option settlement / exercise: we undertook settlement or early exercise of options for certain employees, subject to defined eligibility criteria. For employees who surrendered outstanding vested and unvested options, there was a one-time cash settlement payout of ₹1,100.92 million (net of taxes) and recognition of the remaining unamortised share based payment expense of ₹132.68 million in the statement of profit and loss. For other employees, options were exercised at an exercise price of ₹1 per option, and a portion of options was cancelled or sold in a secondary sale transaction to settle related tax obligations. The total tax consideration arising from these transactions amounting to approximately ₹59,728.84 million were subsequently settled in October 2025. This included an amount of ₹55,487.00 million received from employees on secondary sale transactions and reflected within cash and investment balances as of September 30, 2025.
- Scheme modification: Modification of the PhonePe Founder Awards, India scheme, which led to recognition of a share based payment expense of ₹7,858.83 million in the statement of profit and loss.
- Overall, these actions resulted in a one-time impact on our consolidated statement of profit and loss of ₹7,991.51 million and a cash flow impact of ₹1,100.92 million for the six months period ended September 30, 2025.

Key Highlights of Our Financial Performance (excluding Rent & RMG)

Fiscal Years 2023 to 2025:

The chart below presents, for the consolidated PhonePe Group, the trend of our adjusted employee benefits expense, advertisement and sale promotions expenses and information technology infrastructure expenses as a percentage of revenue from operations excluding Rent & related categories and RMG for the consolidated PhonePe Group for the fiscal years indicated.



Notes:

FY stands for Fiscal Year

Our adjusted employee benefits expense was ₹10,562.41 million for the six months period ended September 30, 2025 and ₹8,344.16 million for the six months period ended September 30, 2024, and ₹17,388.43 million in Fiscal Year 2025, ₹14,108.10 million in Fiscal Year 2024 and ₹10,392.62 million in Fiscal Year 2023, which, as a percentage of revenue from operations is 26.96% for the six months period ended September 30, 2025 and 26.01% for the six months period ended September 30, 2024, and 24.44% in Fiscal Year 2025, 27.86% in Fiscal Year 2024 and 35.66% in Fiscal Year 2023. Our advertisement and sales promotions expenses was ₹4,555.09 million for the six months period ended September 30, 2025 and ₹3,076.31 million for the six months period ended September 30, 2024, and ₹5,416.54 million in Fiscal Year 2025, ₹6,910.48 million in Fiscal Year 2024 and ₹6,516.35 million in Fiscal Year 2023, which, as a percentage of revenue from operations is 11.62% for the six months period ended September 30, 2025 and 9.59% for the six months period ended September 30, 2024, and 7.61% in Fiscal Year 2025, 13.65% in Fiscal Year 2024 and 22.36% in Fiscal Year 2023. Our information technology infrastructure expenses was ₹2,838.34 million for the six months period ended September 30, 2025 and ₹2,237.21 million for the six months period ended September 30, 2024, and ₹4,878.72 million in Fiscal Year 2025, ₹3,828.07 million in Fiscal Year 2024 and ₹2,162.25 million in Fiscal Year 2023, which, as a percentage of revenue from operations is 7.24% for the six months period ended September 30, 2025 and 6.97% for the six months period ended September 30, 2024, and 6.86% in Fiscal Year 2025, 7.56% in Fiscal Year 2024 and 7.42% in Fiscal Year 2023.

The tables below provide an overview of PhonePe Platform revenue from operations and PhonePe Platform Adjusted EBITDA excluding Rent & related categories and RMG for the periods/ fiscal years indicated.

(All amounts in ₹ million)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Revenue from PhonePe Platform excluding Revenue from Rent & related categories and RMG	32,689.76	23,627.77	55,484.14	36,602.69	20,443.09
Adjusted EBITDA from PhonePe Platform excluding Rent & related categories Gross Margin and RMG GM	3,284.77	3,782.45	12,278.79	2,164.08	(6,542.81)

Summary of Results of Operations for the Consolidated PhonePe Group

The following table sets forth select financial data for the periods/ fiscal years indicated, the components of which are also expressed as a percentage of total income for such periods/ years.

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the six months period ended September 30,				For the fiscal year ended March 31,					
	2025		2024		2025		2024		2023	
	Amount	% of Total income	Amount	% of Total income	Amount	% of Total income	Amount	% of Total income	Amount	% of Total income
Income										
Revenue from operations	39,184.69	93.87%	32,075.16	92.71%	71,148.58	93.23%	50,641.33	88.50%	29,142.87	94.51%
Other income	2,560.38	6.13%	2,521.92	7.29%	5,165.24	6.77%	6,580.67	11.50%	1,691.47	5.49%
Total income (i)	41,745.07	100.00%	34,597.08	100.00%	76,313.82	100.00%	57,222.00	100.00%	30,834.34	100.00%
Expenses										
Payment processing charges	10,900.01	26.11%	7,885.44	22.79%	16,881.78	22.12%	11,664.38	20.38%	6,669.66	21.63%
Employee benefits expense	28,691.09	68.73%	21,496.63	62.14%	40,967.05	53.68%	36,039.76	62.98%	30,965.74	100.43%
Finance costs	240.99	0.58%	158.58	0.46%	382.58	0.51%	323.07	0.56%	225.88	0.73%
Depreciation and amortisation expense	5,677.41	13.60%	6,462.04	18.68%	13,603.11	17.83%	11,165.66	19.51%	5,365.88	17.40%
Other expenses	15,183.18	36.37%	10,797.58	31.21%	22,106.45	28.97%	18,350.04	32.07%	15,835.18	51.36%
Total expenses (ii)	60,692.68	145.39%	46,800.27	135.28%	93,940.97	123.11%	77,542.91	135.50%	59,062.34	191.54%
Restated profit/(loss) before share of profit of associate, exceptional item and tax	(18,947.61)	(45.39)%	(12,203.19)	(35.28)%	(17,627.15)	(23.11)%	(20,320.91)	(35.50)%	(28,228.00)	(91.54)%
Share of profit of associate, net of taxes (iii)	96.97	0.23%	135.26	0.39%	271.55	0.36%	254.38	0.44%	204.51	0.66%
Restated profit/(loss) before exceptional item and tax [(i)-(ii)+(iii)]	(18,850.64)	(45.16)%	(12,067.93)	(34.89)%	(17,355.60)	(22.75)%	(20,066.53)	(35.06)%	(28,023.49)	(90.88)%
Exceptional item (iv)	4,344.74	10.41%	-	-	-	-	-	-	-	-
Restated profit/(loss) before tax [(i)-(ii)+(iii)+(iv)]	(14,505.90)	(34.75)%	(12,067.93)	(34.89)%	(17,355.60)	(22.75)%	(20,066.53)	(35.06)%	(28,023.49)	(90.88)%
Tax Expense/ (credit)										
Current tax	0.78	0.00%*	1.63	0.00%*	3.25	0.00%*	-	-	-	-

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the six months period ended September 30,				For the fiscal year ended March 31,					
	2025		2024		2025		2024		2023	
	Amount	% of Total income	Amount	% of Total income	Amount	% of Total income	Amount	% of Total income	Amount	% of Total income
Deferred tax	(62.46)	(0.15)%	(37.51)	(0.11)%	(84.75)	(0.11)%	(104.82)	(0.18)%	(62.80)	(0.20)%
Total tax expense/ (credit) (v)	(61.68)	(0.15)%	(35.88)	(0.11)%	(81.50)	(0.11)%	(104.82)	(0.18)%	(62.80)	(0.20)%
Restated profit/ (loss) (vi) [(iv)-(v)]	(14,444.22)	(34.60)%	(12,032.05)	(34.78)%	(17,274.10)	(22.64)%	(19,961.71)	(34.88)%	(27,960.69)	(90.68)%

* Less than 0.01%.

The following table sets forth select financial data for the periods/ fiscal years indicated the components of which are also expressed as a percentage of total income for such periods/ fiscal years:

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the six months period ended September 30,				For the fiscal year ended March 31,					
	2025		2024		2025		2024		2023	
	Amount	% of Total income	Amount	% of Total income	Amount	% of Total income	Amount	% of Total income	Amount	% of Total income
Revenue from sale of services										
Payment services (A=A1+A2)	32,317.36	77.42%	29,322.56	84.75%	62,997.11	82.55%	47,885.09	83.68%	27,071.15	87.80%
Consumer payments (A1)	21,931.37	52.54%	22,079.68	63.82%	45,069.03	59.06%	36,240.43	63.33%	24,163.52	78.37%
Merchant payments (A2)	10,385.99	24.88%	7,242.89	20.94%	17,928.08	23.49%	11,644.66	20.35%	2,907.63	9.43%
Lending and Insurance Distribution services (B)	4,526.26	10.84%	2,167.82	6.27%	5,576.47	7.31%	1,810.61	3.16%	280.54	0.91%
Other services (C)	599.83	1.44%	282.86	0.82%	572.50	0.75%	223.01	0.39%	397.73	1.29%
Total (D=A+B+C)	37,443.45	89.70%	31,773.24	91.84%	69,146.08	90.61%	49,918.71	87.23%	27,749.42	90.00%
Other operating revenue										
Incentives on payment services (E=E1+E2) ⁽¹⁾	1,674.86	4.01%	290.65	0.84%	1,982.28	2.60%	698.29	1.22%	1,388.50	4.50%
Consumer payments (E1)	-	-	-	-	-	-	-	-	-	-
Merchant payments (E2) ⁽¹⁾	1,674.86	4.01%	290.65	0.84%	1,982.28	2.60%	698.29	1.22%	1,388.50	4.50%
Others (F=F1+F2)	66.38	0.16%	11.27	0.03%	20.22	0.02%	24.33	0.04%	4.95	0.02%
Consumer payments (F1)	66.38	0.16%	-	-	-	-	-	-	-	-
Others (F2)	-	0.00%	11.27	0.03%	20.22	0.02%	24.33	0.04%	4.95	0.02%
Total (G=E+F)	1,741.24	4.17%	301.92	0.87%	2,002.50	2.62%	722.62	1.26%	1,393.45	4.52%
Revenue from operations (H = D+G)⁽²⁾	39,184.69	93.87%	32,075.16	92.71%	71,148.58	93.23%	50,641.33	88.49%	29,142.87	94.52%
Total income	41,745.07	100.00%	34,597.08	100.00%	76,313.82	100.00%	57,222.00	100.00%	30,834.34	100.00%

Notes:

⁽¹⁾ Incentives on payment services amounting to ₹1,674.86 million for the six months period ended September 30, 2025, ₹290.65 million for the six months period ended September 30, 2024, ₹1,982.28 million for Fiscal Years 2025, ₹698.29 million for Fiscal Years 2024, and ₹1,388.50 million for Fiscal Years 2023 relates to Merchant Payments. These incentives include consideration received from NPCI for RuPay Credit Cards on UPI Acceptance Incentive Scheme amounting to Nil for the six months period ended September 30, 2025, Nil for the six months period ended September 30, 2024, ₹90.00 million for Fiscal Years 2025, Nil for Fiscal Years 2024 and Nil for Fiscal Years 2023, and the incentive received by the Group in accordance with the circular issued by the Reserve Bank of India on qualifying expenditure incurred towards deployment of payment acceptance devices amounting to ₹1,674.86 million for the six months period ended September 30, 2025, ₹290.65 million for the six months period ended September 30, 2024, ₹1,892.28 million for Fiscal Years 2025, ₹698.29 million for Fiscal Years 2024 and ₹1,388.50 million Fiscal Years 2023.

⁽²⁾ Total revenue from operations includes revenue from consumer payments aggregating to ₹21,997.75 million for the six months period ended September 30, 2025, ₹22,079.68 million for the six months period ended September 30, 2024, ₹45,069.03 million for Fiscal Year 2025, ₹36,240.43 million for Fiscal Year 2024, and ₹24,163.52 million for Fiscal Year 2023 (i.e. A1+E1) and revenue from merchant payments aggregating to ₹12,060.85 million for the

six months period ended September 30, 2025, ₹7,533.54 million for the six months period ended September 30, 2024, ₹19,910.36 million for Fiscal Year 2025, ₹12,342.95 million for Fiscal Year 2024, and ₹4,296.13 million for Fiscal Year 2023 (i.e. A2+E2).

Six Months Period Ended September 30, 2025 Compared to Six Months Period Ended September 30, 2024

Revenue from operations

Revenue from operations increased by 22.17%, or ₹7,109.53 million, to ₹39,184.69 million for the six months period ended September 30, 2025 from ₹32,075.16 million for the six months period ended September 30, 2024.

Revenue from operations excluding revenue from Rent & related categories and RMG was ₹33,289.58 million for the six months period ended September 30, 2025 and ₹23,921.89 million for the six months period ended September 30, 2024, which is calculated by removing ₹5,185.24 million of revenue from Rent & related categories and ₹709.87 million of revenue from RMG for the six months period ended September 30, 2025 and ₹6,682.62 million of revenue from Rent & related categories and ₹1,470.65 million of revenue from RMG for the six months period ended September 30, 2024, respectively. Accordingly, revenue from operations excluding Rent & related categories and RMG increased by 39.16% to ₹33,289.58 million for the six months period ended September 30, from ₹23,921.89 million for the six months period ended September 30, 2024.

- *Payment Services:* Payment Services increased by 10.44%, or ₹3,061.19 million, to ₹32,383.75 million for the six months period ended September 30, 2025 from ₹29,322.56 million for the six months period ended September 30, 2024, primarily due to increase in transaction processing fees paid by merchants, business partners, as well as consumers. Such increases were primarily led by increases in TPV, stemming from a higher number of active customers and increased value of card transactions. This was partially offset by the discontinuation of payment services for Rent & related categories. Customer TPV on PhonePe Platform increased to ₹73.70 trillion for the six months period ended September 30, 2025 from ₹61.98 trillion for the six months period ended September 30, 2024, while Merchant TPV on PhonePe Platform increased to ₹8.51 trillion for the six months period ended September 30, 2025 from ₹7.01 trillion for the six months period ended September 30, 2024. Further, MAC increased to 237.75 million for the six months period ended September 30, 2025 from 212.85 million for the six months period ended September 30, 2024.
- *Lending and Insurance Distribution services:* Lending and Insurance Distribution services increased by 108.79%, or ₹2,358.44 million, to ₹4,526.26 million for the six months period ended September 30, 2025 from ₹2,167.82 million for the six months period ended September 30, 2024, primarily due to increases in Insurance distribution fees and Lending sourcing and service fees. The increase in Insurance distribution fees was primarily on account of an increase in the number of policies distributed, while the increase in Lending sourcing and service fees earned from partner lenders was primarily on account of higher loan disbursement value to customers and merchants using the PhonePe Platform, from which we receive a fixed percentage.
- *Other services:* Other services, which includes revenue from stock broking, mutual fund distribution and marketplace platform services, increased by 112.06%, or ₹316.96 million, to ₹599.83 million for the six months period ended September 30, 2025 from ₹282.86 million for the six months period ended September 30, 2024, primarily driven by an increase in assets under management for mutual funds and increased commission charged from Share.Market customers.
- *Other operating revenue:* Other operating revenue increased for the six months period ended September 30, 2025 compared to six months period ended September 30, 2024, primarily due to an increase in incentives on Payment Services of 476.25%, or ₹1,384.21 million, to ₹1,674.86 million for the six months period ended September 30, 2025 from ₹290.65 million for the six months period ended September 30, 2024. Such incentives were received towards deployment of Payment Devices under the RBI's PIDF scheme, which was launched in January 2021 and remained in effect until December 31, 2025.

Other income

Other income increased by 1.53%, or ₹38.46 million, to ₹2,560.38 million for the six months period ended September 30, 2025 from ₹2,521.92 million for the six months period ended September 30, 2024, primarily due to an increase in gain on sale/ fair valuation of investments carried at FVTPL (net) to ₹942.73 million for the six months period ended September 30, 2025 from ₹171.57 million for the six months period ended September 30, 2024.

Expenses

Payment processing charges

Payment processing charges increased by 38.23%, or ₹3,014.57 million, to ₹10,900.01 million for the six months period ended September 30, 2025 from ₹7,885.44 million for the six months period ended September 30, 2024, primarily due to an increase

in Customer TPV and Merchant TPV on PhonePe Platform, which was in turn driven by an increase in the number of customers and higher growth in TPV from card transactions.

Employee benefits expense

Employee benefits expense increased by 33.47%, or ₹7,194.46 million, to ₹28,691.09 million for the six months period ended September 30, 2025 from ₹21,496.63 million for the six months period ended September 30, 2024 primarily due to an increase in salaries, wages and bonus to ₹9,796.30 million for the six months period ended September 30, 2025 from ₹7,673.02 million for the six months period ended September 30, 2024, which was mainly driven by annual increases in employee compensation and an increase in our number of employees to 12,338 as of September 30, 2025 from 10,063 as of September 30, 2024, and an increase in share based payments to ₹18,128.68 million for the six months period ended September 30, 2025 from ₹13,152.47 million for the six months period ended September 30, 2024, which included one-time charges arising from ESOPs related corporate action. For more details, see “ – Key Corporate Actions” on page 404.

Finance costs

Finance costs increased by 51.97%, or ₹82.41 million, to ₹240.99 million for the six months period ended September 30, 2025 from ₹158.58 million for the six months period ended September 30, 2024, primarily due to an increase in interest on lease liabilities as a result of an increase in leased spaces for office and data centres.

Depreciation and amortisation expense

Depreciation and amortisation expense decreased by 12.14%, or ₹784.63 million, to ₹5,677.41 million for the six months period ended September 30, 2025 from ₹6,462.04 million for the six months period ended September 30, 2024, primarily due to decrease in depreciation of property, plant and equipment to ₹4,597.54 million for the six months period ended September 30, 2025 from ₹5,224.63 million for the six months period ended September 30, 2024, and amortisation of intangible assets to ₹192.27 million for the six months period ended September 30, 2025 from ₹615.33 million for the six months period ended September 30, 2024, partially offset by an increase in depreciation of right-of-use assets to ₹887.60 million for the six months period ended September 30, 2025 from ₹622.08 million for the six months period ended September 30, 2024. The decrease in depreciation of property, plant and equipment was mainly driven by improved operational efficiency in deployment of Smartspeakers as well as reduction in purchase cost of Smartspeakers. The increase in depreciation of right-of-use assets was mainly driven by an increase in lease spaces for office and data centres. The decrease in amortisation of intangible assets was mainly attributable to amortisation expense that we recorded for the six months period ended September 30, 2024 but not for the six months period ended September 30, 2025 on various intangible assets that were fully amortised during Fiscal Year 2025.

Other expenses

Other expenses increased by 40.62%, or ₹4,385.60 million, to ₹15,183.18 million for the six months period ended September 30, 2025 from ₹10,797.58 million for the six months period ended September 30, 2024, primarily due to increases in:

- Subcontract expenses and customer support to ₹3,603.11 million for the six months period ended September 30, 2025 from ₹2,661.50 million for the six months period ended September 30, 2024, primarily due to an increase in the number of the contract employees to 19,356 as of September 30, 2025 from 14,906 as of September 30, 2024, which was largely due to an increase in on-ground sales force employed towards merchant acquisition, deployment of Payment Devices, Merchant Lending distribution and servicing towards offline merchants;
- Information technology infrastructure to ₹2,838.34 million for the six months period ended September 30, 2025 from ₹2,237.21 million for the six months period ended September 30, 2024 related to increase in data centre operational expenses to support the growth in Customer and Merchant Transactions, as well as the increase in cloud computing costs driven by expansion of new platforms; and
- Advertisement and sales promotions to ₹4,555.09 million for the six months period ended September 30, 2025 from ₹3,076.31 million for the six months period ended September 30, 2024, driven by an increase in marketing expenditure in the Payments business and distribution expenditure for the Indus Appstore platform through arrangements with original equipment manufacturers.

Share of profit of associate, net of taxes

Share of profit of associate, net of taxes decreased by 28.31%, or ₹38.29 million, to ₹96.97 million for the six months period ended September 30, 2025 from ₹135.26 million for the six months period ended September 30, 2024 primarily due to lower profit after tax from the associate for the period as a result of our divestment of our holdings in the associate during the period.

Total tax expense/ (credit)

Total tax expense/ (credit) increased by 71.91%, or ₹25.80 million, to ₹(61.68) million for the six months period ended September 30, 2025 from ₹(35.88) million for the six months period ended September 30, 2024. The tax credit represents reversal of deferred tax liabilities.

Restated profit/ (loss)

Restated profit/ (loss) increased by 20.05%, or ₹2,412.17 million, to ₹(14,444.22) million for the six months period ended September 30, 2025 from ₹(12,032.05) million for the six months period ended September 30, 2024.

Fiscal Year 2025 Compared to Fiscal Year 2024

Revenue from operations

Revenue from operations increased by 40.50%, or ₹20,507.25 million, to ₹71,148.58 million in Fiscal Year 2025 from ₹50,641.33 million in Fiscal Year 2024.

- ***Payment Services:*** Payment Services increased by 31.56%, or ₹15,112.02 million, to ₹62,997.11 million in Fiscal Year 2025 from ₹47,885.09 million in Fiscal Year 2024, primarily due to increases in transaction processing fees paid by merchants and business partners, platform fees and transaction processing fees paid by consumers and subscription fees on Payment Devices from offline merchants. Such increases were primarily led by increases in TPV which is in turn led by increase in the number of customers and merchants. Customer TPV on PhonePe Platform increased to ₹132.70 trillion in Fiscal Year 2025 from ₹100.22 trillion in Fiscal Year 2024, while merchant TPV on PhonePe Platform increased to ₹15.00 trillion in Fiscal Year 2025 from ₹11.00 trillion in Fiscal Year 2024. Further, MAC increased to 230.08 million in March 2025 from 197.43 million in March 2024.
- ***Lending and Insurance Distribution services:*** Lending and Insurance Distribution services increased by 207.99%, or ₹3,765.86 million, to ₹5,576.47 million in Fiscal Year 2025 from ₹1,810.61 million in Fiscal Year 2024, primarily due to increases in Insurance distribution fees and Lending sourcing and service fees. The increase in Insurance distribution fees was primarily on account of an increase in the number of policies distributed, while the increase in lending sourcing and service fees earned from partner lenders was primarily on account of higher loan disbursement value to customers and merchants using the PhonePe Platform, from which we receive a fixed percentage. The increased commission per policy earned from insurance and increased commission per loan earned from lending partners also contributed to the higher revenue from Lending and Insurance Distribution services in Fiscal Year 2025.
- ***Other services:*** Other services, which includes revenue from stock broking, mutual fund distribution and marketplace platform services, increased by 156.71%, or ₹349.49 million, to ₹572.50 million in Fiscal Year 2025 from ₹223.01 million in Fiscal Year 2024, primarily due to an increase in commission from asset management companies for mutual funds distribution, driven by an increase in asset under management (“AUM”) along with the expansion of the Pincode business as well as our stock broking business.
- ***Other operating revenue:*** Other operating revenue increased in Fiscal Year 2025 compared to Fiscal Year 2024, primarily due to an increase in incentives on Payment Services of 183.88%, or ₹1,283.99 million, to ₹1,982.28 million in Fiscal Year 2025 from ₹698.29 million in Fiscal Year 2024. Such incentives were received towards deployment of Payment Devices under the RBI’s PIDF scheme, which was launched in January 2021.

Other income

Other income decreased by 21.51%, or ₹1,415.43 million, to ₹5,165.24 million in Fiscal Year 2025 from ₹6,580.67 million in Fiscal Year 2024, primarily due to a decrease in foreign exchange gain (net) to ₹59.66 million in Fiscal Year 2025 from ₹1,507.82 million in Fiscal Year 2024 and a decrease in interest on commercial papers to ₹1,026.21 million in Fiscal Year 2025 from ₹1,425.87 million in Fiscal Year 2024.

Expenses

Payment processing charges

Payment processing charges increased by 44.73%, or ₹5,217.40 million, to ₹16,881.78 million in Fiscal Year 2025 from ₹11,664.38 million in Fiscal Year 2024, primarily due to an increase in Customer TPV and Merchant TPV on PhonePe Platform. Our Customer TPV increased to ₹132.70 trillion in Fiscal Year 2025 from ₹100.22 trillion in Fiscal Year 2024, while our Merchant TPV increased to ₹15.00 trillion in Fiscal Year 2025 from ₹11.0 trillion in Fiscal Year 2024.

Employee benefits expense

Employee benefits expense increased by 13.67%, or ₹4,927.29 million, to ₹40,967.05 million in Fiscal Year 2025 from ₹36,039.76 million in Fiscal Year 2024 primarily due to an increase in salaries, wages and bonus to ₹15,971.56 million in Fiscal Year 2025 from ₹12,963.46 million in Fiscal Year 2024, which was mainly driven by annual increases in employee compensation and an increase in our number of employees to 10,909 as of March 31, 2025 from 9,723 as of March 31, 2024, and an increase in share based payments to ₹23,578.62 million in Fiscal Year 2025 from ₹21,931.66 million in Fiscal Year 2024 as a result of new grants of share based payments.

Finance costs

Finance costs increased by 18.42%, or ₹59.51 million, to ₹382.58 million in Fiscal Year 2025 from ₹323.07 million in Fiscal Year 2024, primarily due to an increase in interest on lease liabilities as a result of an increase in leased spaces for office and data centres.

Depreciation and amortisation expense

Depreciation and amortisation expense increased by 21.83%, or ₹2,437.45 million, to ₹13,603.11 million in Fiscal Year 2025 from ₹11,165.66 million in Fiscal Year 2024, primarily due to increases in depreciation of property, plant and equipment to ₹10,102.39 million in Fiscal Year 2025 from ₹9,020.29 million in Fiscal Year 2024, depreciation of right-of-use assets to ₹1,399.71 million in Fiscal Year 2025 from ₹1,075.45 million in Fiscal Year 2024, and amortisation of intangible assets to ₹2,101.01 million in Fiscal Year 2025 from ₹1,069.92 million in Fiscal Year 2024. The increases in depreciation of property, plant and equipment were mainly driven by an increase in computers, laptops, servers, Payment Devices, and other assets related to data centres and employees. The increase in depreciation of right-of-use assets was mainly driven by an increase in lease spaces for office and data centres. The increase in amortisation of intangible assets was mainly driven by the revision of the useful life of an intangible asset, resulting in an accelerated amortisation charge in Fiscal Year 2025.

Other expenses

Other expenses increased by 20.47%, or ₹3,756.41 million, to ₹22,106.45 million in Fiscal Year 2025 from ₹18,350.04 million in Fiscal Year 2024, primarily due to increases in:

- Subcontract expenses and customer support to ₹5,866.94 million in Fiscal Year 2025 from ₹3,511.25 million in Fiscal Year 2024, primarily due to an increase in the number of the contract employees to 17,111 as of March 31, 2025 from 14,207 as of March 31, 2024, which was largely due to an increase in on-ground sales force employed towards merchant acquisition, deployment of Payment Devices, Merchant Lending distribution and servicing towards offline merchants; and
- Information technology infrastructure to ₹4,878.72 million in Fiscal Year 2025 from ₹3,828.07 million in Fiscal Year 2024 related to increase in data connectivity cost for Payment Devices as well as increase in data centre operational expenses to support the growth in Customer and Merchant Transactions;

partially offset by a decrease in advertisement and sales promotions to ₹5,416.54 million in Fiscal Year 2025 from ₹6,910.48 million in Fiscal Year 2024 due to a decrease in brand marketing expense.

Share of profit of associate, net of taxes

Our Share of profit of associate, net of taxes increased by 6.75%, or ₹17.17 million, to ₹271.55 million in Fiscal Year 2025 from ₹254.38 million in Fiscal Year 2024 primarily due to higher profit after tax from the associate for the year.

Total tax expense/ (credit)

Total tax expense/ (credit) decreased by 22.25%, or ₹23.32 million, to ₹(81.50) million in Fiscal Year 2025 from ₹(104.82) million in Fiscal Year 2024. The tax credit represents reversal of deferred tax liabilities.

Restated profit/ (loss)

As a result of the foregoing, restated profit/ (loss) decreased by 13.46%, or ₹2,687.61 million, to ₹(17,274.10) million in Fiscal Year 2025 from ₹(19,961.71) million in Fiscal Year 2024.

Fiscal Year 2024 Compared to Fiscal Year 2023

Revenue from operations

Revenue from operations increased by 73.77%, or ₹21,498.46 million, to ₹50,641.33 million in Fiscal Year 2024 from ₹29,142.87 million in Fiscal Year 2023.

- ***Payment Services:*** Payments services increased by 76.89%, or ₹20,813.94 million, to ₹47,885.09 million in Fiscal Year 2024 from ₹27,071.15 million in Fiscal Year 2023, primarily due to increases in transaction processing fees paid by merchants and business partners, platform fees and transaction processing fees paid by consumers and subscription fees on Payment Devices from offline merchants. Such increases were primarily led by increases in Customer and Merchant TPV on PhonePe Platform. Customer TPV increased to ₹100.22 trillion in Fiscal Year 2024 from ₹69.55 trillion in Fiscal Year 2023, while Merchant TPV increased to ₹11.00 trillion in Fiscal Year 2024 from ₹7.55 trillion in Fiscal Year 2023. MAC increased to 197.43 million in Fiscal Year 2024 from 160.73 million in Fiscal Year 2023.
- ***Lending and Insurance Distribution services:*** Lending and Insurance Distribution services increased by 545.40%, or ₹1,530.07 million, to ₹1,810.61 million in Fiscal Year 2024 from ₹280.54 million in Fiscal Year 2023, primarily due to increases in Insurance distribution fees and Lending sourcing and service fees. The increase in Insurance distribution fees was on account of an increase in the number of policies distributed, while the increase in Lending sourcing and service fees was because we started our Lending Distribution business and began earning lending sourcing and service fees on loans disbursed by lender partners in March 2023.
- ***Other services:*** Other services, which includes revenue from stock broking, mutual fund distribution and marketplace platform services, decreased by 43.93%, or ₹174.72 million, to ₹223.01 million in Fiscal Year 2024 from ₹397.73 million in Fiscal Year 2023, primarily due to the cessation of the B2B business, aligning with our strategic decision to focus exclusively on B2C operations in Indus Appstore, partially offset by an increase in revenue from Share.Market and the Pincode business, both of which were launched in Fiscal Year 2024, as well as an increase in revenue from our Mutual funds distribution business due to its expansion.
- ***Other operating revenue:*** Other operating revenue decreased in Fiscal Year 2024 from Fiscal Year 2023, primarily due to a decrease in incentives on Payment Services of 49.71%, or ₹690.21 million, to ₹698.29 million in Fiscal Year 2024 from ₹1,388.50 million in Fiscal Year 2023. Such incentives were received towards deployment of Payment Devices under the RBI's PIDF scheme, which was launched in January 2021. The decrease was because of the variability in our revenue recognition pattern.

Other income

Other income increased by 289.05%, or ₹4,889.20 million, to ₹6,580.67 million in Fiscal Year 2024 from ₹1,691.47 million in Fiscal Year 2023, primarily due to Foreign exchange gain (net) of ₹1,507.82 million in Fiscal Year 2024 as compared to nil in Fiscal Year 2023, an increase in interest on fixed deposits with banks and NBFCs to ₹2,754.54 million in Fiscal Year 2024 from ₹385.68 million in Fiscal Year 2023 as a result of an increase in fixed deposits, and an increase in interest on commercial papers to ₹1,425.87 million in Fiscal Year 2024 from ₹188.80 million in Fiscal Year 2023 as a result of higher balances held in commercial papers.

Expenses

Payment processing charges

Payment processing charges increased by 74.89%, or ₹4,994.72 million, to ₹11,664.38 million in Fiscal Year 2024 from ₹6,669.66 million in Fiscal Year 2023, primarily due to increases in Customer TPV and Merchant TPV. Our Customer TPV on PhonePe Platform increased to ₹100.22 trillion in Fiscal Year 2024 from ₹69.55 trillion in Fiscal Year 2023, while our Merchant TPV on PhonePe Platform increased to ₹11.00 trillion in Fiscal Year 2024 from ₹7.55 trillion in Fiscal Year 2023.

Employee benefits expense

Employee benefits expense increased by 16.39%, or ₹5,074.02 million, to ₹36,039.76 million in Fiscal Year 2024 from ₹30,965.74 million in Fiscal Year 2023 primarily due to increases in salaries, wages and bonus (includes transactions with related parties) to ₹12,963.46 million in Fiscal Year 2024 from ₹9,663.54 million in Fiscal Year 2023 as a result of annual increases in employee compensation and an increase in our number of employees to 9,723 as of March 31, 2024 from 4,372 as of March 31, 2023. The increase in the number of employees was led by transition of a significant portion of our sales workforce from off-roll to on-roll employment to drive long-term retention, extend employee benefits, and strengthen merchant relationships through greater workforce stability and consistency in field engagement. The increase in employee benefits expense was partially due to an increase in share based payments to ₹21,931.66 million in Fiscal Year 2024 from ₹20,573.12 million in Fiscal Year 2023 as a result of new grants of share based payments.

Finance costs

Finance costs increased by 43.03%, or ₹97.19 million, to ₹323.07 million in Fiscal Year 2024 from ₹225.88 million in Fiscal Year 2023 primarily due to an increase in interest on lease liabilities as a result of an increase in leased spaces for office and data centres.

Depreciation and amortisation expense

Depreciation and amortisation expense increased by 108.09%, or ₹5,799.78 million, to ₹11,165.66 million in Fiscal Year 2024 from ₹5,365.88 million in Fiscal Year 2023, primarily due to increases in depreciation of property, plant and equipment to ₹9,020.29 million in Fiscal Year 2024 from ₹4,273.11 million in Fiscal Year 2023, depreciation of right-of-use assets to ₹1,075.45 million in Fiscal Year 2024 from ₹724.76 million in Fiscal Year 2023, and amortisation of intangible assets to ₹1,069.92 million in Fiscal Year 2024 from ₹368.01 million in Fiscal Year 2023. The increase in depreciation of property, plant and equipment was mainly driven by an increase in depreciation of servers, Payment Devices, and other assets related to data centres and employees. The increase in depreciation of right-of-use assets was mainly driven by an increase in lease spaces for office and data centres. The increase in amortisation of intangible assets was mainly driven by an increase in amortisation cost of newly acquired intangible assets in Fiscal Year 2024.

Other expenses

Other expenses increased by 15.88%, or ₹2,514.86 million, to ₹18,350.04 million in Fiscal Year 2024 from ₹15,835.18 million in Fiscal Year 2023, primarily due to an increase in:

- Information technology infrastructure to ₹3,828.07 million in Fiscal Year 2024 from ₹2,162.25 million in Fiscal Year 2023 related to increase in data connectivity cost for Payment Devices as well as increases in data centre operational expenses to support the growth in the Customer and Merchant Transactions on PhonePe Platform;
- Subcontract expenses and customer support to ₹3,511.25 million in Fiscal Year 2024 from ₹3,105.98 million in Fiscal Year 2023 due to increase in on-ground sales force employed towards merchant acquisition, deployment of Payment Devices, Merchant Lending distribution and servicing towards offline merchants. This increase was partially offset by the transition of a significant portion of the sales workforce from off-roll to on-roll employment; and
- Advertisement and sales promotions to ₹6,910.48 million in Fiscal Year 2024 from ₹6,516.35 million in Fiscal Year 2023, which was in relation to support for consumer and merchant acquisition, retention, and engagement.

partially offset by a decrease in foreign exchange loss (net) to nil in Fiscal Year 2024 from ₹946.42 million in Fiscal Year 2023.

Share of profit of associate, net of taxes

Our share of profit of associate, net of taxes increased by 24.39%, or ₹49.87 million, to ₹254.38 million in Fiscal Year 2024 from ₹204.51 million in Fiscal Year 2023 primarily due to higher profit after tax from the associate for the year.

Total tax expense/ (credit)

Total tax expense/ (credit) increased by 66.91%, or ₹(42.02) million, to ₹(104.82) million in Fiscal Year 2024 from ₹(62.80) million in Fiscal Year 2023. The tax credit represents reversal of deferred tax liabilities.

Restated profit/ (loss)

Restated profit/ (loss) decreased by (28.61)%, or ₹7,998.98 million, to ₹(19,961.71) million in Fiscal Year 2024 from ₹(27,960.69) million in Fiscal Year 2023.

Liquidity and Capital Resources

Our primary liquidity requirements have been to finance working capital, capital expenditures and general corporate purposes.

Our primary sources of liquidity have been proceeds from our cash flows from operating activities and equity fund raising activities, proceeds from short term borrowings and funds generated from short-term investments. As of September 30, 2025, we had Bank balances and Investments amounting to ₹121,597.71 million, which includes ₹55,487.00 million impact arising due to ESOP-related corporate action. For more details, please refer to “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Key Corporate Actions*” on page 404. For a reconciliation of non-GAAP measures, see “*Other Financial Information – Non-GAAP Financial Measures – Reconciliation of non-GAAP measures*” on page 380.

We believe that our available cash and cash equivalents and cash flows expected to be generated from operations will be adequate to satisfy our current and planned operations and our current and short-term financial obligations for the next 12 months. We believe that our sources of liquidity and capital resources will be sufficient to meet our business needs for at least the next two years. We may, however, need additional cash resources in the future if we experience changes in our business condition or other developments, or if we find and wish to pursue opportunities for investments, acquisitions, capital expenditures or similar actions. If we determine that our cash requirements exceed the amount of cash and cash equivalents we have on hand at the time or that at any given time, we may seek to issue equity or debt securities or obtain credit facilities.

Cash Flows

The table below summarises our statement of cash flows for the periods/ fiscal years indicated.

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
	(All amounts in ₹ million)				
Net cash flows generated from/ (used in) operating activities	(1,172.71)	10,126.52	12,019.84	(6,291.52)	(7,682.50)
Net cash flows (used in) investing activities	(48,055.72)	(16,030.17)	(13,120.99)	(6,977.74)	(48,155.65)
Net cash flows generated from/ (used in) financing activities	54,538.66	(716.11)	(1,562.86)	15,138.33	59,913.98
Cash and cash equivalents at end of the period/ year	11,275.77	1,961.40	5,954.14	8,579.00	6,702.06

Net cash flows generated from/ (used in) operating activities

Net cash flows used in operating activities for the six months period ended September 30, 2025 was ₹(1,172.71) million, while our operating profit before working capital changes was ₹3,516.86 million. This difference was primarily attributable to changes in working capital, including decreases in other financial liabilities of ₹(8,069.18) million, cash-settled share based payment liabilities of ₹(1,279.50) million, trade payables of ₹(783.27) million and other liabilities of ₹(587.41) million and an increase in trade receivables of ₹(493.45) million, partially offset by decreases in other financial assets of ₹4,602.42 million and other assets of ₹1,878.06 million, together with an increase in provisions of ₹305.68 million.

Net cash flows generated from operating activities in Fiscal Year 2025 was ₹12,019.84 million, while our operating profit before working capital changes was ₹15,626.41 million. This difference was primarily attributable to changes in working capital, which include an increase in other financial assets of ₹(18,211.34) million, and a decrease in cash-settled share based payment liabilities of ₹(4,947.01) million, an increase in other assets of ₹(1,455.78) million and an increase in trade receivables of

₹(1,210.54) million, partially offset by an increase in other financial liabilities of ₹16,515.53 million, an increase in trade payables of ₹4,045.50 million, and an increase in other liabilities of ₹1,400.33 million.

Net cash flows used in operating activities in Fiscal Year 2024 was ₹(6,291.52) million, while our operating profit before working capital changes was ₹6,648.28 million. This difference was primarily attributable to changes in working capital, which include a decrease in cash-settled share based payment liabilities of ₹(9,937.26) million, an increase in trade receivables of ₹(3,715.70) million, an increase in other financial assets of ₹(2,194.91) million, and an increase in other assets of ₹(885.23) million, partially offset by an increase in trade payables of ₹2,973.18 million and an increase in other liabilities of ₹846.64 million.

Net cash flows used in operating activities in Fiscal Year 2023 was ₹(7,682.50) million, while our operating loss before working capital changes was ₹(8,679.96) million. This difference was primarily attributable to changes in working capital, which include an increase in other financial liabilities of ₹6,838.65 million, a decrease in trade receivables of ₹916.97 million and an increase in provisions of ₹306.26 million, partially offset by an increase in other financial assets of ₹(1,725.52) million, a decrease in cash-settled share based payment liabilities of ₹(2,622.41) million, an increase in other assets of ₹(2,177.25) million and a decrease in trade payables of ₹(349.15) million.

Net cash flows (used in) investing activities

Net cash flows (used in) investing activities for the six months period ended September 30, 2025 was ₹(48,055.72) million. This was primarily due to purchase of current investments of ₹(100,036.37) million, investment in bank deposits (original maturity more than three months) of ₹(25,100.44) million, and purchase of property, plant and equipment, including capital advances, capital work in progress and other intangible assets of ₹(3,048.15) million, partially offset by sale of current investments of ₹51,085.67 million, redemption/maturity of bank deposits (original maturity more than three months) of ₹22,050.00 million, proceeds from sale of partial stake in associate of ₹4,808.94 million, interest received of ₹2,144.85 million, dividend received from associate of ₹26.17 million, and proceeds from sale of property, plant and equipment of ₹13.61 million.

Net cash flows (used in) investing activities in Fiscal Year 2025 was ₹(13,120.99) million. This was primarily due to purchase of current investments of ₹(98,997.87) million, investment in bank deposits (original maturity more than three months) of ₹(47,565.09) million, and purchase of property, plant and equipment, including capital advances, capital work in progress and other intangible assets of ₹(8,563.98) million, partially offset by sale of current investments of ₹88,379.73 million, redemption/maturity of bank deposits (original maturity more than three months) of ₹48,688.23 million, and interest received of ₹4,890.54 million.

Net cash flows (used in) investing activities in Fiscal Year 2024 was ₹(6,977.74) million. This was primarily due to purchase of current investments of ₹(105,699.78) million, investment in bank deposits (original maturity more than three months) of ₹(35,878.15) million, and purchase of property, plant and equipment, including capital advances, capital work in progress and other intangible assets of ₹(13,327.66) million, partially offset by sale of current investments of ₹141,825.42 million, redemption/maturity of bank deposits (original maturity more than three months) of ₹4,242.50 million and interest received of ₹1,823.43 million.

Net cash flows (used in) investing activities in Fiscal Year 2023 was ₹(48,155.65) million. This was primarily due to purchase of current investments of ₹(77,284.88) million, purchase of property, plant and equipment, including capital advances, capital work in progress and other intangible assets of ₹(13,932.45) million, investment in bank deposits (original maturity more than three months) of ₹(4,107.50) million, acquisition of entity under common control of ₹(5,740.56) million, and acquisition of subsidiaries (net of cash acquired) of ₹(3,304.04) million, partially offset by sale of current investments of ₹51,072.60 million and redemption/maturity of bank deposits (original maturity more than three months) of ₹6,102.17 million.

Net cash flows generated from/ (used in) financing activities

Net cash flows generated from financing activities for the six months period ended September 30, 2025 was ₹54,538.66 million, mainly comprising proceeds received to settle withholding tax on employees' ESOP exercise amounting to ₹55,487.00 million, and proceeds from the issue of equity share capital of ₹63.86 million, partially offset by the payment of principal portion of lease liabilities of ₹(771.54) million and interest on lease liabilities of ₹(239.54) million.

Net cash flows used in financing activities in Fiscal Year 2025 was ₹(1,562.86) million, mainly comprising payment of principal portion of lease liabilities of ₹(1,183.18) million and interest on lease liabilities of ₹(379.68) million.

Net cash flows generated from financing activities in Fiscal Year 2024 was ₹15,138.33 million, mainly comprising proceeds from the issue of equity share capital of ₹16,387.74 million and proceeds from short term borrowings of ₹8,300.45 million, partially offset by repayment of short term borrowings of ₹(8,300.45) million, payment of principal portion of lease liabilities of ₹(933.81) million and interest on lease liabilities of ₹(303.66) million.

Net cash flows generated from financing activities in Fiscal Year 2023 was ₹59,913.98 million, mainly comprising proceeds from the issue of equity share capital of ₹61,248.16 million and proceeds from short term borrowings of ₹6,993.39 million, partially offset by repayment of short term borrowings of ₹(7,253.77) million and payment of principal portion of lease liabilities of ₹(556.85) million and interest on lease liabilities of ₹(196.57) million.

Non-GAAP Measures

When evaluating our business, we consider and use certain non-GAAP financial measures, which are defined as measures that are not Ind AS metrics, as presented below, as supplemental measures to review and assess our financial performance. Our non-GAAP measures comprise EBITDA, EBIT, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBIT, Adjusted EBIT Margin, Profit/ (loss) Margin, Adjusted profit/ (loss), Adjusted profit/ (loss) Margin, Free cash generated/ (used), Bank balances and Investments, Net-worth, Return on Net worth, Net Asset Value per equity share, Total revenue from payment services and Adjusted employee benefits expense. Such non-GAAP measures are not intended to be viewed in isolation or as a substitution for the Restated Consolidated Financial Information. We present these in this Updated Draft Red Herring Prospectus – I because they are used by us to evaluate our operating performance. These non-GAAP measures are not required by, or presented in accordance with, Ind AS, IFRS or U.S. GAAP, and have limitations as analytical tools. Further, these non-GAAP financial measures may differ from similar information used by other companies, including peer companies, and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operations. The principal limitation of these non-GAAP measures is that they exclude significant expenses that are required by Ind AS to be recorded in our financial statements, as further detailed below. Although these Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS.

For a reconciliation of each non-GAAP measure to the most directly comparable Ind AS measure based on our Restated Consolidated Financial Information, see “*Other Financial Information – Non-GAAP Financial Measures – Reconciliation of non-GAAP measures*” on page 380. Investors are encouraged to review the related GAAP measures and the reconciliation of non-GAAP measures to their most directly comparable GAAP measure included below and to not rely on any single financial measure to evaluate our business.

See also “*Risk Factors— Certain differences exist between Ind AS and other accounting principles, particularly U.S. GAAP, which may be material to investors’ assessments of our financial condition, results of operations, and cash flows. While Ind AS is largely based on International Financial Reporting Standards, certain carve-outs specific to the Indian economic environment may lead to differences.*” on page 95 and see “*Risk Factors – We track certain metrics and non-GAAP measures with internal systems and tools. Certain of these metrics are subject to inherent challenges in measurement and any real or perceived inaccuracies in such metrics may adversely affect our business and reputation*” on page 86.

Borrowings

We did not have any borrowings as of September 30, 2025 and 2024, and March 31, 2025, 2024 and 2023.

Contractual Obligations

The table below sets forth our contractual obligations as of the dates indicated.

(All amounts in ₹ million)

Particulars	Current	Non-Current	Total
As of September 30, 2025			
Financial liabilities			
Trade payables (A)	7,872.65	-	7,872.65
Lease liabilities (B)	2,095.34	6,248.00	8,343.34
Other financial liabilities (C)	44,367.31	-	44,367.31
Cash-settled share based payment liabilities (D)	-	7,187.07	7,187.07
Total undiscounted financial liabilities (E = A+B+C+D)	54,335.30	13,435.07	67,770.37
As of March 31, 2025			

(All amounts in ₹ million)

Particulars	Current	Non-Current	Total
Financial liabilities			
Trade payables (A)	8,642.44	-	8,642.44
Lease liabilities (B)	2,038.13	5,895.06	7,933.19
Other financial liabilities (C)	51,979.61	-	51,979.61
Cash-settled share based payment liabilities (D)	-	10,404.11	10,404.11
Total undiscounted financial liabilities (E = A+B+C+D)	62,660.18	16,299.17	78,959.35

Contingent Liabilities and Commitments

The following table sets forth the principal components of our contingent liabilities as per Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets as of September 30, 2025 and 2024, and March 31, 2025, 2024 and 2023.

(All amounts in ₹ million)

Particulars	As of September 30,		As of March 31,		
	2025	2024	2025	2024	2023
Contingent liability	-	-	-	-	-

The following table sets forth commitments as per Ind AS 16 Property, Plant and Equipment and Ind AS 116 Leases as of September 30, 2025 and 2024, and March 31, 2025, 2024 and 2023.

(All amounts in ₹ million)

Particulars	As of September 30,		As of March 31,		
	2025	2024	2025	2024	2023
Commitments					
Towards property, plant and equipment (net of capital advances)	3,548.30	2,322.42	2,404.26	3,587.44	5,492.79
Towards right-of-use assets	1,956.63	253.41	-	9.60	-

Capital Expenditures

Our historical capital expenditures, in terms of purchase of property, plant and equipment, including capital advances, capital work in progress and other intangible assets, consists of cash used in investing activities for the purchase of intellectual property rights, servers, computers, Payment Devices and leasehold office improvements. The table below sets forth our purchase of property, plant and equipment, including capital advances, capital work in progress and other intangible assets for the periods/fiscal years indicated.

(All amounts in ₹ million)

Particulars	For the six months period ended September 30,		For the fiscal year ended March 31,		
	2025	2024	2025	2024	2023
Purchase of property, plant and equipment, including capital advances, capital work in progress and other intangible assets	(3,048.15)	(6,916.00)	(8,563.98)	(13,327.66)	(13,932.45)

Off-Balance Sheet Arrangements

As of September 30, 2025, we did not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We enter into various transactions with related parties. For further information, see “Other Financial Information – Related Party Transactions” on page 383.

Quantitative and Qualitative Disclosures about Market Risks

We are exposed to financial risks arising from our operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks.

There has been no change to our exposure to these financial risks or the manner in which we manage and measure the risks.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. Our objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. We manage credit risk by continuously monitoring the creditworthiness of the parties that we deal with in the normal course of business.

Our exposure to credit risk arises primarily from trade and other receivables. We apply 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. We have computed expected credit losses using a provision matrix based on our historical credit loss experience. Credit risk on balances with banks (including short term deposits), financial institutions, commercial papers/ certificate of deposits, liquid mutual funds is limited as we only deal with counterparties which have high credit rating given by external rating agencies as well as based on our internal assessment and managed by us in accordance with our 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, being the total of the carrying amount of balances with banks, bank deposits, investments, trade receivables and other financial assets, was ₹141,916.64 million as of September 30, 2025 (September 30, 2024: Rs. 73,258.51, March 31, 2025: ₹82,197.02 million, March 31, 2024: ₹65,560.38 million; March 31, 2023: ₹62,599.38 million). None of our cash equivalents, including time deposits with banks and other investments, are past due or impaired.

Information regarding financial assets that are impaired is disclosed below:

(All amounts in ₹ million)

Financial assets that are impaired	As of September 30,		As of March 31,		
	2025	2024	2025	2024	2023
Trade receivables	726.43	740.43	568.63	528.33	317.28
Other financial assets	372.36	358.03	329.92	264.85	166.09
Loans	-	-	-	-	76.19
Total past due and impaired	1,098.79	1,098.46	898.55	793.18	559.56

Liquidity risk

Liquidity risk is the risk that we will encounter difficulty in meeting financial obligations due to shortage of funds. Our exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. Our objective is to maintain a balance between continuity of funding and flexibility.

Considering the nature of our business activity, the concentration of liquidity risk is low as Merchant Payments are generally backed by customer receivables in a designated escrow account. We have obtained fund and non-fund-based lines of credit from various banks. We invest our surplus funds in fixed deposits, liquid mutual fund schemes and commercial papers, which carry no/low mark to market risks.

Foreign currency risk

Our exposure to currency risk relates primarily to our operating activities where the transactions are denominated in a currency other than our functional currency.

Foreign exchange rate sensitivity

The fluctuation in foreign currency exchange rates may have potential impact on our results of operations or financial condition where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than our functional currency.

The impact on our profit/ loss before tax due to changes in the foreign currency rate is as below:

(All amounts in ₹ million, unless otherwise provided)

Particulars	As of September 30,		As of March 31,		
	2025	2024	2025	2024	2023
Percentage points	(+/-) 5%	(+/-) 5%	(+/-) 5%	(+/-) 5%	(+/-) 5%
Increase/decrease in loss before tax	7.48	3.11	118.86	7.50	1,027.82

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market interest rates. We have 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 we do not have borrowings as of September 30, 2025 (March 31, 2025: Nil, September 30, 2024: Nil; March 31, 2024: Nil; March 31, 2023: Nil).

Significant Economic Changes

Other than as described in “Risk Factors” and “Industry Overview” beginning on pages 39 and 156, respectively, to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

Unusual or Infrequent Events of Transactions

Except as described in this Updated Draft Red Herring Prospectus – I, there have been no events or transactions that, to our knowledge, may be described as “unusual” or “infrequent” that have in the past or may in the future affect our business operations or future financial performance.

Known Trends or Uncertainties

Our business has been affected, and we expect will continue to be affected by the trends identified above in the heading titled “—Principal Factors Affecting Financial Condition and Results of Operations” and the uncertainties described in “Risk Factors” beginning on pages 396 and 39, respectively. To our knowledge, except as described or anticipated in this Updated Draft Red Herring Prospectus – I, there are no known factors which we expect will have a material adverse impact on our sales, revenues or income from continuing operations.

Future Relationship Between Costs and Revenues

Other than as described elsewhere in this Updated Draft Red Herring Prospectus – I, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

Competitive Conditions

We face competition in various aspects of our business, and we expect such competition to grow in the future.

New Products or Business Segments Expected

Except as disclosed in “Our Business” on page 194, and products that we announce in the ordinary course of business, we have not announced and do not expect to announce in the near future any new products or business segments as of the date of this Updated Draft Red Herring Prospectus – I.

Seasonality of Business

Our business is not influenced by seasonality.

Significant Dependence on Single or Few Suppliers

We do not have any material dependence on a single or few suppliers. However, see also “Risk Factors — *In line with the extant UPI guidelines, we participate in the UPI payment system through Payment System Provider (“PSP”) banks. Consequently, we are dependent on the three sponsor PSP banks, namely Yes Bank Limited, Axis Bank Limited, and ICICI Bank Limited. Any change in commercial terms, disruption, failure, or operational breakdown within one or more of these PSP banks, especially if occurring simultaneously, could have an adverse effect on our business.*” on page 43. Our business, financial condition and results of operations could be adversely affected if the operations or our relationships with more than one of such suppliers is discontinued or disrupted concurrently.

Auditor Observations

Our Statutory Auditors have identified certain modifications in the Report on Other Legal and Regulatory Requirements of auditor’s report for the Fiscal Years 2025, 2024 and 2023.

- **Fiscal Year 2025**

- *Maintenance of books of account and other related matters:* The location of the backup servers with respect to backup of certain ancillary applications was not mentioned in the System and Organisation Controls (SOC) report. Accordingly, our statutory auditors were unable to ascertain whether the back up of ancillary applications is performed on servers physically located in India.
- *Audit trail:*
 - With respect to our Company and its subsidiaries incorporated in India, the audit trail feature was not enabled in legacy software in Fiscal Year 2024 and during the period from April 1, 2024 to April 24, 2024 in Fiscal Year 2025. Additionally, as per the statutory requirements for record retention, the audit trail for the current year and previous year were not preserved by our Company and its subsidiaries to the extent it was not enabled and recorded for the current year and previous year.
 - Our Company and one subsidiary have used certain other accounting software for maintaining books of account that does not have the feature of recording the audit trail. Accordingly, the audit trail has not been preserved for the current year and previous year.
 - Our Company has used an ancillary accounting software which is operated by a third-party software service provider for maintaining our books of account. The System and Organisation Control (SOC) report does not include information related to the audit trail. Accordingly, our statutory auditors were unable to comment whether the audit trail has been preserved by the Company as per the statutory requirements for record retention.

- **Fiscal Year 2024**

- *Maintenance of books of account and other related matters:* With respect to our Group, while books of account and daily backups have been maintained in electronic mode on server physically located in India, except for certain ancillary applications, supporting computation and an application acting as a repository are hosted on servers outside India.

- *Audit trail:*

- Our Company and its subsidiaries incorporated in India have used an accounting software where the feature of recording the audit trail was not enabled throughout the year for all relevant transactions recorded in the software. Accordingly, our statutory auditors were unable to comment whether in Fiscal Year 2024 there was any instance of the audit trail feature being tampered with in respect of accounting software.
- Our Company has used certain accounting software for maintaining books of account which does not have the audit trail (edit log) feature. Our Company and its eight subsidiaries incorporated in India, have also used certain accounting software which are operated by third-party software service providers for maintaining books of account. The System and Organisation Control reports do not include information related to the audit trail. Accordingly, our statutory auditors were unable to comment upon tampering of the audit trail feature.

- **Fiscal Year 2023**

- *Maintenance of books of account and other related matters:* With respect to our Group, books of account and daily backups have been maintained in electronic mode on servers physically located in India, except that certain ancillary applications, supporting computation and an application acting as a repository are hosted on servers outside India.

In addition, our auditor's reports also had qualifications under the Companies (Auditor's Report) Order, 2020 related to undisputed dues for provident fund being outstanding at the end of Fiscal Years 2025 and 2024, for a period of more than six months from the date they became payable, as shown in the table below:

Fiscal Year	Name of the Statute	Nature of the Dues	Amount (₹)	Period to which the amount relates	Due date	Date of Payment
2025	The Employee's Provident Funds and Miscellaneous Provisions Act, 1952	Employee's Provident Fund	2.09 million	Various dates	Various dates	₹1.28 million paid on various dates
2024	The Employee's Provident Funds and Miscellaneous Provisions Act, 1952	Employee's Provident Fund	30 million	Various dates	Various dates	-

For further details on the rationale for delay in payments and remediation steps taken, please refer to “*Risk Factors – There have been instances of delay in payment of statutory dues by our Company in the past. Any delay in payment of statutory dues by our Company in future, may result in the imposition of penalties and in turn may have an adverse effect on our Company's business, financial condition, results of operations, cash flows and prospects.*” beginning on page 75. There can be no assurance that any similar observations, qualifications, modifications, material uncertainties, remarks or matters of emphasis will not form part of the audit reports on our financial statements for future fiscal periods, or that such remarks will not affect our financial results in future fiscal periods.

Significant Developments After September 30, 2025

Except as disclosed below and elsewhere in this Updated Draft Red Herring Prospectus – I, to our knowledge, no circumstances have arisen since the date of the Restated Consolidated Financial Information as disclosed in this Updated Draft Red Herring Prospectus – I which materially and adversely affect or are likely to affect our operations or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months.

Our Company refined its strategy for our Pincode business towards further developing integrated merchant business solutions aimed at enhancing merchant engagement and enabling offline stores with technology tools. As part of this strategy refinement, our Company has transitioned out of the Pincode consumer mobile application, which was a hyperlocal e-commerce platform.

Recent Accounting Pronouncements

The Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, effective from April 1, 2025. Key changes include amendments to:

- Ind AS 21 - Lack of exchangeability
- Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- Ind AS 7 and Ind AS 107 – Supplier Finance Arrangements
- Ind AS 12 – International Tax Reform-Pillar Two Model Rules

These amendments are not expected to have a material impact on the Restated Consolidated Financial Information.

Material Accounting Policies

Business Combination

Business combinations, except those under common control, are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date, fair value and the amount of any non-controlling interests in the acquiree. For each business combination, we elect whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed in the periods in which the costs are incurred, and the services are received, with the exception of the costs of issuing debt or equity securities that are recognised in accordance with Ind AS 32 and Ind AS 109.

We determine that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

The following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- (i) Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits, respectively.
- (ii) Liabilities or equity instruments related to share based payment arrangements of the acquiree or share based payments arrangements we entered into to replace share based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share based Payments at the acquisition date.
- (iii) Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date, fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, we report provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

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 transferee's 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 Restated Consolidated Financial Information if the business combination date is prior to that date. However, if the business combination date is after that date, the financial information in the Restated Consolidated Financial Information 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.

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 our 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. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Investment in associate

An associate is an entity over which we have significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The considerations made in determining whether significant influence exists is similar to those necessary to determine control over the subsidiaries. Our investment in our associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in our share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The Restated Consolidated Financial Information reflects our share of the results of operations of the associate. Any change in OCI of those investees is presented as part of our OCI. In addition, when there has been a change recognised directly in the equity of the associate, we recognise our share of any changes, when applicable, in the Restated Consolidated Financial Information. Unrealised gains and losses resulting from transactions between us and the associate are eliminated to the extent of the interest in the associate. The financial statements of the associate are prepared for the same reporting period as ours. When necessary, adjustments are made to bring the accounting policies in line with ours. Investments in associates are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. The impairment review compares the net carrying value with the recoverable amount, where the recoverable amount is the higher of the value in use calculated as the present value of our share of the associate's future cash flows and our fair value less costs of disposal. We determine the event or change in circumstance that triggers deemed disposal. We assess the fair value of the investment at the time of deemed disposal and account for any gain/loss arising out of the same post assessment of whether or not the deemed disposal results in a loss of significant influence.

Current and non-current classification

We present assets and liabilities in the Restated Consolidated Financial Information based on current and non-current classification. An asset is classified as current when:

- It is expected to realise the asset, or intends to sell or consume it in our 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.

We classify 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.

We classify 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. We have identified twelve months as our operating cycle.

Foreign currency

Functional and presentation currency

The functional currency of our Company and its Indian subsidiaries is Rs. whereas the functional currency of foreign subsidiaries is the currency of the primary economic environment in which the respective entity operates. The Restated Consolidated Financial Information is presented in Rs., which is also the company's functional currency.

Transactions and balances

Transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. 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 our Restated Consolidated Financial Information in the period in which they arise, apart from exchange differences on monetary items forming part of the net investment in a foreign operation. Non-monetary items that are measured at 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.

Foreign currency translations

The assets and liabilities of our foreign operations are translated into Rs. at exchange rates prevailing at the Balance Sheet date. Profits and losses are translated at average exchange rates for the relevant accounting periods. Exchange differences arising are recognised in Other Comprehensive Income (OCI) and are included in our Foreign currency translation reserve. Such translation differences are recognised as income or expenses in the period in which the operation is disposed of.

Property, plant and equipment

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 us and the cost of the item can be measured reliably. All repair and maintenance costs are recognised in the Restated Consolidated Financial Information 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.

Depreciation

We depreciate 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 until installation is 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 equipment, furniture and fixtures and electrical installations)	5 years

Leasehold improvements are depreciated over the estimated useful life or the lease period, whichever is lower. Based on technical evaluation done by management’s expert, we depreciate 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 Restated Consolidated Financial Information in the year the asset is de-recognised and is presented as adjustments in the note to Property, plant and equipment in these Restated Consolidated Financial Information.

Intangible assets

Separately purchased intangible assets are initially measured at cost, being the purchase price as at the date of acquisition. On acquisition of controlling interests in companies, we recognise any specifically identifiable intangible assets separately from goodwill. These intangible assets are initially measured at fair value as at the date of acquisition. The determination of the fair values of the separately identified intangibles, is based, to a considerable extent, on management’s judgement.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment loss, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Restated Consolidated Financial Information when it is incurred. Subsequent expenditures are capitalised 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 Restated Consolidated Financial Information.

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 amortised 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.

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 recognised on the Restated Consolidated Financial Information when we become 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 recognised 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 Fair Value Through Other Comprehensive Income (FVTOCI);
- Financial assets at Fair Value Through profit and loss (FVTPL); and
- Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost for “Cash-settled share based payment liabilities”.

Financial assets

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

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 of the following criteria:

- the asset is held within a business model whose objective is to hold the asset to collect contractual cash flows, and
- 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 Restated Consolidated Financial Information. The losses arising from impairment are recognised in the Restated Consolidated Financial Information. Our financial assets at amortised cost includes trade receivables and investments in commercial papers 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:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- 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, we 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 we benefit 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. We 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 and interest income earned on FVTPL instruments are recognised in the Restated Consolidated Financial Information.

Financial liabilities:

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

Financial liabilities measured at amortised cost:

After initial recognition, financial liabilities are subsequently measured at amortised 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

We derecognise 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 we neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, we continue to recognise the transferred asset to the extent of our continuing involvement. In that case, we also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that we have 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 we could be required to repay.

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 Restated Consolidated Financial Information. In addition, on de-recognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated is reclassified to Restated Consolidated Financial Information. In contrast, on de-recognition of an investment in equity instrument which we have elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to Restated Consolidated Financial Information but is transferred to retained earnings.

Financial liabilities

We derecognise financial liabilities when, and only when, our 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 Restated Consolidated Financial Information.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, we currently have 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.

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. We hold the Trade receivables with the objective to collect the contractual cash flows and therefore measure them subsequently at amortised cost using the effective interest method, less any impairment.

Impairment

Financial Assets

Ind AS 109 requires the Group 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 lifetime basis. The Group 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 recognised as an impairment gain or loss in the Restated Consolidated Summary Statement of Profit and Loss.

Non-financial assets

We assess 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 our 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 the Restated Consolidated Financial Information. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions, and highly liquid investments with 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.

Restricted Cash

Restricted cash refers to cash that is not available for general use by us. 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 Restated Consolidated Financial Information. We 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/utilised.

Semi-closed wallet

We operate a semi-closed wallet (SCW), wherein monies received from subscribers are deposited in an escrow bank account. The amounts received from subscribers are recorded as wallet balance and disclosed under Other financial assets and corresponding wallet liabilities are presented under Other financial liabilities in the Restated Consolidated Financial Information.

Provisions

Provisions are liabilities of uncertain timing or amount. A provision is recognised if, as a result of a past event, we have 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.

Employee benefits

Defined benefit plan

In accordance with applicable laws in India, we provide 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 us. 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.

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

We make 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 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.

We treat 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 Restated Consolidated Financial Information and are not deferred. We present the entire leave as a current liability in the balance sheet, since we do not have an unconditional right to defer its settlement for 12 months after the reporting date.

Share based payments

Our employees 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. The cost is recognised in employee benefit expense 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 our best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the Restated Consolidated Financial Information 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 our 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. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

Leases

We assess 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 Group as a lessee

We apply a single recognition and measurement approach for all leases, except for short-term leases. We recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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.

Lease liabilities

The lease liabilities are 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 we are reasonably certain to exercise; penalties for early termination if the lease term reflects our exercising a break option; and payments in an optional renewal period if we are 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 re-measured, 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 our assessment of whether it is reasonably certain to exercise a purchase, extension or break option.

Short-term leases

We have 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. We recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Revenue from operations

We recognise revenue from contracts with customers based on a five-step model as set out in Ind AS 115, Revenue from Contracts with Customers. Our contracts with customers may include multiple performance obligations. For such arrangements, we allocate revenue to each performance obligation based on its relative standalone selling price. 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) we satisfy 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. We include 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.

We consider ourselves as a principal in an arrangement when it controls the service provided. We have concluded that we do not control the service provided by the third-party merchants. Accordingly, commission income on such transactions is included within revenue. Cash received before the services are delivered is recognised as a contract liability / deferred revenue. The amount of consideration does not contain a significant financing component. We provide incentives to our 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 we generate our revenue:

Payment Services

Transaction Processing Fee:

Our consumers are levied Transaction Processing Fee, including Convenience Fee for availing mobile recharges, bill payments, digital gold and digital silver transactions, and travel and transit ticketing services. We also facilitate online and offline Merchant Payments and earn Transaction Processing Fee. Revenue from these services is recognised when the control of service is

transferred to the customer i.e. when the services have been provided by us as per the terms of the contract with customers. We also earn 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 a 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. We generally contract with consumers, merchants, financial institutions, or affiliates of those parties. Amounts received by us pending settlement are disclosed as merchant liabilities under the other financial liabilities. A corresponding asset is recognised as restricted cash for funds held in our PA Escrow Bank Account, while amounts yet to be received are recorded as receivables from payment gateways / banks.

Platform Fee:

We charge 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.

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 a straight-line basis over the period (i.e. over the contractual term).

Lending and Insurance Distribution services

Lending Sourcing and Service Fee:

Revenue as Lending service provider consists of two components: Sourcing Fee and Service Fee.

- Sourcing Fee – Sourcing Fee is recognised on satisfaction of associated performance obligation i.e. on sourcing of customers for lending partners, when amount of loan or credit is transferred to the user's bank account based on agreements entered with the respective lending partners.
- Service Fee – Service Fee for services such as facilitation, collection, monitoring etc., is recognised in line with the period of service obligation as per agreements entered with respective lending partners.

Insurance Distribution Fee:

We earn a distribution fee in the form of commission and rewards from insurance companies on placement of insurance policies. Revenue from placement services is recognised at a point in time, i.e., the date of issue of policy documents by the insurance Company. The revenue is recognised on satisfaction of the performance obligation and is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation as specified in the contract with the customer. We present revenue net of applicable taxes in the Statement of Profit and Loss.

Other services

Stock Broking and Mutual Fund Distribution

Commission - Performance obligations are satisfied over time and commission on mutual fund distribution is recognised based on daily average assets under management (AUM) of the Schemes.

Depository Services - Revenue from depository services in the form of annual maintenance charges is recognised over the period of the performance obligation. Revenue from depository services in the form of transaction charges is recognised at a point in time when the performance obligation is satisfied.

Brokerage Fee - Income from broking activities is recognised on the trade date of transaction (net of goods and services tax (GST), securities transaction tax, stamp duties and other levies by SEBI and stock exchanges).

Marketplace platform services

We generate revenue from online order placement-end and delivery transactions through our Pincode application. We have separate contractual arrangements with the user and third-party sellers/ seller applications, respectively, which specify the rights and obligations of each party. A user initiates the transaction which requires acceptance from the third-party sellers/ seller applications. The acceptance of the transaction, combined with the contractual agreement creates enforceable rights and obligations for each party. Revenue is recognised at a point in time on completion of delivery.

Contract assets

A contract asset is initially recognised for revenue earned from placement of insurance policies under an ongoing premium collection model because the receipt of consideration is conditional on successful receipt of instalment of premium from end customer. Upon receipt of the instalment from the customer, the amount recognised as contract assets is reclassified to trade receivables.

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 we transfer the related services. Contract liabilities are recognised as revenue when we perform under the contract (i.e., transfers control of the related services to the customer).

Government grants

We recognise 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 for.

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 Restated Consolidated Financial Information.

Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the Restated Consolidated Financial Information except to the extent it relates to items directly recognised in equity or in OCI.

Current income tax

Current income tax for the current period is 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. We offset current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously. Current income tax relating to items recognised outside Restated Consolidated Financial Information is recognised outside Restated Consolidated Financial Information (either in OCI or equity). Management considers whether it is probable that a taxation authority will accept an uncertain tax treatment. We reflect the effect of uncertainty for each uncertain tax position by using either the most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in Restated Consolidated Financial Information, 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 recognised 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 utilised.

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 utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting period. Deferred tax relating to items recognised outside Restated Consolidated Financial Information are recognised in correlation to the underlying transaction either in OCI or directly in equity. We offset 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 realised simultaneously.

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. We use valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair values are being measured or disclosed in the Restated Consolidated Financial Information are categorised 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.

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 our 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. We do not recognise contingent liabilities but disclose them.

Earnings per share

Basic earnings per share is computed by dividing the profit/ (loss) attributable to ordinary equity holders of the company by the 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, 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 a later date.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at September 30, 2025 and as adjusted for the Offer. This table should be read in conjunction with "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Restated Consolidated Financial Information" on pages 39, 387, and 305, respectively.

(₹ in million, except ratios)		
Particulars	Pre-Offer as of September 30, 2025	As adjusted for the proposed Offer [#]
Borrowings		
Current borrowings ⁽¹⁾ (A)	Nil	-
Non-current borrowings ⁽¹⁾ (B)	Nil	-
Total borrowings (C = A+B)	Nil	-
Equity		
Equity share capital ⁽¹⁾ (D)	506.60	-
Other equity ⁽¹⁾ (E)	96,242.73	-
Total equity (F=D+E)	96,749.33	-
Total capitalisation (G= C+F)	96,749.33	-
Ratio: Total non-current borrowings / Total equity (B/F)	-	-
Ratio: Total borrowings / Total equity (C/F)	-	-

⁽¹⁾ These terms shall carry the meaning as per Schedule III of the Companies Act, 2013 (as amended).

[#] The corresponding post Offer capitalization data is not determinable at this stage pending the completion of the Book Building Process and hence have not been provided in the above table. To be updated upon finalization of the Offer Price at the Prospectus stage.

For details of change in the share capital since September 30, 2025, see "Capital Structure – Notes to the Capital Structure – Share capital history of our Company – Equity share capital" on page 117.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, as on the date of this Updated Draft Red Herring Prospectus - I, there are no outstanding (i) criminal proceedings (including criminal matters which are at first information report (“**FIR**”) stage even if no cognizance has been taken by any court); (ii) outstanding actions (including all outstanding disciplinary actions, and show cause notices) by regulatory authorities and statutory authorities (including any judicial, quasi-judicial, administrative authorities or enforcement authorities); (iii) outstanding claims related to direct and indirect taxes (disclosed in consolidated manner giving the number of cases and total amount involved) provided that tax matters for which the amount involved are equal to or exceed the materiality threshold will be disclosed separately; (iv) any other pending litigation (including civil and arbitration proceedings), where the amount involved in the proceedings exceeds the materiality threshold (as defined below); in each case involving our Company, its Promoters, Subsidiaries and Directors (“**Relevant Parties**”); and (v) criminal proceedings (including criminal matters which are at FIR stage even if no cognizance has been taken by any court) and actions by regulatory and statutory authorities involving the Key Managerial Personnel and Senior Management. Further, there are no disciplinary actions including penalties imposed by the SEBI or Stock Exchanges against our Promoters in the last five Financial Years, including any outstanding action.

For the purpose of disclosure of pending material litigation in (iv) above, our Board in its meeting held on September 23, 2025 (“**Materiality Policy**”) has considered and adopted the Materiality Policy, in terms of which, any outstanding litigation where the aggregate monetary amount of claim/ dispute amount/ liability involved where the claim/ dispute amount, to the extent quantifiable, exceeds the lower of (a) 2% of turnover based on the Restated Consolidated Financial Information for Fiscal 2025; or (b) 2% of net worth based on the Restated Consolidated Financial Information as at March 31, 2025, or (c) 5% of the average of absolute value of profit or loss after tax, based on the Restated Consolidated Financial Information of our Company for the last three Fiscals. Accordingly, ₹1,086.61 million, being the amount equivalent to 5% of the average of absolute value of the profit/ loss after tax of our Company for the preceding three financial years based on the Restated Consolidated Financial Information, would be considered ‘material’ (“**Materiality Threshold**”). Further, (a) all outstanding pending civil litigation/ arbitration proceedings involving the Relevant Parties, where monetary liability is not quantifiable or which does not exceed the Materiality Threshold or any other outstanding litigation/arbitration proceedings, the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects, financial position or reputation of our Company; (b) outstanding litigation, including civil litigation/arbitration proceedings, involving the Relevant Parties where the decision in such a proceeding is likely to affect the decision in similar proceedings, even though the amount involved in any individual proceeding does not exceed the Materiality Threshold; or (c) outstanding intellectual property matters, including civil litigation / arbitration proceedings, involving our Company or its Subsidiaries, related to intellectual properties of our Company or its subsidiaries, having a direct impact on the brand and business of our Company and our Subsidiaries, would be considered material.

For the purposes of this section, pre-litigation notices received or sent by any of the Relevant Parties from/ to third parties (excluding those notices issued by statutory/ regulatory/ governmental/ taxation authorities and notices threatening any criminal action {until cognizance has been taken by the relevant authority} or FIRs, as applicable), shall not be considered as litigation until such time that the Relevant Parties are impleaded as a party in the litigation proceedings before any judicial/ quasi-judicial or arbitral forum, unless otherwise decided by our Board. Further, for the purposes of disclosure of outstanding criminal proceedings involving the Relevant Parties and key managerial personnel and senior management of our Company, criminal complaints shall not be considered as outstanding litigation, until such time as an FIR has been registered (even if no cognizance has been taken by any court) or cognizance has been taken by the relevant court/magistrate/authority.

In accordance with the Materiality Policy, as on the date of this Updated Draft Red Herring Prospectus - I, there is no pending litigation involving our Group Companies, which in accordance with the SEBI ICDR Regulations, would be considered to have a ‘material impact’, and any adverse outcome from such pending litigation would not materially and adversely affect the business, prospects, operations, performance, financial position, cash flows or reputation of our Company.

For the purpose of disclosure of outstanding dues to creditors, our Board in its meeting held on September 23, 2025 has considered and adopted the Materiality Policy for identification of material outstanding dues to creditors. Except as stated in this section, there is no outstanding material dues to creditors of our Company. In terms of the Materiality Policy, outstanding dues to any creditor (on the basis of trade payables) of our Company having a monetary value which exceeds 5% of the total trade payables of our Company as of September 30, 2025, shall be considered as ‘material’. Accordingly, as on September 30, 2025, any outstanding dues exceeding ₹ 393.63 million have been considered as material outstanding dues for the purposes of identification of material creditors and related information in this section. Further, for outstanding dues to micro, small and medium enterprises (“**MSME(s)**”), the disclosure is based on information available with our Company regarding status of the creditors under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, read with the rules and notifications thereunder.

All terms defined in a particular litigation disclosure below correspond to that particular litigation only.

Litigation involving our Company

Litigation against our Company

Criminal litigation

Except as disclosed below, as on the date of this Updated Draft Red Herring Prospectus - I, there are no outstanding criminal litigations against our Company.

1. Dhvani Dilip Gondane and Dilip Lalji Gondane (“**Applicants**”) filed a miscellaneous criminal application in the year 2025 (“**Application**”) against State of Maharashtra before the court of Judicial Magistrate First Class at Nagpur (“**JMFC**”) under section 503 of the BNSS, on account of an alleged online fraud where unknown persons transferred money from the Applicants’ bank account through a fraudulent link. The Applicants are seeking the release of funds amounting to ₹ 0.27 million (out of which an amount of ₹ 0.02 million has been transacted through the payment gateway services on the PhonePe Platform). In relation to these proceedings, our Company, received a notice dated March 29, 2025, from JMFC (“**Notice**”), stating that the funds were transferred to an account allegedly operated by our Company and a response has been filed by our Company, on April 24, 2025, denying the allegations and clarifying its role as the intermediary in the UPI ecosystem, in this transaction. The matter is currently pending.
2. Manoj Kumar (“**Applicant**”) filed a criminal writ application in the year 2024 (“**Application**”) against State of Bihar and others (“**Respondents**”) before High Court of Bihar at Patna (“**Patna HC**”) seeking directives for an investigation into a first information report filed by him on April 29, 2024 (“**FIR**”) for offences under Sections 419 and 420 of IPC and Sections 37, 66 (c) and 66 (d) of the IT Act for *inter alia* issuance of directives for investigation and release of Applicant’s funds amounting to ₹1.14 million (“**Amount**”), which had been fraudulently transferred to a third party. Following a police report dated June 11, 2024, the Chief Judicial Magistrate, Purnea, on September 5, 2024, ordered the provisional release of the Amount and directed the banking partner (“**Bank**”) to refund the Amount (“**Order**”). Subsequently, our Company filed an interlocutory application before the High Court of Patna, seeking to be impleaded as a party in opposition to the release, asserting its status as an intermediary under the UPI ecosystem for the impugned transactions under the IT Act, and contending that the Amount, held in its nodal/escrow account, was transferred to a different merchant’s account within 24 hours of the transactions. Additionally, pertaining to the Application, our Company has filed a separate criminal writ petition (“**Petition**”) under Article 226 of the Constitution and Section 528 of BNSS before the Patna HC, challenging the Order. By way of the Petition, our Company has stated that being an intermediary, it is protected from the liability as per the provisions of the IT Act and sought refund of the amount of approximately ₹ 1.14 million from the Applicant, since the said amount had been transferred in favour of the Applicant. Both the proceedings are pending at various stages of adjudication, before Patna HC.
3. Deepak Marutirao Kadrekar (“**Applicant**”) filed a miscellaneous application in the year 2024, against the State of Maharashtra before the Judicial Magistrate First Class at Ulhasnagar (“**JMFC**”) under section 457 of CrPC, seeking a directive for an investigation into a first information report filed by Applicant on October 26, 2023 (“**FIR**”) for offences under Section 66 (d) of the IT Act, on account of an alleged cyber fraud, where the Applicant transferred money amounting to ₹ 0.97 million from his bank account to the bank account of the accused, on the pretext of investments in securities instruments. The Applicant is seeking release of funds amounting to ₹ 0.97 million (out of which ₹ 0.01 million has been transacted using the PhonePe Platform). The matter is currently pending.

Material civil litigation

Except as disclosed below, as on the date of this Updated Draft Red Herring Prospectus - I, there are no outstanding civil litigations against our Company.

1. On4Off Trading Private Limited (“**Plaintiff**”) filed a plaint in the year 2025 (“**Plaint**”) before the High Court of Delhi at New Delhi (“**Delhi HC**”) against National Payments Corporation of India (“**NPCI**”), several other payment aggregators in the payments ecosystem, including our Company (collectively, the “**Defendants**”), under sections 104 A and 108 of the Patents Act, alleging infringement of the Plaintiff’s patented technology for facilitating UPI payments using credit cards (“**Patent**” or “**Patented Technology**”) collectively by NPCI and the Defendants. As per the Plaint, the Patent describes a method and system for enabling payments from various monetary instruments, including credit cards, using UPI QR codes. Further, the Plaint alleged that the Defendants had infringed upon the Patented Technology by facilitating transactions using RuPay credit cards through UPI QR codes and had been using a process identical to Plaintiff’s Patented Technology, without a license or permission. The Plaintiff sought various reliefs by way of the Plaint, including a permanent injunction restraining the Defendants from using and infringing upon the Patented Technology, damages for the infringement to the extent of an unspecified amount after rendition of accounts of the Defendants, and costs of the legal proceedings. The Plaintiff also filed an urgent application (“**Interim Application**”), for an ad-interim and ex-parte injunction, seeking immediate relief, with the Delhi HC. The Delhi HC while not

granting interim or immediate relief to the Plaintiff, *vide* an order dated January 20, 2025, referred the matter for mediation between the Plaintiff and Defendants. However, noting that the mediation process was unsuccessful, the Delhi HC issued summons to the Defendants vide its order dated March 11, 2025. The matter is currently pending.

Actions taken by regulatory or statutory authorities

As on the date of this Updated Draft Red Herring Prospectus - I, there are no actions taken by regulatory or statutory authorities against our Company.

Litigation by our Company

Criminal litigation

Except as disclosed below, as on the date of this Updated Draft Red Herring Prospectus - I, there are no outstanding criminal litigations by our Company.

1. Pursuant to notices issued to our Company by the State of Gujarat, State Cyber Crime Cell (“**Cyber Cell**”) and criminal investigation branch – Crime (“**CID - Crime**”) under sections 94 and 106 of the BNSS (“**Notices**”), marking a lien on our Company’s nodal/escrow accounts with Yes Bank Limited, our Company has filed 101 special criminal applications (“**Applications**”) in the year 2025, against State of Gujarat, Cyber Cell, CID - Crime and Yes Bank Limited (“**Respondents**”) before the High Court of Gujarat, seeking an order to quash the Notices, alleging that fraudulent transactions were conducted by third parties using the payment gateway services on the PhonePe Platform. Our Company stated that it being an intermediary, under the IT Act, it is protected from the liability for the fraudulent actions of third parties carried out using the payment gateway services on the PhonePe Platform. The aggregate amount involved in these proceedings (comprising of all 101 Applications), i.e., the amount sought to be unblocked or released from lien is approximately ₹29.31 million, to the extent ascertainable. These proceedings are pending at various stages of adjudication before the High Court of Gujarat.
2. Based on complaints filed alleging that fraudulent transactions were conducted by third parties using the payment gateway services on the PhonePe Platform, order was passed by Additional Chief Metropolitan Magistrate (“**ACMM**”) (“**Order**”) marking a lien on our Company’s nodal/escrow accounts. Our Company has filed a writ petition (“**Petition**”) in the High Court of Karnataka in the year 2021, against State of Karnataka and others, under *inter alia*, articles 226 and 227 of the Constitution of India, seeking to challenge the Order. By way of the Petition, our Company has stated that the Orders were passed by the ACMM, without hearing our Company or making our Company a party. Further, our Company stated that being an intermediary, under the IT Act, it is protected from liability for the fraudulent actions of third parties carried out using the payment gateway services on the PhonePe Platform. The aggregate amount involved in the proceeding, that is, the amount sought to be unblocked or released from lien, is ₹0.08 million and the matter is currently pending.
3. Based on complaints filed alleging that fraudulent transactions were conducted by third parties using the payment gateway services on the PhonePe Platform, order was passed by Additional Civil Judge (“**ACJ**”) (“**Order**”) marking a lien on our Company’s nodal/escrow accounts. Our Company has filed a writ petition in the High Court of Karnataka in the year 2024 (“**Petition**”), against State of Karnataka and others, under *inter alia*, articles 226 and 227 of the Constitution of India, seeking to challenge the Order. By way of the Petition, our Company has stated that the Order was passed by the ACJ, without hearing our Company or making our Company a party. Further, our Company stated that being an intermediary, under the IT Act, it is protected from liability for the fraudulent actions of third parties carried out using the payment gateway services on the PhonePe Platform. The aggregate amount involved in the proceeding, that is, the amount sought to be unblocked or released from lien, is ₹1,600 and the matter is currently pending.
4. Based on complaints filed alleging that fraudulent transactions were conducted by third parties using the payment gateway services on the PhonePe Platform, order was passed by Additional Chief Judicial Magistrate (“**ACJM**”) (“**Order**”) marking a lien on our Company’s nodal/escrow accounts. Our Company has filed a writ petition in the High Court of Karnataka in the year 2025 (“**Petition**”), against State of Karnataka and others, under *inter alia*, articles 226 and 227 of the Constitution of India, seeking to challenge the Order. By way of the Petition, our Company has stated that the Order was passed by the ACJM, without hearing our Company or making our Company a party. Further, our Company stated that being an intermediary, under the IT Act, it is protected from liability for the fraudulent actions of third parties carried out using the payment gateway services on the PhonePe Platform. The aggregate amount involved in the proceeding, that is, the amount sought to be unblocked or released from lien, is ₹0.07 million and the matter is currently pending.
6. Based on complaints filed, alleging that fraudulent transactions conducted by third parties using the payment gateway services on the PhonePe Platform, order was passed by the Court of Civil Judge (Junior Division) (“**Trial Court**”)

(“**Order**”) marking a lien on our Company’s nodal/escrow accounts. Our Company has filed a writ petition in the year 2023, against the State of Uttar Pradesh and others (“**Petition**”) under Article 227 of the Constitution of India before the High Court of Allahabad, seeking to challenge the Order. By way of the Petition filed, our Company has stated that the Order was passed by the Trial Court, without hearing our Company or making our Company a party. Further, our Company stated that it, being an intermediary, under the IT Act, it is protected from liability for the fraudulent actions of third parties using the payment gateway services on the PhonePe Platform. The aggregate amount involved in Petition, that is, the amount sought to be unblocked or released is approximately ₹ 0.02 million and the matter is currently pending.

7. Based on complaints filed, alleging that fraudulent transactions conducted by third parties using the payment gateway services on the PhonePe Platform, order passed by the Chief Judicial Magistrate (“**CJM**”) (“**Order**”) marking a lien on our Company’s nodal/escrow accounts. Our Company has filed a writ petition in the year 2024, against State of Uttar Pradesh and others (“**Petition**”) under Article 227 of the Constitution of India before the High Court of Allahabad, seeking to challenge the Order. By way of the Petition filed, our Company has stated that the Order was passed by the CJM, without hearing our Company or making our Company a party. Further, our Company stated that it, being an intermediary, under the IT Act, it is protected from liability for the fraudulent actions of third parties using the payment gateway services on the PhonePe Platform. The aggregate amount involved in Petition, that is, the amount sought to be unblocked or released is approximately ₹ 0.05 million and the matter is currently pending.
8. Based on complaints filed, alleging that fraudulent transactions conducted by third parties using the payment gateway services on the PhonePe Platform, order passed by the Chief Judicial Magistrate (“**CJM**”) (“**Order**”) marking a lien on our Company’s nodal/escrow accounts. Our Company has filed a writ petition in the year 2025, against State of Uttar Pradesh and others (“**Petition**”) under Article 227 of the Constitution of India before the High Court of Allahabad, seeking to challenge the Order. By way of the Petition filed, our Company has stated that the Order was passed by the CJM, without hearing our Company or making our Company a party. Further, our Company stated that it, being an intermediary, under the IT Act, it is protected from liability for the fraudulent actions of third parties using the payment gateway services on the PhonePe Platform. The aggregate amount involved in Petition, that is, the amount sought to be unblocked or released is approximately ₹1,002 and the matter is currently pending.
9. Our Company has filed ten Criminal Applications (“**Applications**”) between the years 2021 and 2022, under various provisions of CrPC, namely, Section 309 and/or Section 451 read with section 457 before various Metropolitan Magistrates in Bengaluru, Karnataka, seeking an order directing the refund of the amounts wrongly debited from our Company’s nodal/escrow accounts. These Applications were filed challenging the orders filed by district courts to transfer the disputed amount from our nodal /escrow account to the complainants’ bank account, without issuing our Company any prior notice or giving any opportunity of being heard. These criminal proceedings were initiated based upon complaints filed by individuals stating that they were allegedly defrauded by third parties while making an online purchase using the payment gateway services on the PhonePe Platform. The aggregate amount involved in the Applications is approximately, ₹0.47 million. The matter is currently pending at various stages of adjudication.
10. Our Company was issued a notice issued by the Superintendent of Police, Bengaluru Rural District (“**Respondent – II**”) under section 91 of the CrPC (“**Notice**”), in relation to alleged online financial fraud by the third parties. The Notice had allegedly sought extensive confidential and private user data from our Company, relating to a financial fraud case. Our Company has filed a writ petition (“**Petition**”), before the High Court of Karnataka at Bengaluru (“**Karnataka HC**”) against the State of Karnataka (“**Respondent-I**”) and Respondent – II (together with Respondent – I, the “**Respondents**”), seeking to challenge the Notice. By way of the Petition, our Company has challenged the Notice, on the grounds that it sought information in contravention to Section 91 of the CrPC, various provisions of the PSS Act and Bankers Book of Evidence Act, 1891. Further, the Petition stated that in the absence of a court order, our Company was under a limited obligation to produce/disclose documents. Subsequently, our Company presented written submissions on March 7, 2025, claiming the limited role of an intermediary, under the IT Act and emphasizing the need for judicial oversight before disclosing user data to Respondent - II. Thereafter, the Karnataka HC, by way of its order dated April 29, 2025 (“**Impugned Order**”), rejected the Petition, on the grounds that our Company’s claim of absolute immunity from disclosure of information under the Payment and Settlement Systems Act, 2007 and the Bankers’ Books Evidence Act, 1891, does not withstand judicial scrutiny. Subsequently, our Company filed an appeal dated June 26, 2025, before the Karnataka HC challenging the Impugned Order. The matter is currently pending.
11. On account of complaints filed alleging fraudulent transactions conducted by third parties using the payment gateway services on the PhonePe Platform, an order (“**Order**”) passed by Additional Chief Metropolitan Magistrate (“**ACMM**”) marking a lien on our Company’s nodal/escrow accounts. Our Company has filed a criminal revision application in the year 2024, before the City Civil & Sessions Court, Ahmedabad, Gujarat against the State of Gujarat and others (“**Application**”) under section 438 of the BNSS seeking to challenge the Order. By way of the Application, our Company has stated that the Order was passed by ACMM, without issuing our Company any prior notice or giving any opportunity of been heard. Further, our Company stated that it, being an intermediary, under the IT Act, it is not liable for the fraudulent actions of third parties carried out using the payment gateway services on the PhonePe

Platform. The aggregate amount involved in the proceeding, that is, the amount sought to be unblocked is ₹2,000 and the matter is currently pending.

12. On account of complaints filed alleging fraudulent transactions conducted by third parties using the payment gateway services on the PhonePe Platform, an order (“**Order**”) passed by the Chief Judicial Magistrate (“**CJM**”) marking a lien on our Company’s nodal/escrow accounts. Our Company has filed a criminal revision application in the year 2024, before the Calcutta High Court against the State of West Bengal and others (“**Application**”) under section 442 read with section 528 of the BNSS, seeking to challenge the Order. By way of the Application, our Company has stated that the Order was passed by the CJM, without issuing our Company any prior notice or giving any opportunity of been heard. Further, our Company stated that it, being an intermediary, under the IT Act, it is not liable for the fraudulent actions of third parties carried out using the payment gateway services on the PhonePe Platform. The aggregate amount involved in the proceeding, that is, the amount sought to be unblocked is ₹0.01 million and the matter is currently pending.
13. On account of complaints filed alleging fraudulent transactions conducted by third parties using the payment gateway services on the PhonePe Platform, an order (“**Order**”) passed by the Chief Judicial Magistrate (“**CJM**”) marking a lien on our Company’s nodal/escrow accounts. Our Company has filed a criminal revision application in the year 2025, before the Calcutta High Court against the State of West Bengal and others (“**Application**”) under section 528 of the BNSS, seeking to challenge the Order. By way of the Application, our Company has stated that the Order was passed by the CJM, without issuing our Company any prior notice or giving any opportunity of been heard. Further, our Company stated that it, being an intermediary, under the IT Act, it is not liable for the fraudulent actions of third parties carried out using the payment gateway services on the PhonePe Platform. The aggregate amount involved in the proceeding, that is, the amount sought to be unblocked is ₹0.03 million and the matter is currently pending.
14. Our Company has filed a writ petition (“**Petition**”) under Article 226 of the Constitution and Section 528 of BNSS before the High Court of Bihar at Patna, challenging the order passed by the Chief Judicial Magistrate, Purnea, on September 5, 2024 in relation to the criminal writ application filed by Manoj Kumar against State of Bihar and others. For details, see “- *Litigation against our Company - Criminal litigation*”.
15. On account of a complaint filed by a third party alleging fraudulent transactions, an order (“**Impugned Order**”) was passed by the Chief Judicial Magistrate, Himatnagar (“**CJM**”), directing the conditional release of funds from our Company’s nodal bank account. Our Company has filed a criminal revision application dated November 14, 2025, before the Sessions Court at Himatnagar against the State of Gujarat and others (“**Application**”) under section 438 of the BNSS seeking to challenge the Impugned Order. By way of the Application, our Company has stated that the Impugned Order was passed without issuing our Company any prior notice or giving any opportunity of being heard. Further, our Company has stated that it, being an intermediary under the IT Act, is not liable for the fraudulent actions of third parties carried out using the payment gateway services on the PhonePe Platform. The aggregate amount involved in the proceeding, that is, the amount directed to be released from the Company’s nodal account, is ₹0.07 million and the matter is currently pending.
16. Our Company filed a criminal writ petition (“**Petition**”) on October 7, 2025 under Article 226 of the Constitution of India read with Section 528 of the BNSS, before the High Court of Delhi at New Delhi (“**Delhi HC**”) against the State Government of National Capital Territory of Delhi and others, (“**Respondents**”). The Writ Petition has challenged liens imposed by the law enforcement agency allegedly without providing documents / information in relation to First Information Report basis which, liens to the extent of ₹0.06 million were created on our nodal accounts. The liens came to our Company’s knowledge when it sought to close the bank account with ICICI Bank Limited. Since the liens would have to be removed for the bank account to be closed, our Company has sought for the following directions from Delhi HC: (i) for requisite information in relation to the liens to be provided by the Respondents; and (ii) permit closure of the bank account with ICICI Bank Limited subject to a security provided by our Company for the lien amount. The matter is currently pending.
17. Our Company filed a first information report (“**FIR**”) dated December 21, 2023, against Prajapati Trader and Vikrant Bhopal (together, the “**Accused**”) before Bhuntar Police Station, Kullu related to a potential chargeback fraud amounting to an aggregate value of ₹0.42 million. The FIR alleged commission of chargeback fraud (“**Chargeback Fraud**”), invoking *inter-alia* section 420 of the IPC. The Chargeback Fraud pertains to the collusive conduct of the Accused among themselves and with their customers, who used our Company’s payment gateway services to effectuate multiple fictitious purchases of goods and services. Upon the credit of the amount involved in these fictitious transactions into the bank accounts of the Accused, the customers in collusion with the Accused raised chargebacks for all these fictitious purchases asserting that the goods and services were deficient or not delivered. After the chargebacks were processed, the amount involved in chargebacks would be deducted from our Company’s nodal/escrow account and credited to the customer’s bank account. Our Company was unable to recover the chargeback amount from the Accused since immediately after the chargebacks getting processed, the Accused would cease to do business with our Company, thereby preventing possible recovery by our Company from the future

settlements of the Accused. The investigation is ongoing, and the matter is currently pending.

18. Our Company filed a first information report (“**FIR**”) dated November 16, 2023, against Kabir Elina Enterprises and Sanjeev Kumar (together, the “**Accused**”) before Sadar Hoshiarpur Police Station, Hoshiarpur related to a potential chargeback fraud amounting to an aggregate value of ₹2.02 million. The FIR alleged commission of chargeback fraud (“**Chargeback Fraud**”), invoking *inter-alia* section 420 of the IPC and sections 66C and 66D of the IT Act. The Chargeback Fraud pertains to the collusive conduct of the Accused among themselves and with their customers, who used our Company’s payment gateway services to effectuate multiple fictitious purchases of goods and services. Upon the credit of the amount involved in these fictitious transactions into the bank accounts of the Accused, the customers in collusion with the Accused raised chargebacks for all these fictitious purchases asserting that the goods and services were deficient or not delivered. After the chargebacks were processed, the amount involved in chargebacks would be deducted from our Company’s nodal/escrow account and credited to the customer’s bank account. Our Company was unable to recover the chargeback amount from the Accused since immediately after the chargebacks getting processed, the Accused would cease to do business with our Company, thereby preventing possible recovery by our Company from the future settlements of the Accused. The investigation is ongoing, and the matter is currently pending.
19. Our Company filed a first information report (“**FIR**”) dated August 30, 2023, against Shravan Ram and 12 other merchants (collectively, the “**Accused**”) before Jodhpur police station related to a potential chargeback fraud amounting to an aggregate value of ₹41.30 million. The FIR alleged commission of chargeback fraud (“**Chargeback Fraud**”), invoking *inter-alia* sections 420, 406, and 120-B of the IPC and sections 66C and 66D of the IT Act. The Chargeback Fraud pertains to the collusive conduct of the Accused among themselves and with their customers, who used our Company’s payment gateway services to effectuate multiple fictitious purchases of goods and services. Upon the credit of the amount involved in these fictitious transactions into the bank accounts of the Accused, the customers in collusion with the Accused raised chargebacks for all these fictitious purchases asserting that the goods and services were deficient or not delivered. After the chargebacks were processed, the amount involved in chargebacks would be deducted from our Company’s nodal/escrow account and credited to the customer’s bank account. Our Company was unable to recover the chargeback amount from the Accused since immediately after the chargebacks getting processed, the Accused would cease to do business with our Company, thereby preventing possible recovery by our Company from the future settlements of the Accused. The investigation is ongoing, and the matter is currently pending.
20. Our Company filed a first information report (“**FIR**”) dated June 19, 2024, against Asha Pashu Aahar and 67 other merchants (collectively, the “**Accused**”) before Jodhpur Police Station related to a potential chargeback fraud amounting to an aggregate value of ₹58.72 million. The FIR alleged commission of chargeback fraud (“**Chargeback Fraud**”), invoking *inter-alia* sections 420, 406, and 120-B of the IPC and sections 66C and 66D of the IT Act. The Chargeback Fraud pertains to the collusive conduct of the Accused among themselves and with their customers, who used our Company’s payment gateway services to effectuate multiple fictitious purchases of goods and services. Upon the credit of the amount involved in these fictitious transactions into the bank accounts of the Accused, the customers in collusion with the Accused raised chargebacks for all these fictitious purchases asserting that the goods and services were deficient or not delivered. After the chargebacks were processed, the amount involved in chargebacks would be deducted from our Company’s nodal/escrow account and credited to the customer’s bank account. Our Company was unable to recover the chargeback amount from the Accused since immediately after the chargebacks getting processed, the Accused would cease to do business with our Company, thereby preventing possible recovery by our Company from the future settlements of the Accused. The investigation is ongoing, and the matter is currently pending.
21. Our Company filed a first information report (“**FIR**”) dated June 27, 2024, against Manu Craft and 35 other merchants (collectively, the “**Accused**”) before Jaipur police station related to a potential chargeback fraud amounting to an aggregate value of ₹39.73 million. The FIR alleged commission of chargeback fraud (“**Chargeback Fraud**”), invoking *inter-alia* sections 420, 406, 419 and 120-B of the IPC and sections 66C and 66D of the IT Act. The Chargeback Fraud pertains to the collusive conduct of the Accused among themselves and with their customers, who used our Company’s payment gateway services to effectuate multiple fictitious purchases of goods and services. Upon the credit of the amount involved in these fictitious transactions into the bank accounts of the Accused, the customers in collusion with the Accused raised chargebacks for all these fictitious purchases asserting that the goods and services were deficient or not delivered. After the chargebacks were processed, the amount involved in chargebacks would be deducted from our Company’s nodal/escrow account and credited to the customer’s bank account. Our Company was unable to recover the chargeback amount from the Accused since immediately after the chargebacks getting processed, the Accused would cease to do business with our Company, thereby preventing possible recovery by our Company from the future settlements of the Accused. The investigation is ongoing, and the matter is currently pending.
22. Our Company filed a first information report (“**FIR**”) dated January 11, 2023, against Somanaiika DB and Alankar Gents Parlour (together, the “**Accused**”) before CEN Whitefield police station, Bengaluru related to a potential chargeback fraud amounting to an aggregate value of ₹2.08 million. The FIR alleged commission of chargeback fraud (“**Chargeback Fraud**”), invoking *inter-alia* sections 419 and 420 of the IPC and sections 66C and 66D of the IT Act. The Chargeback Fraud pertains to the collusive conduct of the Accused among themselves and with their customers,

who used our Company's payment gateway services to effectuate multiple fictitious purchases of goods and services. Upon the credit of the amount involved in these fictitious transactions into the bank accounts of the Accused, the customers in collusion with the Accused raised chargebacks for all these fictitious purchases asserting that the goods and services were deficient or not delivered. After the chargebacks were processed, the amount involved in chargebacks would be deducted from our Company's nodal/escrow account and credited to the customer's bank account. Our Company was unable to recover the chargeback amount from the Accused since immediately after the chargebacks getting processed, the Accused would cease to do business with our Company, thereby preventing possible recovery by our Company from the future settlements of the Accused. The investigation is ongoing, and the matter is currently pending.

23. Our Company filed a first information report ("**FIR**") dated January 11, 2023, against Manju Naik and MK Enterprises (together, the "**Accused**") before CEN Whitefield police station, Bengaluru related to a potential chargeback fraud amounting to an aggregate value of ₹1.63 million. The FIR alleged commission of chargeback fraud ("**Chargeback Fraud**"), invoking *inter-alia* sections 419 and 420 of the IPC and sections 66C and 66D of the IT Act. The Chargeback Fraud pertains to the collusive conduct of the Accused among themselves and with their customers, who used our Company's payment gateway services to effectuate multiple fictitious purchases of goods and services. Upon the credit of the amount involved in these fictitious transactions into the bank accounts of the Accused, the customers in collusion with the Accused raised chargebacks for all these fictitious purchases asserting that the goods and services were deficient or not delivered. After the chargebacks were processed, the amount involved in chargebacks would be deducted from our Company's nodal/escrow account and credited to the customer's bank account. Our Company was unable to recover the chargeback amount from the Accused since immediately after the chargebacks getting processed, the Accused would cease to do business with our Company, thereby preventing possible recovery by our Company from the future settlements of the Accused. The investigation is ongoing, and the matter is currently pending.
24. Our Company filed a first information report ("**FIR**") dated January 11, 2023, against Kiran Kumar CV and Adithya Fashion (together, the "**Accused**") before CEN Whitefield police station, Bengaluru related to a potential chargeback fraud amounting to an aggregate value of ₹1.71 million. The FIR alleged commission of chargeback fraud ("**Chargeback Fraud**"), invoking *inter-alia* sections 419 and 420 of the IPC and sections 66C and 66D of the IT Act. The Chargeback Fraud pertains to the collusive conduct of the Accused among themselves and with their customers, who used our Company's payment gateway services to effectuate multiple fictitious purchases of goods and services. Upon the credit of the amount involved in these fictitious transactions into the bank accounts of the Accused, the customers in collusion with the Accused raised chargebacks for all these fictitious purchases asserting that the goods and services were deficient or not delivered. After the chargebacks were processed, the amount involved in chargebacks would be deducted from our Company's nodal/escrow account and credited to the customer's bank account. Our Company was unable to recover the chargeback amount from the Accused since immediately after the chargebacks getting processed, the Accused would cease to do business with our Company, thereby preventing possible recovery by our Company from the future settlements of the Accused. The investigation is ongoing, and the matter is currently pending.
25. Our Company filed a first information report dated July 3, 2024 ("**FIR**") under section 327 (1), 351 (2), 352 of BNSS against Anurag Naik and three other merchants ("**Accused**") at Chaturshringi Police Station, Pune. The FIR pertains to an incident where the Accused, allegedly intoxicated, entered our Company's Pune office, misbehaved with employees of our Company, and damaged our Company property. The investigation is ongoing, and the matter is currently pending.
26. Our Company has filed a first information report dated February 10, 2025 ("**FIR**") at Whitefield Police Station, Bengaluru, against unknown persons ("**Accused**"), for offences under sections 318(4) and 319(2) of the BNSS and section 66C of the IT Act alleging that the Accused had committed recruitment fraud, including impersonation, forgery, and unauthorized use of our Company's trademarks. The FIR stated that the Accused has impersonated one of our Company's human resources team and deceived various individuals. The deceived individuals were falsely assured and offered employment opportunities and were directed to a fraudulent website, promising confirmed employment with our Company against a fee payment. The investigation is ongoing, and the matter is currently pending.
27. Our Company has filed a first information report dated March 22, 2025 ("**FIR**"), under relevant sections of the BNSS, against Chetan Prajapat ("**Accused**") before the Chitrakoot Police Station, Jaipur. The Accused, who was a former contracted employee of our Company, sent an email on March 21, 2025 ("**E-mail**") threatening to commit suicide, and hold our Company and its employees responsible for the same. The E-mail further detailed grievances purportedly related to unpaid salary and alleged mistreatment by the Accused's manager. The investigation is ongoing, and the matter is currently pending.

Material civil litigation

Except as disclosed below, as on the date of this Updated Draft Red Herring Prospectus - I, there are no outstanding material civil litigations by our Company:

1. Our Company filed a plaint in the year 2022 (“**Plaint**”), before the High Court of Judicature at Madras (Commercial Court) (“**Madras HC**”) against MobilePe E-Commerce Private Limited and other defendants (collectively, the “**Defendants**”), under Order IV, Rule 1 of the O.S Rules, read with Order VII, Rule 1 of the Code of Civil Procedure, 1908 (“**CPC**”) and sections 27, 28, 29, 134 and 135 of the Trademarks Act, for trademark infringement and passing off by the Defendants. In terms of the Plaint, our Company *inter alia* sought a permanent injunction restraining the Defendants from infringing upon and passing off of our Company’s registered trademark “PhonePe” and other associated trademarks of our Company (“**Trademarks**”), on the grounds of dishonest adoption of a mark structurally and conceptually similar to “PhonePe”, for similar services, causing confusion and deception among consumers, and riding on the company’s established goodwill and reputation. By way of the Plaint, our Company also sought a decree for damages to the extent of ₹10.00 million to be paid by the Defendants. Subsequently, Our Company also filed an interim application seeking ad-interim reliefs, restraining the Defendants from continuing to infringe upon the Trademarks. Subsequently, the Madras HC passed an interim order dated October 19, 2022, finding a *prima facie* case of deception by the Defendants and ordered the maintenance of interim status quo between the parties, and issued a notice to the Defendants, ordering them to show cause why an adverse order should not be found against them. The matter is currently pending.
2. Our Company filed a plaint in the year 2022 (“**Plaint**”), before the High Court of Judicature at Madras (Commercial Court) (“**Madras HC**”) against DigiPe Fintech Private Limited and other defendants (collectively, “**Defendants**”), under Order IV, Rule 1 of the O.S Rules read with Order VII, Rule 1 of the Code of Civil Procedure, 1908 (“**CPC**”) and sections 27, 28, 29, 134 and 135 of the Trade Marks Act, 1999 for trademark infringement and passing off by the Defendants. In the Plaint, our Company sought relief, *inter alia*, to restrain the Defendants from passing off and infringing the registered trademark ‘PhonePe’ and other associated trademarks of our Company (“**Trademarks**”). Our company also sought a decree for damages of ₹10.00 million to be paid by the Defendants. In response, the Defendants filed a counter-affidavit and additional counter-affidavit, opposing the Plaint as well as our Company’s interlocutory applications seeking ad-interim injunctions and removal of the commercial listing of the DigiPe applications during the pendency of the proceedings. The matter is currently pending.
3. Our Company filed a civil suit in the year 2023 (“**Suit**”), before the High Court of Judicature at Madras (“**Madras HC**”) against BundlePe Innovations Private Limited (“**BundlePe**”) and its directors (collectively, “**Defendants**”), under Order IV, Rule 1 of the O.S Rules read with Order VII, Rule 1 of the Code of Civil Procedure, 1908 (“**CPC**”) and sections 27, 28, 29, 134 and 135 of the Trademarks Act, for trademark infringement and passing off by the Defendants. In the Suit, our Company alleged trademark infringement and passing off and infringement of other associated trademarks of our Company (“**Trademarks**”), on the grounds that the Defendants’ use of “BundlePe” and “LatePe,” infringe upon our Company’s registered “PhonePe” mark and that such use by the Defendants created confusion and misled consumers. Our Company sought various reliefs, including a permanent injunction, damages amounting to ₹1.00 million, and a declaration that “PhonePe” is a well-known trademark. The defendants argued that the suit was not maintainable due to jurisdictional issues and that the marks were not deceptively similar. The court ruled that the marks “BundlePe” and “LatePe” were not deceptively similar to “PhonePe” and there was no likelihood of consumer confusion (“**Impugned Order**”). The court dismissed the suit with no order as to costs. Subsequently, our Company filed an appeal before the Madras HC dated July 14, 2025, challenging the Impugned Order. The matter is currently pending.
4. Our Company filed a civil suit in the year 2024 (“**Suit**”) before the High Court of Delhi at New Delhi (“**Delhi HC**”) against AGF Finlease (India) Limited (“**AGFIL**”) and others (collectively, “**Defendants**”) under section 2 (c)(vii) of the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015. In the Suit, our Company alleged trademark infringement, passing off, and unfair competition by the AGFIL’s use of “PhonePey” and “PhonePey Loan” wordmarks, which infringe upon our Company’s registered trademarks “PhonePe” and other associated trademarks (“**Trademarks**”). Our Company sought various reliefs, including a permanent injunction restraining the AGFIL from using the infringing marks, damages amounting to ₹20.00 million, rendition of accounts, and a declaration that our “PhonePe” marks are well-known trademarks. The Delhi HC issued an ex parte ad interim injunction dated December 24, 2024 (“**Injunction**”), restraining the AGFIL from using the infringing marks. Subsequently, AGFIL filed a written statement dated February 3, 2025, denying our Company’s claims and arguing that firstly, “PhonePe” is a generic term and further, that they had rebranded to “NextBigLoan”. Consequently, Our Company filed an application for contempt (“**Application**”), alleging non-compliance of the Injunction. The Defendants contested the Application in their reply denying the allegations and asserting compliance with Injunction. This matter is currently pending.
5. Our Company filed a suit in the year 2024 (“**Suit**”), before the High Court of Delhi at New Delhi (“**Delhi HC**”) against

M/s Jai Shree Balaji Foods (“**Jai Shree**”) and another (collectively, the “**Defendants**”) alleging trademark and copyright infringement, passing off, and unfair trade practices under section 2 (c)(vii) of the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015. By way of Suit, our Company asserted that Defendants’ use of “PhonePe” on snack food products infringed its registered trademarks and copyrights, diluted its brand, and was likely to confuse consumers. Consequently, our Company sought a permanent injunction, damages amounting to ₹20.00 million, rendition of accounts, and other relief. Jai Shree by way of their written statement dated February 21, 2025, opposed the Suit, arguing that their use of our Company’s trademarks was not infringing, did not cause confusion, and did not dilute PhonePe’s brand. The Delhi HC vide its order dated February 28, 2025, asked the parties to complete pleadings and file documents. The matter is pending.

6. Our Company filed a suit in the year 2023 (“**Suit**”), before the Madras High Court (“**Court**”) against Pe Wallet Services Limited and others (“**Defendants**”) under Order IV, Rule 1 of the O.S Rules read with Order VII, Rule 1 of the Code of Civil Procedure, 1908 (“**CPC**”) and sections 27, 28, 29, 134 and 135 of the Trademarks Act, for trademark infringement and passing off by the Defendants. By way of the Suit, our Company asserted that the Defendants’ adoption and use of the “PeWallet Marks” for services similar or identical to those of our Company, infringed our Company’s registered trademarks. Additionally, the Defendants’ actions sought to unfairly capitalize on our Company’s established goodwill and market presence. Consequently, our Company sought reliefs including permanent injunctions against trademark infringement and passing off and claimed damages amounting to ₹1.00 million. The matter is currently pending.

Other material litigations

1. Our Company has filed an adjudication application (“**Application**”) dated July 14, 2025 before the RoC on July 16, 2025 under Section 454 of the Companies Act, 2013 for adjudication of penalties in relation to the non-conformance with provisions of Section 62(1)(c) of the Companies Act, 2013, read with the rules made thereunder and Section 450 of the Companies Act, 2013, on allotments of equity shares at a price lower than the price determined in the valuation reports during the Financial Year 2015 (from August 2014 to March 2015). For further details, please see, “*Risk Factors – Certain of our corporate filings with the RoC have discrepancies and instances of non-conformance with the Companies Act, 2013 relating to share allotments. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future, and we will not be subject to any penalty imposed by the competent regulatory authority in this regard*” on page 66.

Litigation involving our Subsidiaries

Litigations against our Subsidiaries

Criminal litigations

Except as disclosed below, as on the date of this Updated Draft Red Herring Prospectus - I, there are no outstanding criminal litigations against our Subsidiaries.

1. Rajesh Kumar Paswan has filed a complaint (“**Complaint**”), with the National Commission for Scheduled Castes (“**NCSC**”), against Zuno General Insurance Limited (“**Zuno**”), regarding an insurance claim following a road accident involving a truck allegedly insured by an insurance policy availed from Zuno, through PhonePe Insurance Broking Services Limited (“**PIBS**”), one of our Subsidiaries. The NCSC, after receiving the Complaint, conducted a hearing on December 4, 2023 under Article 338 (5) of the Constitution of India. Subsequently, the chief executive officer was summoned by the NCSC on December 18, 2023 and summons were received by PIBS on January 01, 2024 (“**Summons**”) for appearance on January 8, 2024, before NCSC. Post receipt of the Summon, PIBS requested the NCSC for a copy of the complaint and postponement of the appearance post January 8, 2024, however despite the request, due to non-appearance at a hearing on January 8, 2024, NCSC issued an order on the same day for the arrest of the managing director and chief executive officer of Zuno and the chief executive officer of PIBS (“**Order**”).

Subsequently, PIBS filed a writ petition dated January 25, 2024 (“**Writ Petition**”) under Article 226 of the Constitution of India, before the High Court of Delhi at New Delhi (“**Delhi HC**”), against NCSC and other respondents, challenging the Order, seeking quashing of the Order, on the grounds that the Order was passed without considering PIBSs’ request for postponement of the hearing and without giving PIBS an opportunity of being heard. Further, on January 30, 2024, the Delhi HC stayed the Order and further proceedings in this matter. Zuno, upon receiving notice of the Writ Petition, filed a separate writ petition (“**Zuno Writ Petition**”) before the Delhi HC dated February 21, 2024, challenging the Order, on grounds that NCSC lacked jurisdiction in the matter. The NCSC filed a counter affidavit against the Writ Petition, on July 11, 2024. The Writ Petition and Zuno Writ Petition are currently pending.

Material civil litigations

As on the date of this Updated Draft Red Herring Prospectus - I, there are no material outstanding civil litigations by our Subsidiaries.

Actions taken by regulatory or statutory authorities

Except as disclosed below, there are no pending actions by regulatory and statutory authorities against our Subsidiaries.

PhonePe Wealth Broking Private Limited (“PWBPL”)

Sr. No.	Particulars	Date of administrative warning/ deficiency letter/ adjudication orders/ settlement	Summary (including details of penalty levied and current status)
1.	Delay in submission of financial action task force (“FATF”) declaration	Penalty notice issued by NSE on September 4, 2024 in accordance with Exchange Circular No. NSE/INSP/53530 dated September 02, 2022	PWBPL received a notice dated September 4, 2024 (“Notice”) from NSE in relation to delay in submission of financial action task force (“FATF”) declaration and monetary penalty amounting to ₹0.01 million (“Penalty”) was levied on PWBPL. However, no Penalty has been debited from PWBPL’s account, hence, the matter is currently pending.
2.	Offsite inspection conducted during August 2024	Penalty notice issued by NSE on September 24, 2024 in accordance with NSE Circular reference no. NSE/INSP/53530 dated September 2, 2022	PWBPL received a notice dated September 24, 2024 from NSE in relation to failure to report the closure of bank accounts to the NSE. Consequently, PWBPL submitted its reply dated October 2, 2024, (“Reply”) stated the reasons for delay and requested NSE to waive off the indicative penalty. Subsequently, NSE vide its letter dated February 18, 2025, after considering the Reply and stating lack of evidence, levied a penalty amounting to ₹0.01 million (“Penalty”) to PWBPL. However, no Penalty has been debited from PWBPL’s account, hence, the matter is currently pending.
3.	Technical glitch	Penalty notice issued by BSE on April 15, 2025 in accordance with Exchange notice no. 20230704-27	PWBPL received a notice dated April 15, 2025 (“Notice”), from BSE in relation to penalty amounting to ₹0.03 million (“Penalty”) on failure to inform BSE towards instance of technical glitch. However, no Penalty has been debited from PWBPL’s account, hence, the matter is currently pending.

Litigations by our Subsidiaries

Criminal litigations

Except as disclosed below, as on the date of this Updated Draft Red Herring Prospectus - I, there are no outstanding criminal litigations instituted by our Subsidiaries.

1. PhonePe Insurance Broking Services Limited (“PIBS”), one of our Subsidiaries, filed a writ petition dated January 25, 2024, before the High Court of Delhi at New Delhi, against National Commission for Scheduled Castes and others. For further details, see “- Litigations against our Subsidiaries - Criminal litigations” on page 443.

Material civil litigations

As on the date of this Updated Draft Red Herring Prospectus - I, there are no material outstanding civil litigations instituted by our Subsidiaries.

Litigation involving our Promoters

Litigations against our Promoters

Criminal litigations

As on the date of this Updated Draft Red Herring Prospectus - I, there are no outstanding criminal litigation against our Promoters.

Material civil litigations

As on the date of this Updated Draft Red Herring Prospectus - I, there are no material outstanding civil litigations against our Promoters.

Actions taken by regulatory or statutory authorities

As on the date of this Updated Draft Red Herring Prospectus - I, there are no pending actions by regulatory and statutory authorities against our Promoters.

Disciplinary actions, including penalties imposed by SEBI or Stock Exchanges

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against our Promoters in the last five financial years including outstanding actions.

Litigations by our Promoters

Criminal litigations

As on the date of this Updated Draft Red Herring Prospectus - I, there are no outstanding criminal litigation instituted by our Promoters.

Material civil litigations

As on the date of this Updated Draft Red Herring Prospectus - I, there are no material outstanding civil litigations instituted by our Promoters.

Litigation involving our Directors

Litigations against our Directors

Criminal litigations

As on the date of this Updated Draft Red Herring Prospectus - I, there are no outstanding criminal litigation against our Directors.

Material civil litigations

As on the date of this Updated Draft Red Herring Prospectus - I, there are no material outstanding civil litigations against our Directors.

Actions taken by regulatory or statutory authorities

As on the date of this Updated Draft Red Herring Prospectus - I, there are no pending actions by regulatory and statutory authorities against our Directors.

Litigations by our Directors

Criminal litigations

As on the date of this Updated Draft Red Herring Prospectus - I, there are no outstanding criminal litigation instituted by our Directors.

Material civil litigations

As on the date of this Updated Draft Red Herring Prospectus - I, there are no material outstanding civil litigations instituted by our Directors.

Other pending proceedings

1. Rahul Chari, our Director and our Company ("**Petitioners**") filed a writ petition ("**Petition**") before the High Court of Karnataka at Bengaluru ("**Karnataka HC**") against State of Karnataka, Ms. Madhuri R. K. ("**Respondent 2**"), Yes Bank Limited and HDFC Bank Limited under Article 226 and Article 227 of the Constitution of India. The Petition challenges an order dated December 23, 2021 ("**Impugned Order**") issued by Additional Chief Metropolitan Magistrate, Bengaluru ("**ACMM**") whereby, the ACMM directed the transfer of funds from the personal bank account of Rahul Chari to Respondent 2's bank account. The Impugned Order was passed pursuant to a cyber fraud complaint wherein; the Respondent 2 was defrauded of ₹0.07 million after contacting a fake customer care number and transferring funds to an unknown person named Amith Mishra as available in KYC records of Yes Bank ("**Accused**"). Following a

complaint, the North CEN Police froze ₹0.07 million from Rahul Chari's personal bank account with Yes Bank and later, based on Respondent 2's application, the ACMM ordered the unfreezing of Rahul Chari's personal bank account and transfer of the defrauded amount to Respondent 2's account. The Petitioners contended that Rahul Chari's personal account should not have been debited. The Karnataka HC also considered our Company's role as an intermediary and the protections afforded to intermediaries under Section 79 of the IT Act, 2000 and therefore allowed the Petition by quashing the Impugned Order and directing the refund of the debited amount to Rahul Chari's bank account. Rahul Chari filed an application before ACMM for refund of the debited amount and the matter is currently pending.

Litigation involving our Key Managerial Personnel and Senior Management

Litigations against our Key Managerial Personnel and Senior Management

Criminal litigations

As on the date of this Updated Draft Red Herring Prospectus - I, there are no outstanding criminal litigation against our Key Managerial Personnel and Senior Management.

Actions taken by regulatory or statutory authorities

As on the date on this Updated Draft Red Herring Prospectus - I, there are no pending actions by regulatory and statutory authorities against our Key Managerial Personnel and Senior Management.

Litigations by our Key Managerial Personnel and Senior Management

Criminal Litigations

As on the date of this Updated Draft Red Herring Prospectus - I, there are no outstanding criminal litigation instituted by our Key Managerial Personnel and Senior Management.

Other pending proceedings

1. In relation to an ongoing investigation being conducted by the Assistant Director, Directorate of Enforcement, Government of India, Mumbai ("ED") against Dinero Payment Services Private Limited under the PMLA ("**Dinero**", and such investigation, the "**Dinero ED Investigation**"), a summons dated June 21, 2024 ("**Summons**") was issued to Rahul Chari, the Whole-time Director of our Company, under sub-sections 2 and 3 of Section 50 of PMLA, on behalf of our Company, in its capacity as a third party information provider. Dinero is a third-party merchant using the payment gateway services on the PhonePe Platform. Pursuant to the Summons, ED sought information and documents, including nodal/escrow account transfers and correspondences with regards to various transactions undertaken by Dinero via the PhonePe Platform. Our Company submitted its reply to the ED, dated June 25, 2024 ("**Reply**"), along with all the requisite documents and clarified its role as a payment intermediary and was not involved in any of Dinero's business dealings. Our Company further clarified in its Reply that the status of our Company in the matter is to assist the ED in the Dinero ED Investigation and sharing of transaction data. The matter is currently pending.
2. In relation to an ongoing investigation being conducted by Cyber Crime Unit, Special Cell, New Delhi ("**IFSO**"), Cyber Crime, Gurugram ("**Cyber Gurugram**") and Directorate of Enforcement, Government of India ("**ED**") against Sutrulla Express Private Limited (OPC) ("**Sutrulla**"), notices dated September 26, 2024 and June 10, 2025 were issued by IFSO and Cyber Gurugram, respectively, seeking documents and information to assist them in their investigation. Our Company submitted its reply dated October 4, 2024 and June 11, 2025, to IFSO and Cyber Gurugram, respectively. Subsequently, summons dated March 17, 2025, April 11, 2025 and April 23, 2025, respectively ("**Summons**") were issued to our Company under sub-sections 2 and 3 of Section 50 of the PMLA, by the Assistant Director, Directorate of Enforcement, Government of India, Delhi ("**ED**") in connection with an ongoing investigation regarding Sutrulla's alleged fraudulent e-commerce business and money laundering activities using the PhonePe Payment Gateway services. Sutrulla is a third-party merchant using the payment gateway services on the PhonePe Platform. The ED sought information and documents related to Sutrulla's account, transactions, KYC details, and any suspicious activity reports. Subsequently, our Company submitted replies to the ED, dated March 21, 2025, April 15, 2025, May 7, 2025, May 17, 2025, July 11, 2025 and July 21, 2025 ("**Replies**"), respectively and recorded statements on April 28, 2025 and May 2, 2025. The Replies clarified our Company's role as a payment intermediary, its compliance with regulatory guidelines, the due diligence conducted on Sutrulla, and the actions taken upon observing suspicious transactions, including filing suspicious transaction reports with the Financial Intelligence Unit. Our Company further clarified in its Replies that our Company's status in the matter is only as mobile payment service provider and agreed to participate and assist in the investigation by ED against Sutrulla. The matter is currently pending.
3. In relation to an ongoing investigation being conducted by the Assistant Director, Directorate of Enforcement, Government

of India, Bengaluru (“ED”) against Winzo Games Private Limited under the PMLA (“Winzo”, and such investigation, the “Winzo ED Investigation”), letters dated December 1, 2025 and communications dated December 28, 2025 and December 29, 2025 (“Communications”) were issued to our Company, under Section 54 (f) of PMLA. Winzo was a third-party merchant using the payment gateway services on the PhonePe Platform. Pursuant to the Communications, ED sought information and documents, including, details of payin and payout transactions/ settlements made with Winzo and Tictok Skill Games Private Limited, via the PhonePe Platform. Our Company submitted its replies to the ED, dated December 15, 2025, December 30, 2025 and January 6, 2026 (“Replies”), along with all the requisite documents and clarified its role as a payment intermediary and was not involved in any of Winzo’s business dealings. Our Company further clarified in its Reply that the status of our Company in the matter is to assist the ED in the Winzo ED Investigation and sharing of transaction data. The matter is currently pending.

Claims related to direct and indirect taxes

Except as disclosed below, there are no claims related to direct and indirect taxes, involving the Relevant Parties:

Nature of case	Number of cases ⁽²⁾	Amount involved (in ₹ million) ⁽¹⁾
Company		
Direct tax	6	23.85
Indirect tax	10	24.95
Subsidiaries		
Direct tax	1	1.90
Indirect tax	2	4.37
Directors		
Direct tax	3	515.07 ⁽³⁾
Indirect tax	Nil	Nil
Promoters		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil

⁽¹⁾ To the extent ascertainable and quantifiable.

⁽²⁾ The above table does not include 15 refund proceedings and three rectification proceedings filed by our Company and certain Subsidiaries. There is no tax demand liability against our Company and Subsidiaries in these proceeding but only a refund that needs to be paid by the tax authorities to our Company and Subsidiaries.

⁽³⁾ The amount pertains to a tax refund in relation to one of our Directors, where an appeal is pending before the Commissioner of Income-tax (Appeals).

Outstanding dues to creditors

In terms of the Materiality Policy, creditors of our Company to whom an amount exceeding 5% of our total trade payables as of September 30, 2025, based on the Restated Consolidated Financial Information of our Company was outstanding, were considered ‘material’ creditors. Our total trade payables as of September 30, 2025, was ₹7,872.65 million and accordingly, creditors to whom outstanding dues as of September 30, 2025, exceed ₹393.63 million have been considered as material creditors for the purposes of disclosure in this Updated Draft Red Herring Prospectus - I. As of September 30, 2025, there are no material creditors of our Company.

Further, details of outstanding dues towards our material creditors have been uploaded on the website of our Company at ir.phonepe.com/ipo-kit/material-creditors.

Based on the Materiality Policy, details of outstanding dues owed as of September 30, 2025, by our Company, on a consolidated basis are set out below:

Type of creditors	Number of creditors [#]	Amount outstanding (in ₹ million)
Dues to MSMEs*	155	172.36*
Dues to material creditor(s)	-	-
Dues to other creditors	109,598***	7,700.29**
Total	109,753	7,872.65

*As defined under the Micro, Small and Medium Enterprises Development Act, 2006, as amended.

[#]As certified by Manian & Rao, Chartered Accountants, by way of their certificate dated January 21, 2026.

* Includes ₹6.60 million of interest on dues to MSME creditors

** Includes unbilled trade payables to the tune of ₹6,075.80 million

***Number of cases in respect of dues to creditors does not include count in respect of unbilled trade payables.

Material Developments

Except as disclosed in, “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Developments After September 30, 2025” on page 421, there have not arisen, since the date of the last financial information disclosed in this Updated Draft Red Herring Prospectus - I, any circumstances which materially and adversely affect, or are

likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, licenses, registrations and permits issued by relevant governmental and regulatory authorities under applicable rules and regulations. We have set out below an indicative list of all material approvals, licenses, registrations and permits obtained by our Company for the purposes of undertaking its respective businesses and operations. Further, material approvals relating to certain of our Subsidiaries, namely PSSPL, PWBPL and PIBSPL (“Specified Subsidiaries”), have also been included (collectively, the “Material Approvals”). Except as mentioned below, no further Material Approvals are required to undertake the Offer or to carry on the present business and operations of our Company and our Specified Subsidiaries. Unless otherwise stated herein and in the section “Risk Factors” on page 39, these Material Approvals are valid as on the date of this Updated Draft Red Herring Prospectus - I, and in case of Material Approvals which have expired or lapsed, in the ordinary course of business, our Company and Specified Subsidiaries, respectively, have either made an application for renewal or are in the process of making an application for renewal.

The Material Approvals disclosed in this section may, from time to time, be required to be applied for renewal or amendment to relevant authorities, on account of changes in the name of our Company or changes in the location of the premises of our Company and Specified Subsidiaries. For further details in connection with the regulatory and legal framework within which we operate, see “Key Regulations and Policies” on page 235. For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see “Risk Factors - Our operations are subject to regulation and licensing requirements and oversight from various regulatory bodies. Our inability to obtain, renew or maintain the statutory permits, approvals, registrations and licenses may adversely affect our operations.” on page 55.

I. Material approvals obtained in relation to the Offer

For the approvals and authorisations obtained by our Company in relation to the Offer, see “Other Regulatory and Statutory Disclosures – Authority for the Offer” on page 454.

II. Material approvals obtained in relation to our business and operations

A. Incorporation details

(i) Incorporation details of our Company

- a. Certificate of incorporation dated December 18, 2012, issued by the Registrar of Companies, Punjab and Chandigarh at Chandigarh to our Company, in its former name, being ‘FX Mart Private Limited’.
- b. Certificate of registration dated August 1, 2016, issued to our Company issued by the Registrar of Companies, Delhi at New Delhi, consequent upon change in our registered office from the state of Punjab to the state of Delhi.
- c. Fresh certificate of incorporation dated November 18, 2016, issued by the Registrar of Companies, Delhi at New Delhi, to our Company consequent upon change of name of our Company from ‘FX Mart Private Limited’ to ‘PhonePe Private Limited’.
- d. Certificate of registration dated February 13, 2020 issued by the Registrar of Companies, Maharashtra at Mumbai to our Company consequent upon change in our registered office from the state of Delhi to the state of Maharashtra.
- e. Certificate of registration dated July 14, 2023, issued by the Registrar of Companies, Karnataka at Bengaluru to our Company consequent upon change in our registered office from the state of Maharashtra to the state of Karnataka.
- f. Fresh certificate of incorporation dated May 1, 2025 issued by the RoC, CPC, MCA at Haryana to our Company consequent upon conversion of our Company from a private company to a public company pursuant to which our name was changed from ‘PhonePe Private Limited’ to ‘PhonePe Limited’.

(ii) Incorporation details of PIBSPL

- a. Certificate of incorporation dated February 19, 2020, issued by the RoC, CRC.

(iii) *Incorporation details of PWBPL*

- a. Certificate of incorporation dated April 27, 2021, issued by the RoC, CRC.

(iv) *Incorporation details of PSSPL*

- a. Certificate of incorporation dated May 3, 2021, issued by the RoC, CRC to PSSPL, its former name, being 'PhonePe Payment Technology Services Private Limited'.
- b. Fresh certificate of incorporation dated October 18, 2022, issued by the RoC to PSSPL, consequent upon the change of the name of PSSPL from 'PhonePe Payment Technology Services Private Limited' to 'PhonePe Shopping Solutions Private Limited'.
- c. Fresh certificate of incorporation dated July 17, 2023, issued by the RoC to PSSPL, consequent upon the change of the name of PSSPL from 'PhonePe Shopping Solutions Private Limited' to 'Pincode Shopping Solutions Private Limited'.

B. Regulatory approvals

(i) *Regulatory approvals obtained by our Company*

- a. Certificate of authorisation number 237/2025, dated August 25, 2025, valid till August 31, 2026, issued by the RBI, for issuance and operation of prepaid payment instruments ("PPI(s)"), as per the RBI circular on 'Perpetual Validity for Certificate of Authorisation issued to Payment System Operator' ("Circular") dated December 4, 2020 under the Payment and Settlement Systems Act, 2007 ("PSS Act") and subject to renewal on an annual basis until grant of perpetual validity under the Circular issued to Payment System Operators. The original certificate of authorization number 75/2014 issued by the RBI was dated August 25, 2014.
- b. Certificate of authorisation number 245/2025 issued by the RBI, dated November 6, 2025, to operate as a 'payment aggregator (online and physical)'. The original certificate of authorization 241/2025 issued by the RBI was dated September 19, 2025 to operate as an 'online payment aggregator'.
- c. One-time approval for co-branding of PPIs dated March 26, 2025 issued by the RBI as per the RBI Master Direction on PPIs dated August 27, 2021, as amended.
- d. Certificate of authorization number 238/2025, dated August 25, 2025, issued by the RBI, for operating as a 'Bharat Bill Payment Operating Unit' under the Master Direction - Reserve Bank of India (Bharat Bill Payment System) in India under section 7 of the PSS Act. The original certificate of authorization number 148/2022 issued by the RBI was dated March 3, 2022.
- e. Approval vide letter dated June 10, 2022 issued by the Unique Identification Authority of India, Authentication Division ("UIDAI"), to be appointed as a local authentication user agency ("AUA")/e-KYC user agency ("KUA") as per the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016, as amended ("Aadhaar Act, 2016") and the Aadhaar (Authentication and Offline Verification) Regulations, 2021, as amended. Our Company has been notified as a reporting entity under Section 11A of the PMLA pursuant to the Ministry of Finance's gazette notification dated September 22, 2021 thereby permitting our Company to carry out Aadhaar-based authentication.
- f. UIDAI approval vide letter dated June 30, 2023, for the usage of the face authentication modality for the purpose of biometric Aadhaar authentication under Aadhaar Act, 2016.
- g. Approval vide RBI letter dated March 26, 2025 for entering into co-branded credit card arrangements with card issuers, issued by the RBI, as per Master Direction on Credit Card and Debit Card Issuance and Conduct Directions dated April 21, 2022, as amended.
- h. RBI approval vide letter dated January 17, 2025, for participation in the centralised payment systems i.e., RTGS and NEFT.
- i. Registration certificate bearing registration number KTK/M/100476/0625 dated June 24, 2025, issued by the Department of Telecommunications under the Ministry of Communication, Government of India to act as a machine-to-machine service provider. The original registration certificate was dated December 12, 2022.

(ii) *Regulatory approvals obtained by our Subsidiary, PIBSPL*

- a. Certificate of registration number 766, dated August 8, 2024, obtained from the IRDAI, to act as a direct (life and general) broker (“**IRDAI Registration**”), valid till August 10, 2027. The original IRDAI Registration was dated August 11, 2021 and was valid until August 10, 2024.
- b. IRDAI permission dated September 8, 2023, for undertaking insurance e-commerce activities in India through the Insurance Self Networking Platform (“**ISNP**”), valid till the expiry of the IRDAI Registration.

(iii) *Regulatory approvals obtained by our Subsidiary, PWBPL*

- a. Certificate of registration as a stock-broker, dated October 8, 2021, bearing registration number INZ000302639 issued by SEBI, as per Securities and Exchange Board of India (Stock Brokers) Regulations 1992, as amended, for carrying on activities of buying, selling or dealing in securities or as such activities permitted by stock exchange(s).
- b. BSE membership valid from the year 2022 bearing membership number 6756 issued by BSE to act as a trading member of BSE in the equity and equity derivatives segments in accordance with the rules, bye-laws and regulations of BSE.
- c. NSE membership valid from the year 2021 bearing membership number 90226 issued by NSE to act as a trading member of NSE in the equity and equity derivatives segments in accordance with the rules, bye-laws and regulations of NSE.
- d. Certificate of registration to act as a depository participant dated June 24, 2022, bearing registration number IN-DP-696-2022 issued by SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended.
- e. Certificate of registration to act as a research analyst dated November 28, 2024, bearing registration number INH000013387 issued by SEBI and BSE RA Enlistment Number:5887 issued by BSE to act as a ‘research analyst’ under the Securities and Exchange Board of India (Research Analysts) Regulations, 2014, as amended.
- f. Registration with Association of Mutual Fund in India (“**AMFI**”) dated August 20, 2024, bearing registration number ARN-187821 issued by AMFI valid till October 12, 2027.
- g. Approval to act as a sub-authentication user agency and sub-eKYC user agency by SEBI in consultation with UIDAI vide gazette notification dated July 13, 2022.

C. Labour and commercial related approvals obtained by our Company and Specified Subsidiaries:

- a. Registration certificates under relevant shops and establishment laws (“**S&E Registration(s)**”) of the respective states in which the offices of our Company and Specified Subsidiaries are located.
- b. Registration certificates issued under Contract Labour (Regulation and Abolition) Act, 1970, as amended (“**CLRA Registrations**”), by the relevant state authorities in which the offices of our Company and Specified Subsidiaries are located.
- c. Registrations obtained under relevant labour welfare fund legislations of the respective states in which the offices of our Company and Specified Subsidiaries are located.
- d. Our Company has obtained registration with the Employees’ Provident Fund Organization (“**EPFO**”) under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (“**EPF Act**”), as amended, *via* letter dated February 17, 2015, bearing registration code PBCHD1040686 issued by the EPFO.
- e. PIBSPL has obtained registration with the EPFO under EPF Act as amended *via* letter dated March 17, 2021.
- f. PWBPL has obtained registration with the EPFO under EPF Act as amended *via* letter dated April 27, 2021.
- g. PSSPL has obtained registration with the EPFO under EPF Act as amended *via* letter dated May 3, 2021.

- h. Our Company has obtained registration under Employees' State Insurance Corporation ("ESIC") via letter dated January 28, 2015, under Employees' State Insurance Act, 1948, ("ESIC Act") as amended.
- i. PIBSPL has obtained registration under ESIC via letter dated June 4, 2024, under ESIC Act as amended.
- j. PWBPL has obtained registration under ESIC via letter dated April 27, 2021, under ESIC Act as amended.
- k. PSSPL has obtained registration under ESIC via letter dated May 3, 2021, under ESIC Act as amended.
- l. Trade licenses obtained from the municipal authorities in the various states in which the offices of our Company and Specified Subsidiaries are located, to the extent applicable.

D. Tax related approvals

(i) Tax related approvals obtained by our Company

- a. The permanent account number of our Company is AACCF1132H.
- b. The tax deduction and collection account number of our Company is BLRP18920G.
- c. GST registrations for payment under various central and state goods and services tax legislations obtained by our Company.
- d. Professional tax registrations under the applicable state specific laws obtained by our Company.

(ii) Tax related approvals obtained by PIBSPL

- a. The permanent account number of PIBSPL is AALCP0641E.
- b. The tax deduction and collection account number of PIBSPL is BLRP24766A.
- c. GST registrations for payment under various central and state goods and services tax legislations obtained by PIBSPL.
- d. Professional tax registrations under the applicable state specific laws obtained by PIBSPL.

(iii) Tax related approvals obtained by PWBPL

- a. The permanent account number of PWBPL is AALCP9647E.
- b. The tax deduction number and collection account of PWBPL is BLRP26805C.
- c. GST registrations for payment under various central and state goods and services tax legislations obtained by PWBPL.
- d. Professional tax registrations under the applicable state specific laws obtained by PWBPL.

(iv) Tax related approvals obtained by PSSPL

- a. The permanent account number of PSSPL is AALCP9757F.
- b. The tax deduction number and collection account of PSSPL is BLRP26834D.
- c. GST registrations for payment under various central and state goods and services tax legislations obtained by PSSPL.
- d. Professional tax registrations under the applicable state specific laws obtained by PSSPL.

III. Material approvals pending in relation to our Company and its Specified Subsidiaries for which applications have been made or are yet to be made

As on the date of this Updated Draft Red Herring Prospectus - I, our Company and Specified Subsidiaries hold all Material Approvals as required, except the following for which the applications for obtaining the approval or its renewal are currently pending before the relevant authorities or are yet to be made:

A. Material approvals or renewals for which applications are currently pending before relevant authorities

Nil

B. Material Approvals expired and renewal yet to be applied for

Nil

C. Material Approvals required but not obtained or applied for

Nil

D. Other material applications and intimations

Applicant entity	Description	Authority	Date
PSSPL	Application for surrender of FSSAI license	Food Safety and Standards Authority of India	December 8, 2025

IV. Intellectual property related approvals

For information about the intellectual property related approvals, please see “*Our Business – Intellectual Property*” on page 229.

V. Our Company’s International Securities Identification Number (“ISIN”) is INE0KM101027.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at its meeting held on September 23, 2025. Further, our Board has taken on record the consent by each of the Selling Shareholders to, severally and not jointly, participate in the Offer for Sale, pursuant to its resolution dated September 23, 2025 and January 14, 2026, as applicable. The Pre-filed Draft Red Herring Prospectus was approved by the resolution passed by our Board on September 23, 2025. This Updated Draft Red Herring Prospectus - I has been approved by the resolution passed by our Board on January 21, 2026.

Authorisation by the Selling Shareholders

Each of the Selling Shareholders have, severally and not jointly, authorised and confirmed inclusion of their portion of the Offered Shares as part of the Offer for Sale, as set out below:

Sr. No.	Name of the Selling Shareholder	Number of Offered Shares of face value of ₹1 each	Date of consent letter	Date of corporate action / board resolution / authorisation letter
Promoter Selling Shareholder				
1.	WM Digital Commerce Holdings Pte. Ltd.	Up to 45,942,496 Equity Shares	September 23, 2025	August 26, 2025
Investor Selling Shareholders				
2.	Tiger Global PIP 9-1 Ltd.	Up to 1,039,160 Equity Shares	January 13, 2026	July 3, 2025
3.	Microsoft Global Finance Unlimited Company	Up to 3,678,790 Equity Shares	September 23, 2025	August 27, 2025

The Offered Shares are eligible to be offered for sale in the Offer in accordance with Regulations 8 and 8A of the SEBI ICDR Regulations, as on the date of this Updated Draft Red Herring Prospectus - I.

In-principle listing approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters each dated December 1, 2025.

Prohibition by SEBI, RBI or other Governmental Authorities

Our Company, Promoters, members of the Promoter Group, Directors and each of the Selling Shareholders, are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

Except for Zarin Bomi Daruwala who is associated with PL Capital Markets Private Limited; Manish Sabharwal, who is associated with Gaja Alternative Asset Management Limited; and Rohit Bhagat who is associated with Franklin Templeton ETF Trusts, none of our Directors are associated with securities market related business, in any manner.

Further, there have been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Updated Draft Red Herring Prospectus - I.

Our Company, Promoters and Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers, to the extent applicable by any bank or financial institution or consortium thereof in accordance with the SEBI ICDR Regulations.

Our Directors have not been declared as a Fugitive Economic Offender under Section 12 of Fugitive Economic Offender Act, 2018. Further, since our Promoters are not individuals, they do not satisfy the definition of 'fugitive economic offender' as provided under the SEBI ICDR Regulations.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018, as amended

Our Company, Promoters, members of the Promoter Group, and each of the Selling Shareholders, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to each of them, as on the date of this Updated Draft Red Herring Prospectus - I.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(2) of the SEBI ICDR Regulations, which states as follows:

“An issuer not satisfying the condition stipulated in sub-regulation (1) of the SEBI ICDR Regulations shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy-five per cent of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.”

We are an unlisted company that does not satisfy the conditions specified in Regulation 6(1)(b) of the SEBI ICDR Regulations of not having an average operating profit of at least ₹150.00 million, calculated on a restated and consolidated basis, during the preceding three financial years with operating profit earned in each of these preceding three years and are therefore required to meet the conditions detailed in Regulation 6(2) of the SEBI ICDR Regulations.

We are therefore required to allot not less than 75% of the Offer to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. Provided that in accordance with Regulation 40(3) of the SEBI ICDR Regulations, the QIB Portion will not be underwritten by the Underwriters, pursuant to the Underwriting Agreement. Further, not more than 15% of the Offer shall be available for allocation to NIBs of which one-third of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million and two-thirds of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹1.00 million provided that under-subscription in either of these two sub-categories of the Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not more than 10% of the Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. In the event we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

Our Company shall not make an Allotment if the number of prospective Allottees is less than 1,000 in accordance with Regulation 49(1) of the SEBI ICDR Regulations and other applicable law. Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 and Regulation 59E of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the conditions specified in Regulations 5 and 7(1), to the extent applicable, of the SEBI ICDR Regulations and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

- (i) Our Company, Promoters, members of the Promoter Group, Directors and each of the Selling Shareholders, severally and jointly, confirm that they are not debarred from accessing the capital markets by SEBI;
- (ii) The companies with which our Promoters or Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;
- (iii) None of our Company, our Promoters or Directors are a Wilful Defaulter or Fraudulent Borrower;
- (iv) Our Directors have not been declared as a Fugitive Economic Offender under Section 12 of Fugitive Economic Offender Act, 2018. Further, since our Promoters are not individuals, they do not satisfy the definition of ‘fugitive economic offender’ as provided under the SEBI ICDR Regulations;
- (v) Except employee stock options granted pursuant to the PSOP and PFSOP 2025, there are no outstanding convertible securities of our Company or any other rights to convert debentures, loans or other instruments into, or which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Updated Draft Red Herring Prospectus - I;
- (vi) Our Company along with Registrar to the Offer has entered into tripartite agreements dated February 4, 2022 and May 13, 2025, with NSDL and CDSL, respectively, for dematerialisation of the Equity Shares;
- (vii) The Equity Shares of our Company held by one of our Promoters, WM Digital Commerce Holdings Pte. Ltd., are in dematerialized form. Further, Wal-Mart International Holdings, Inc. does not hold any Equity Shares in our Company as on the date of this Updated Draft Red Herring Prospectus - I;

- (viii) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Updated Draft Red Herring Prospectus - I; and
- (ix) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS UPDATED DRAFT RED HERRING PROSPECTUS - I TO SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS UPDATED DRAFT RED HERRING PROSPECTUS - I AND EACH SELLING SHAREHOLDERS SEVERALLY AND NOT JOINTLY, WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS UPDATED DRAFT RED HERRING PROSPECTUS - I IN RELATION TO ITSELF AND ITS RESPECTIVE PORTION OF THE OFFERED SHARES. THE BOOK RUNNING LEAD MANAGERS, BEING KOTAK MAHINDRA CAPITAL COMPANY LIMITED, J.P. MORGAN INDIA PRIVATE LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED, AXIS CAPITAL LIMITED, GOLDMAN SACHS (INDIA) SECURITIES PRIVATE LIMITED, JEFFERIES INDIA PRIVATE LIMITED AND JM FINANCIAL LIMITED ("BRLMS"), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS UPDATED DRAFT RED HERRING PROSPECTUS - I ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE BIDDERS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS UPDATED DRAFT RED HERRING PROSPECTUS - I AND EACH OF THE SELLING SHAREHOLDERS SEVERALLY AND NOT JOINTLY, WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS UPDATED DRAFT RED HERRING PROSPECTUS - I IN RELATION TO ITSELF AND ITS RESPECTIVE PORTION OF THE OFFERED SHARES, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 23, 2025 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM AA) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS UPDATED DRAFT RED HERRING PROSPECTUS - I DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS UPDATED DRAFT RED HERRING PROSPECTUS - I.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of filing of the Prospectus with the Registrar of Companies in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, the Directors and BRLMs

Our Company, the Directors and the BRLMs accept no responsibility for statements made otherwise than in this Updated Draft Red Herring Prospectus - I or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company's website www.phonepe.com, or the respective websites (as applicable) of our Promoters, Promoter Group, any affiliate of our Company or the BRLMs would be doing so at their own risk.

All information, to the extent required in relation to the Offer, shall be made available by our Company and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the Bidders in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates, trustees and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, the Selling Shareholders, and their respective directors and officers, partners, trustees, affiliates, associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, each of the Selling Shareholder, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer from the Selling Shareholders

It is clarified that each of the Selling Shareholder, their respective directors, affiliates, partners, associates, agents and officers, as applicable, severally and not jointly, accepts and/or undertakes no responsibility for any statements made or undertakings provided in this Updated Draft Red Herring Prospectus - I other than those specifically made or undertaken by it in relation to itself as a selling shareholder and its respective portion of the Offered Shares and included in this Updated Draft Red Herring Prospectus - I and anyone placing reliance on any other source of information, including advertisements, or any other material issued by or at our Company's instance, our Company's website at www.phonepe.com or any affiliate of our Company or the BRLMs, would be doing so at his or her own risk.

Bidders will be required to confirm and will be deemed to have represented to the Selling Shareholders and their respective directors, partners, designated partners, trustees, officers, agents, affiliates, and representatives, as applicable, that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Disclaimer in respect of jurisdiction

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, state industrial development corporations, public financial institutions under Section 2(72) of the Companies Act, insurance companies registered with IRDAI, provident funds with minimum corpus of ₹250 million (subject to applicable law) and pension funds with minimum corpus of ₹250 million registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, Systemically Important NBFCs registered with the RBI and registered multilateral and bilateral development financial institutions) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Updated Draft Red Herring Prospectus - I does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Updated Draft Red Herring Prospectus - I comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Bengaluru, Karnataka, India only. This Updated Draft Red Herring Prospectus - I does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Updated Draft Red Herring Prospectus - I has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be issued, directly or indirectly, and the Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Updated Draft Red Herring Prospectus - I nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or each of the Selling Shareholders (severally and not jointly) since the date of this Updated Draft Red Herring Prospectus - I or that the information contained herein is correct as at any time subsequent to this date. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Eligibility and transfer restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in and in reliance on Rule 144A under the U.S. Securities Act and referred to in this Updated Draft Red Herring Prospectus - I as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Updated Draft Red Herring Prospectus - I as “QIBs”) in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act, and (ii) outside the United States in “offshore transactions” as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act unless made pursuant to Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act and in accordance with applicable state securities laws of any state or other jurisdiction of the United States.

Eligible Investors

The Equity Shares are being offered:

- (i) within the United States to investors that are U.S. QIBs in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act; and
- (ii) outside the United States in “offshore transactions” as defined in, and in reliance on, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur;

and in each case who are deemed to have made the representations set forth immediately below.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to the Offer within the United States, by its acceptance of the Red Herring Prospectus, the Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented and warranted to and agreed with our Company, each of the Selling Shareholders and the Book Running Lead Managers that it has received a copy of the Updated Draft Red Herring Prospectus-I, the Red Herring Prospectus, the Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- 1. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to the Offer in compliance with all applicable laws and regulations;
- 2. the purchaser acknowledges that the Equity Shares offered pursuant to the Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States, and accordingly, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
- 3. the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act in reliance on Rule 144A, and (iii) is acquiring such Equity Shares for its own account or for the account of one or more U.S. QIBs with respect to which it exercises sole investment discretion;
- 4. the purchaser is not an affiliate of our Company or any of the Selling Shareholders or a person acting on behalf of an affiliate of the Company or any of the Selling Shareholders;
- 5. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise

transferred, only (a)(i) to a person reasonably believed to be a U.S. QIB in a transaction meeting the requirements of Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the U.S. Securities Act, or (ii) in an “offshore transaction” complying with Rule 903 or Rule 904 of Regulation S; and (b) in accordance with all applicable laws, including the state securities laws in the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;

6. is not subscribing to, or purchasing, the Equity Shares with a view to, or for the offer or sale in connection with, any distribution thereof (within the meaning of the U.S. Securities Act) that would be in violation of the securities laws of the United States or any U.S. state;
7. the Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 under the U.S. Securities Act for resales of any such Equity Shares;
8. the purchaser will not deposit or cause to be deposited such Equity Shares into any depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act;
9. the purchaser agrees that neither the purchaser, nor any of its affiliates (as defined in Rule 405 or Rule 501(b) of the U.S. Securities Act), nor any person acting on behalf of the purchaser or any of its affiliates (as defined in Rule 405 or Rule 501(b) of the U.S. Securities Act), will make any “directed selling efforts” (as that term is defined in Regulation S under the U.S. Securities Act) in the United States with respect to the Equity Shares or any form of “general solicitation” or “general advertising” (as defined in Regulation D under the U.S. Securities Act) in the United States in connection with any offer or sale of the Equity Shares;
10. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

“THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAW. ACCORDINGLY, THE EQUITY SHARES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED (1) WITHIN THE UNITED STATES, SOLELY TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF AND IN RELIANCE ON RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT OR ANOTHER EXEMPTION FROM, OR TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, OR (2) OUTSIDE THE UNITED STATES IN AN “OFFSHORE TRANSACTION” AS DEFINED IN AND IN RELIANCE ON RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, AND IN EACH CASE IN ACCORDANCE WITH THE APPLICABLE LAWS OF THE JURISDICTIONS WHERE THOSE OFFERS AND SALES OCCUR.”

11. our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions;
12. the purchaser is knowledgeable, sophisticated and experienced in business and financial matters, fully understands the limitations on ownership and transfer and the restrictions on sales of the Equity Shares and is aware that there are substantial risks incidental to the purchase of the Equity Shares and is able to bear the economic risk of such purchase; and
13. the purchaser acknowledges that our Company, each of the Selling Shareholders, the Book Running Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, each of the Selling Shareholders and the Book Running Lead Managers, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All other Equity Shares Offered and Sold in the Offer

Each purchaser that is acquiring the Equity Shares offered pursuant to the Offer outside the United States, by its acceptance of the Red Herring Prospectus and the Prospectus and of the Equity Shares offered pursuant to the Offer, will be deemed to have acknowledged, represented and warranted to and agreed with our Company, each of the Selling Shareholders and the Book Running Lead Managers that it has received a copy of the Updated Draft Red Herring Prospectus-I, the Red Herring Prospectus and the Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to the Offer in compliance with all applicable laws and regulations;
2. the purchaser acknowledges that the Equity Shares offered pursuant to the Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of or other jurisdiction of the United States and accordingly, may not be offered, resold, pledged or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
3. the purchaser is purchasing the Equity Shares offered pursuant to the Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;
4. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to the Offer, was located outside the United States at the time (i) the offer for such Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;
5. the purchaser is not an affiliate of our Company or any of the Selling Shareholders or a person acting on behalf of an affiliate of the Company or any of the Selling Shareholders;
6. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred, only (a)(i) to a person reasonably believed to be a U.S. QIB in a transaction meeting the requirements of Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the U.S. Securities Act, or (ii) in an “offshore transaction” complying with Rule 903 or Rule 904 of Regulation S; and (b) in accordance with all applicable laws, including the state securities laws in the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;
7. the purchaser agrees that neither the purchaser nor any of its affiliates (as defined in Rule 405 or Rule 501(b) of the U.S. Securities Act), nor any person acting on behalf of the purchaser or any of its affiliates (as defined in Rule 405 or Rule 501(b) of the U.S. Securities Act), is acquiring the Equity Shares as a result of any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;
8. our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
9. the purchaser acknowledges that our Company, each of the Selling Shareholders, the Book Running Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, each of the Selling Shareholders and the Book Running Lead Managers, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any offshore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer clause of BSE

As required, a copy of the Pre-filed Draft Red Herring Prospectus was submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of the Pre-filed Draft Red Herring Prospectus, is set forth below:

“BSE Limited (“the Exchange”) has given vide its letter dated December 1, 2025, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner: -

- a. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or*
- b. warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or*
- c. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.*

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.”

Disclaimer clause of NSE

As required, a copy of the Pre-filed Draft Red Herring Prospectus was submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of the Pre-filed Draft Red Herring Prospectus, is set forth below:

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/ 6104 dated December 1, 2025, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

Listing

The Equity Shares offered through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/Offer Closing Date or such other time as prescribed by SEBI. If our Company does not Allot Equity Shares pursuant to the Offer within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI.

Consents

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, legal counsel to our Company as to Indian law, Bankers to our Company, the BRLMs, Registrar to the Offer, Redseer, intellectual property consultant and independent chartered accountants, in their respective capacities, have been obtained, and such consents have not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I. Further, consents in writing of the

Syndicate Members, Escrow Collection Bank(s)/ Refund Bank(s)/ Public Offer Account/ Sponsor Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for filing with the RoC.

Experts to the Offer

Except as disclosed below, our Company has not obtained any expert opinions:

Our Company has received written consent dated January 21, 2026 from S.R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Updated Draft Red Herring Prospectus - I, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our current Statutory Auditor and in respect of their (i) examination report, dated January 14, 2026 on our Restated Consolidated Financial Information; and (ii) their report dated September 23, 2025 on the Statement of Special Tax Benefits in this Updated Draft Red Herring Prospectus - I and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has received written consent dated January 21, 2026 from Manian & Rao, Chartered Accountants, holding a valid peer review certificate from the ICAI, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus - I, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of various certificates issued by them in their capacity as the independent chartered accountant to our Company and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I.

Our Company has received written consent dated January 21, 2026 from K&S Partners, intellectual property consultant, to include their name in this Updated Draft Red Herring Prospectus - I and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the certificate dated January 21, 2026 in relation to the patent, design, trademark and copyright registrations and applications filed by our Company and the Subsidiaries in India and outside India and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I.

Our Company has received written consent dated January 21, 2026 from Sai Krishna and Associates, intellectual property consultant, to include their name in this Updated Draft Red Herring Prospectus - I and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the certificate dated January 21, 2026 in relation to the patent, design, trademark and copyright registrations and applications filed by our Company in India and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I.

It is clarified that the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Particulars regarding public or rights issues during the last five years

Other than as disclosed in “*Capital Structure - Notes to capital structure - Share capital history of our Company - Equity share capital*” on page 117, our Company has not made any rights issue of Equity Shares during the five years immediately preceding the date of this Updated Draft Red Herring Prospectus - I.

Further, our Company has not made any public issue of Equity Shares during the five years immediately preceding the date of this Updated Draft Red Herring Prospectus - I.

Particulars regarding capital issues by our Company and its listed subsidiaries, group companies and associate entities during the last three years

Other than as disclosed in “*Capital Structure - Notes to capital structure - Share capital history of our Company - Equity share capital*” on page 117, our Company has not made any capital issues during the three years preceding the date of this Updated Draft Red Herring Prospectus - I.

There have been no capital issues during the three years preceding the date of this Updated Draft Red Herring Prospectus - I by our listed Associate and listed Group Companies, Walmart Inc. and C. E. Info Systems Limited. As on the date of this Updated Draft Red Herring Prospectus - I, our Company does not have any listed Subsidiary.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public offer of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the last five years preceding the date of this Updated Draft Red Herring Prospectus - I.

Performance vis-à-vis objects – public/rights issue of the listed subsidiaries and listed promoters

As on date of this Updated Draft Red Herring Prospectus - I, our Company does not have a listed Subsidiary or any listed Promoter.

Price information of past issues handled by the BRLMs

I. Kotak Mahindra Capital Company Limited

1. Price information (during the current Financial Year and two Financial Years preceding the current Financial Year) of past issues handled by Kotak Mahindra Capital Company Limited:

Sr. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	Amagi Media Labs Limited [#]	17,886.19	361.00	January 21, 2026	317.00	Not applicable	Not applicable	Not applicable
2.	ICICI Prudential Asset Management Company Limited [^]	106,026.50	2,165.00	December 19, 2025	2,600.00	+35.59%, [-1.05%]	Not applicable	Not applicable
3.	CORONA Remedies Limited [^]	6,553.71	1,062.00 ¹	December 15, 2025	1,470.00	+34.92%, [-1.13%]	Not applicable	Not applicable
4.	Meesho Limited [^]	54,212.04	111.00	December 10, 2025	162.50	+48.56%, [+0.46%]	Not applicable	Not applicable
5.	Aequs Limited [^]	9,218.12	124.00 ²	December 10, 2025	140.00	+15.61%, [+0.46%]	Not applicable	Not applicable
6.	Physicswallah Limited [^]	34,800.00	109.00 ³	November 18, 2025	145.00	+22.76%, [-0.35%]	Not applicable	Not applicable
7.	Emmvee Photovoltaic Power Limited [^]	29,000.00	217.00	November 18, 2025	217.00	-18.14%, [-0.35%]	Not applicable	Not applicable
8.	Billionbrains Garage Ventures Limited [^]	66,323.01	100.00	November 12, 2025	112.00	+45.45%, [+0.09%]	Not applicable	Not applicable
9.	Lenskart Solutions Limited [^]	72,780.15	402.00 ⁴	November 10, 2025	395.00	+1.60%, [+1.04%]	Not applicable	Not applicable
10.	Orkla India Limited [#]	16,673.30	730.00 ⁵	November 6, 2025	751.50	-13.60%, [+2.88%]	Not applicable	Not applicable

Source: www.nseindia.com; www.bseindia.com

[^] NSE as designated stock exchange

[#] BSE as designated stock exchange

Notes:

1. In CORONA Remedies Limited, the issue price to eligible employees was ₹ 1,008 after a discount of ₹ 54 per equity share
2. In Aequs Limited, the issue price to eligible employees was ₹ 113 after a discount of ₹ 11 per equity share
3. In Physicswallah Limited, the issue price to eligible employees was ₹ 99 after a discount of ₹ 10 per equity share
4. In Lenskart Solutions Limited, the issue price to eligible employees was ₹ 383 after a discount of ₹ 19 per equity share
5. In Orkla India Limited, the issue price to eligible employees was ₹ 661 after a discount of ₹ 69 per equity share
6. In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.
7. The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.
8. Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.
9. Restricted to last 10 equity initial public issues.

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Kotak Mahindra Capital Company Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2025-26	18	729,820.20	-	-	5	1	4	7	-	-	1	-	-	2
2024-25	18	999,474.07	-	-	3	2	7	6	1	1	5	4	3	4
2023-24	11	179,436.83	-	-	-	2	4	5	-	-	-	7	3	1

Notes:

1. The information is as on the date of this Updated Draft Red Herring Prospectus - I.
2. The information for each of the financial years is based on issues listed during such financial year.

II. J.P. Morgan India Private Limited

1. Price information (during the current Financial Year and two Financial Years preceding the current Financial Year) of past issues handled by J.P. Morgan India Private Limited:

Sr. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	Meesho Limited ^(b)	54,212.04	111	December 10, 2025	162.50	+48.6% [+0.5%]	NA	NA
2.	Physicswallah Limited ^(b)	34,800.00	109 ¹	November 18, 2025	145.00	+22.8%[-0.4%]	NA	NA
3.	Pine Labs Limited ^(b)	38,999.08	221 ²	November 14, 2025	242.00	+7.3% [+0.5%]	NA	NA
4.	Billionbrains Garage Ventures Limited ^(b)	66,323.01	100	November 12, 2025	112.00	+45.5% [+0.1%]	NA	NA
5.	Orkla India Limited ^(a)	16,673.32	730 ³	November 06, 2025	751.50	-13.6% [+2.9%]	NA	NA
6.	LG Electronics India Limited ^(b)	116,047.32	1,140 ⁴	October 14, 2025	1,710.10	+45.4% [+2.9%]	+23.1% [+2.1%]	NA
7.	Tata Capital Limited ^(b)	155,118.72	326	October 13, 2025	330.00	-0.1% [+1.9%]	+10.4% [+1.8%]	NA
8.	Anthem Biosciences Limited ^(a)	33,950.00	570 ⁵	July 21, 2025	723.10	43.5% [-0.7%]	32.9% [+2.1%]	+8.0% [+1.7%]
9.	Schloss Bangalore Limited ^(b)	35,000.00	435	June 02, 2025	406.00	-6.9% [+3.3%]	-8.2% [-1.2%]	-5.3% [+6.0%]
10.	Hexaware Technologies Limited ^(b)	87,500.00	708 ⁶	February 19, 2025	745.50	+3.5% [+1.1%]	+5.2% [+8.8%]	+1.3% [+7.4%]

Source: SEBI, Source: www.nseindia.com, Source: <https://www.bseindia.com/index.html>

1. Price on the designated stock exchange is considered for all of the above calculation for individual stocks.

^(a) BSE as the designated stock exchange; ^(b) NSE as the designated stock exchange.

2. In case 30th / 90th / 180th day is not a trading day, closing price on the stock exchange of the previous trading day has been considered.

3. Closing price of 30th, 90th, 180th calendar day from listing day has been taken as listing day plus 29, 89 and 179 calendar days respectively.

4. Pricing performance is calculated based on the Issue price.

5. Variation in the offer price for certain category of investors are:

¹Discount of ₹10.0 per equity share offered to eligible employee bidders. All calculation are based on Issue price of ₹109 per equity share

²Discount of ₹21.0 per equity share offered to eligible employee bidders. All calculation are based on Issue price of ₹221 per equity share

³Discount of ₹69.0 per equity share offered to eligible employee bidders. All calculation are based on Issue price of ₹730 per equity share

⁴Discount of ₹108.0 per equity share offered to eligible employee bidders. All calculation are based on Issue price of ₹1,140 per equity share

⁵Discount of ₹50.0 per equity share offered to eligible employee bidders. All calculation are based on Issue price of ₹570 per equity share

⁶Discount of ₹67.0 per equity share offered to eligible employee bidders. All calculation are based on Issue price of ₹708 per equity share

6. Pricing Performance for the benchmark index is calculated as per the close on the day of the listing date.

7. Benchmark index considered is NIFTY 50 / S&P BSE Sensex basis designated stock exchange for each issue.

8. Issue size as per the basis of allotment.

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by J.P. Morgan India Private Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2025-2026	9	551,123	NA	NA	3	NA	4	2	NA	NA	1	NA	NA	1
2024-2025	9	671,614	NA	NA	1	1	5	2	NA	NA	2	3	3	1
2023-2024	4	77,481	NA	NA	NA	NA	1	3	NA	NA	1	1	1	1

Note: In the event that any day falls on a holiday, the price / index of the previous trading day has been considered. The information for each of the financial years is based on issues listed during such financial year.

III. Citigroup Global Markets India Private Limited

- Price information (during the current Financial Year and two Financial Years preceding the current Financial Year) of past issues handled by Citigroup Global Markets India Private Limited:

Sr. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	Amagi Media Labs Limited	17,886.19	361.00	January 21, 2026	317.00	NA	NA	NA
2.	ICICI Prudential Asset Management Company Limited	106,026.50	2,165.00	December 19, 2025	2,600.00	+35.59% [-1.05%]	NA	NA
3.	Meesho Limited	54,212.04	111.00	December 10, 2025	162.50	+48.56% [+0.46%]	NA	NA
4.	Tenneco Clean Air India Limited	36,000.00	397.00	November 19, 2025	505.00	+18.35% [-0.91%]	NA	NA
5.	Pine Labs Limited	38,999.08	221.00	November 14, 2025	242.00	+7.30% [+0.53%]	NA	NA
6.	Billionbrains Garage Ventures Limited	66,323.01	100.00	November 12, 2025	112.00	+45.45% [+0.09%]	NA	NA
7.	Lenskart Solutions Limited	72,780.15	402.00	November 10, 2025	395.00	+1.60% [+1.04%]	NA	NA
8.	Orkla India Limited	16,673.30	730.00	November 06, 2025	751.50	-13.60% [+2.88%]	NA	NA
9.	LG Electronics India Limited	116,047.32	1,140.00	October 14, 2025	1,710.10	+45.38% [+2.90%]	+23.10% [+2.14%]	NA
10.	Tata Capital Limited	155,118.70	326.00	October 13, 2025	330.00	-0.11% [+1.85%]	+10.43% [+1.81%]	NA

Notes:

- Benchmark index basis designated stock exchange.
- % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs. issue price. % change in closing benchmark index is calculated based on closing index on listing day vs. closing index on 30th / 90th / 180th calendar day from listing day.
- 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case closing price on designated stock exchange of a trading day immediately prior to the 30th / 90th / 180th day, is considered.
- Restricted to last 10 issues.

- Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Citigroup Global Markets India Private Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2025-26	13	785,016.29	-	-	3	-	5	4	-	-	1	-	-	1
2024-25	9	628,230.49	-	-	3	-	4	2	-	1	4	1	1	2
2023-24	5	94,584.85	-	-	-	1	2	2	-	-	-	2	3	-

Source: www.nseindia.com

Notes:

- The information is as on the date of the document.
- The information for each of the financial years is based on issues listed during such financial year.
- Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

IV. Morgan Stanley India Company Private Limited

- Price information (during the current Financial Year and two Financial Years preceding the current Financial Year) of past issues handled by Morgan Stanley India Company Private Limited:

Sr. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, +/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, +/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, +/- % change in closing benchmark]- 180 th calendar days from listing
1.	ICICI Prudential Asset Management Company Limited	1,06,026.50	2165.00	December 19, 2025	2600.00	+35.6%[-0.5%]	NA	NA
2.	Meesho Limited	54,212.00	111.00	December 10, 2025	162.50	+48.6%[+0.1%]	NA	NA
3.	Pine Labs Limited	38,999.08	221.00	November 14, 2025	242.00	+7.3%[+0.6%]	NA	NA
4.	Lenskart Solutions Limited	72,780.15	402.00	November 10, 2025	395.00	+1.6%[+1.4%]	NA	NA
5.	LG Electronics India Limited	116,047.00	1,140.00	October 14, 2025	1,710.10	+45.4%[+2.6%]	+23.1%[+1.8%]	NA
6.	Urban Company Limited	19,000.00	103.00	September 17, 2025	162.25	+53.8%[+1.4%]	+19.7%[+3.1%]	NA
7.	HDB Financial Services Limited	1,25,000.00	740.00	July 02, 2025	835.00	+2.5%, [-3.0%]	+1.1%, [-3.6%]	+2.5%[+2.0%]
8.	Schloss Bangalore Limited	35,000.00	435.00	June 02, 2025	406.00	-6.9%[+3.2%]	-8.2%, [-1.3%]	-5.3%[+5.9%]
9.	Dr Agarwal's Health Care Limited	30,272.60	402.00	February 04, 2025	402.00	+4.0%[-4.4%]	-12.0%[+4.2%]	+12.4%[+5.2%]
10.	International Gemmological Institute (India) Limited	42,250.00	417.00	December 20, 2024	510.00	+ 24.2%[- 3.1%]	- 21.4%[- 4.4%]	-11.5%[+3.8%]
11.	Sai Life Sciences Limited	30,426.20	549.00	December 18, 2024	650.00	+ 30.6%[- 4.2%]	+ 28.4%[- 7.5%]	+40.3%[+1.6%]
12.	Vishal Mega Mart Limited	80,000.00	78.00	December 18, 2024	104.00	+ 40.0%[- 4.2%]	+ 29.9%[- 7.5%]	+58.6%[+1.6%]
13.	Zinka Logistics Solutions Limited	11,147.22	273.00	November 22, 2024	280.90	+ 83.8%[+ 1.0%]	+54.3%[-1.8%]	+78.2[+5.7%]
14.	Niva Bupa Health Insurance Company limited	22,000.00	74.00	November 14, 2024	78.14	+ 13.0%[+ 5.1%]	+8.1%[-2.1%]	+15.0%[+5.8%]
15.	Hyundai Motor India Limited	2,78,556.83	1,960.00	October 22, 2024	1,934.00	-6.6%[-5.1%]	-8.7%[-6.4%]	-15.2%[-3.8%]
16.	Brainbees Solutions Limited	41,937.28	465.00	August 13, 2024	651.00	+ 37.5%[+ 2.3%]	+21.4%[-0.8%]	-10.0%[-3.2%]
17.	Go Digit General Insurance Limited	26,146.26	272.00	May 23, 2024	286.00	+22.8%[+4.0%]	+30.8%[+9.3%]	+16.3%[+3.8%]

Source: www.nseindia.com; for price information and prospectus/ basis of allotment for issue details.

Notes:

- Issue size is as per the prospectus filed with SEBI with the figures rounded off to the nearest decimal point.
- Benchmark index considered is NIFTY50.
- If the 30th/90th/180th day falls on a trading holiday then pricing information on the preceding trading day has been considered.
- Pricing Performance for the company is calculated as per the final offer price.
- Pricing Performance for the benchmark index is calculated as per the close on the day prior to the listing date.

- Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Morgan Stanley India Company Private Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2025-26	8	5,67,064.73	-	-	1	1	3	3	-	-	1*	-	-	1*
2024-25	9	5,62,736.58	-	-	1	1	3	4	-	-	3	2	1	3

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com

Notes:

* Only for those IPOs which has completed 180 calendar days from listing till now.

Total number of IPOs and total amounts of funds raised includes 17 Issues: ICICI Prudential Asset Management Company Limited, Meesho Limited, Pine Labs Limited, Lenskart Solutions Limited, LG Electronics India Limited, Urban Company Limited, HDB Financial Services Limited, Schloss Bangalore Limited, Dr Agarwal's Health Care Limited, International Gemmological Institute (India) Limited, Sai Life Sciences Limited, Vishal Mega Mart Limited, Zinka Logistics Solutions Limited, Niva Bupa Health Insurance Company limited, Hyundai Motor India Limited, Brainbees Solutions Limited and Go Digit General Insurance Limited. Trading performance includes 17 issues: ICICI Prudential Asset Management Company Limited, Meesho Limited, Pine Labs Limited, Lenskart Solutions Limited, LG Electronics India Limited, Urban Company Limited, HDB Financial Services Limited, Schloss Bangalore Limited, Dr Agarwal's Health Care Limited, International Gemmological Institute (India) Limited, Sai Life Sciences Limited, Vishal Mega Mart Limited, Zinka Logistics Solutions Limited, Niva Bupa Health Insurance Company limited, Hyundai Motor India Limited, Brainbees Solutions Limited and Go Digit General Insurance Limited

V. Axis Capital Limited

- Price information (during the current Financial Year and two Financial Years preceding the current Financial Year) of past issues handled by Axis Capital Limited:

Sr. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	ICICI Prudential Asset Management Company Limited ⁽²⁾	106,026.53	2165.00	19-Dec-25	2600.00	35.59%, [-0.83%]	-	-
2.	Wakefit Innovation Limited ⁽²⁾	12,888.00	195.00	15-Dec-25	195.00	-0.87%, [-0.69%]	-	-
3.	Meesho Limited ⁽²⁾	54,212.04	111.00	10-Dec-25	162.50	+48.56%, [-0.13%]	-	-
4.	Tenneco Clean Air India Limited ⁽²⁾	36,000.00	397.00	19-Nov-25	505.00	+18.35%, [-0.92%]	-	-
5.	Physicswallah Ltd ^{** (2)}	34,800.00	109.00	18-Nov-25	145.00	+22.76%, [-0.35%]	-	-
6.	Pine Labs Limited ^{* (2)}	38,999.08	221.00	14-Nov-25	242.00	+7.30%, [+0.53%]	-	-
7.	Billionbrains Garage Ventures Limited ⁽²⁾	66,323.01	100.00	12-Nov-25	112.00	+45.45%, [+0.09%]	-	-
8.	Lenskart Solutions Limited ^{^ (2)}	72,780.15	402.00	10-Nov-25	395.00	+1.60%, [+1.04%]	-	-
9.	Rubicon Research Limited ^{& (2)}	13,775.00	485.00	16-Oct-25	620.00	+47.18%, [+1.27%]	+39.61%, [+0.57%]	-
10.	Canara Robeco Asset Management Company Limited ⁽²⁾	13,261.26	266.00	16-Oct-25	280.25	+9.81%, [+1.27%]	+5.62%, [+0.57%]	-

Source: www.nseindia.com and www.bseindia.com

⁽¹⁾BSE as Designated Stock Exchange

⁽²⁾NSE as Designated Stock Exchange

** Offer Price was ₹ 99.00 per equity share to Eligible Employees

* Offer Price was ₹ 200.00 per equity share to Eligible Employees

^ Offer Price was ₹ 383.00 per equity share to Eligible Employees

& Offer Price was ₹ 439.00 per equity share to Eligible Employees

Notes:

a. Issue Size derived from Prospectus/final post issue reports, as available.

b. The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.

c. Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.

d. In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.

e. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

- Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Axis Capital Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2025-2026*	21	923,314.03	-	-	4	1	6	10	-	-	2	2	-	-
2024-2025	20	445,928.65	-	1	2	7	6	4	-	3	3	9	1	4
2023-2024	18	218,638.22	-	-	4	2	6	6	-	-	3	7	4	4

* The information is as on the date of the document

The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

VI. Goldman Sachs (India) Securities Private Limited

- Price information (during the current Financial Year and two Financial Years preceding the current Financial Year) of past issues handled by Goldman Sachs (India) Securities Private Limited:

Sr. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, +/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, +/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, +/- % change in closing benchmark]- 180 th calendar days from listing
1.	Amagi Media Labs Limited	17,886.19	361.00	January 21, 2026	317.00	NA	NA	NA
2.	ICICI Prudential Asset Management Company Limited	106,026.5	2,165.00	December 19, 2025	2,600.00	+35.59% / [-1.05%]	NA	NA
3.	Physicswallah Limited	34,800.00	109.00	November 18, 2025	145.00	+22.76% / [-0.35%]	NA	NA
4.	Urban Company Limited	19,000.00	103.00	September 17, 2025	162.25	+53.83% / [+1.01%]	+19.69% / [+2.75%]	NA
5.	JSW Cement Limited	36,000.00	147.00	August 14, 2025	153.50	+1.17% / [+1.96%]	-16.64%, [+4.32%]	NA
6.	HDB Financial Services Limited	125,000.00	740.00	July 02, 2025	835.00	+2.51% / [-2.69%]	+1.10% / [-3.22%]	+2.49% / [+2.31%]
7.	Bajaj Housing Finance Limited	65,600.00	70.00	September 16, 2024	150.00	+99.86% / [-1.29%]	+89.23% / [-2.42%]	+64.64% / [-11.77%]
8.	Ola Electric Mobility Limited	61,455.59	76.00	August 9, 2024	76.00	+44.17% / [+1.99%]	-2.11% / [+0.48%]	-1.51% / [-2.58%]
9.	TBO Tek Limited	15,508.09	920.00	May 15, 2024	1,426.00	+69.94% / [+5.40%]	+84.90% / [+9.67%]	+85.23% / [+8.77%]

Source: www.nseindia.com; www.bseindia.com

Notes:

- Benchmark index considered is NIFTY 50.
 - 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the preceding trading day.
 - In Ola Electric Mobility Limited, the issue price to eligible employees was ₹69 after a discount of ₹7 per equity share.
- Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Goldman Sachs (India) Securities Private Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2025-2026	6	338,712.69	NA	NA	NA	1	1	3	NA	NA	NA	NA	NA	1
2024-2025	3	142,563.68	NA	NA	NA	2	1	NA	NA	NA	1	2	NA	NA
2023-2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

- The information is as on the date of this Updated Draft Red Herring Prospectus - I.
- The information for each of the financial years is based on issues listed during such financial year.

VII. Jefferies India Private Limited

1. Price information (during the current Financial Year and two Financial Years preceding the current Financial Year) of past issues handled by Jefferies India Private Limited:

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, +/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, +/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, +/- % change in closing benchmark]- 180 th calendar days from listing
1	Emmvee Photovoltaic Power Limited^^	29,000.00	217.00	18-Nov-25	217.00	-18.14% [-0.35%]	NA	NA
2	Pine Labs Limited^^	38,999.08	221.00 ⁽¹⁾	14-Nov-25	242.00	+7.30% [+0.53%]	NA	NA
3	WeWork India Management Limited^^	30,000.00	648.00 ⁽²⁾	10-Oct-25	650.00	-2.48% [+0.82%]	-4.21% [+3.38%]	NA
4	JSW Cement Limited^^	36,000.00	147.00	14-Aug-25	153.50	+1.17% [+1.96%]	-16.64% [+4.32%]	NA
5	HDB Financial Services Limited^^	125,000.00	740.00	2-Jul-25	835.00	+2.51% [-2.69%]	+1.10% [-3.22%]	+2.49% [+2.31%]
6	Aegis Vopak Terminals Limited^	28,000.00	235.00	2-Jun-25	220.00	+3.74% [+2.86%]	+5.09% [-1.92%]	+10.89% [+5.32%]
7	Belrise Industries Limited^^	21,500.00	90.00	28-May-25	100.00	+14.08% [+3.22%]	+58.30% [+0.87%]	+79.16% [+5.32%]
8	Dr. Agarwal's Healthcare Limited^	30,272.60	402.00	4-Feb-25	396.90	+3.82% [-6.18%]	-12.14% [+2.44%]	+12.38% [+2.57%]
9	Inventurus Knowledge Solutions Limited^^	24,979.20	1,329.00	19-Dec-24	1,900.00	+40.85% [-3.13%]	+13.77% [-4.67%]	+30.17% [+4.15%]
10	Vishal Mega Mart Limited^^	80,000.00	78.00	18-Dec-24	104.00	+39.96% [-3.67%]	+29.95% [-6.98%]	+58.58% [+2.15%]

Notes:

NA- Not Applicable, as the relevant period is not completed.

Data Restricted to last 10 equity initial public issues.

^^NSE as designated stock exchange

^BSE as designated stock exchange

1. A discount of ₹ 21 per equity was offered to eligible employees bidding in the employee reservation portion.

2. A discount of ₹ 60 per equity was offered to eligible employees bidding in the employee reservation portion.

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Jefferies India Private Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2025 – 2026*	7	308,499.08	-	-	2	-	-	5	-	-	-	1	-	2
2024 – 2025	10	432,557.21	-	-	-	2	6	2	-	-	2	3	4	1
2023 – 2024	3	74,768.76	-	-	1	-	2	-	-	-	1	2	-	-

* This data covers issues up to YTD

Notes:

1. Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective issuer company.

2. Similarly, benchmark index considered is “NIFTY 50” where NSE is the designated stock exchange and “S&P BSE SENSEX” where BSE is the designated stock exchange, as disclosed by the respective issuer company.

3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day.

4. The information for each of the financial years is based on issues listed during such financial year.

VIII. JM Financial Limited

1. Price information (during the current Financial Year and two Financial Years preceding the current Financial Year) of past issues handled by JM Financial Limited:

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180 th calendar days from listing
1.	ICICI Prudential Asset Management Company Limited*	1,06,026.50	2,165.00	December 19, 2025	2,600.00	35.59% [-1.05%]	Not Applicable	Not Applicable
2.	Corona Remedies Limited* ¹²	6,553.71	1,062.00	December 15, 2025	1,470.00	34.92% [-1.13%]	Not Applicable	Not Applicable
3.	Aequs Limited* ¹¹	9,218.12	124.00	December 10, 2025	140.00	15.61% [0.46%]	Not Applicable	Not Applicable
4.	Capillary Technologies India Limited ^{#10}	8,775.01	577.00	November 21, 2025	560.00	16.51% [-0.88%]	Not Applicable	Not Applicable
5.	Tenneco Clean Air India Limited*	36,000.00	397.00	November 19, 2025	505.00	18.35% [-0.91%]	Not Applicable	Not Applicable
6.	Emmvee Photovoltaic Power Limited*	29,000.00	217.00	November 18, 2025	217.00	-18.14% [-0.35%]	Not Applicable	Not Applicable
7.	Canara HSBC Life Insurance Company Limited* ⁸	25,159.50	106.00	October 17, 2025	106.00	13.50% [0.78%]	34.92% [-0.17%]	Not Applicable
8.	Rubicon Research Limited* ⁹	13,775.00	485.00	October 16, 2025	620.00	47.18% [1.27%]	39.61% [0.57%]	Not Applicable
9.	Canara Robeco Asset Management Limited*	13,261.26	266.00	October 16, 2025	280.25	9.81% [1.27%]	5.62% [0.57%]	Not Applicable
10.	Wework India Management Limited* ⁷	29,996.43	648.00	October 10, 2025	650.00	-2.48% [0.82%]	-4.21% [3.38%]	Not Applicable

Source: www.nseindia.com and www.bseindia.com

[#] BSE as designated stock exchange

* NSE as designated stock exchange

Notes:

- Opening price information as disclosed on the website of the designated stock exchange.
- Change in closing price over the issue/offer price as disclosed on designated stock exchange.
- For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
- In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.
- 30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken as listing date plus 179 calendar days.
- Restricted to last 10 issues.
- A discount of Rs. 60 per Equity Share was offered to eligible employees bidding in the employee reservation portion.
- A discount of Rs. 10 per Equity Share was offered to eligible employees bidding in the employee reservation portion.
- A discount of Rs. 46 per Equity Share was offered to eligible employees bidding in the employee reservation portion.
- A discount of Rs. 52 per Equity Share was offered to eligible employees bidding in the employee reservation portion.
- A discount of Rs. 11 per Equity Share was offered to eligible employees bidding in the employee reservation portion.
- A discount of Rs. 54 per Equity Share was offered to eligible employees bidding in the employee reservation portion.

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2025-2026	25	6,46,151.47	1	1	8	-	6	9	-	1	4	1	-	3
2024-2025	13	2,55,434.10	-	-	5	5	2	1	1	3	1	4	1	2
2023-2024	24	2,88,746.72	-	-	7	4	5	8	-	-	5	7	5	7

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in the SEBI circular dated January 10, 2012, bearing reference number CIR/MIRSD/1/2012, see the websites of the BRLMs, as provided in the table below.

Sr. No.	Name of the BRLM	Website	QR code
1.	Kotak Mahindra Capital Company Limited	https://investmentbank.kotak.com	
2.	J.P. Morgan India Private Limited	www.jpmpil.com	
3.	Citigroup Global Markets India Private Limited	https://www.citigroup.com/global/about-us/global-presence/india/disclaimer	
4.	Morgan Stanley India Company Private Limited	www.morganstanley.com	
5.	Axis Capital Limited	www.axiscapital.co.in	
6.	Goldman Sachs (India) Securities Private Limited	www.goldmansachs.com	
7.	Jefferies India Private Limited	www.jefferies.com	
8.	JM Financial Limited	www.jmfl.com	

Stock Market Data of Equity Shares

This being the initial public offer of Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the Bidders to approach the Registrar to the Offer for redressal of their grievances.

In terms of the SEBI ICDR Master Circular and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the Bidders shall be compensated by the SCSBs in accordance with the SEBI ICDR Master Circular in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially allotted applications, for the stipulated period and such compensation to Bidders shall be computed from T+3 day. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the SCSBs and the Book Running Lead Managers shall compensate the Bidders at the rate higher of ₹100 or 15% per annum of the application amount for the period of such delay, in terms of the SEBI ICDR Master Circular. Further, in terms of the SEBI ICDR Master Circular, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

All Offer-related grievances, other than for Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment

of Bid Amount through the UPI Mechanism) and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

In terms of the SEBI ICDR Master Circular, in case of any delay in unblocking of amounts in the ASBA Accounts exceeding two Working Days from the Bid / Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher, for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

The following compensation mechanism has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked - Till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock.
Delayed unblock for non – Allotted / partially Allotted applications.	₹100 per day or 15% per annum of the Bid Amount, whichever is higher.	Three Working Days after Bid/Offer Closing Date - Till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer BRLM shall be liable to compensate the investor at the rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Our Company, the Selling Shareholders, severally and not jointly, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of the Designated Intermediaries including any defaults in complying with its obligations under the applicable provisions of SEBI ICDR Regulations.

For helpline details of the Book Running Lead Managers pursuant to the SEBI ICDR Master Circular, see “*General Information – Book Running Lead Managers*” on page 109.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Bidders can contact our Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Disposal of investor grievances by our Company

Our Company has applied for authentication on the SCORES in terms of the SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023, read with SEBI circular bearing reference number SEBI/HO/OIAE/IGRD/CIR/P/2023/183 dated December 1, 2023, in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 15 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has not received any investor grievances in the last three Financial Years prior to the filing of this Updated Draft Red Herring Prospectus - I. As at the date of this Updated Draft Red Herring Prospectus - I there are no outstanding investor grievances. Further, Walmart Inc has not been notified of any current or pending investor complaints/grievances that have been lodged with the U.S. Securities and Exchange Commission's Office of the Investor Advocate. C. E. Info Systems Limited has no investor complaints/grievances pending against them as on date of this Updated Draft Red Herring Prospectus - I.

Our Company has also appointed Ankit Gunvantrai Popat, as the Company Secretary and Compliance Officer for the Offer. For further details, see "*General Information*" on page 108.

Our Company has constituted a Stakeholders Relationship Committee comprising Zarin Bomi Daruwala, Sameer Nigam and Leigh Douglas Hopkins, as members. For details, see "*Our Management – Committees of our Board - Stakeholders Relationship Committee*" on page 285.

Exemption from complying with any provisions of SEBI ICDR Regulations

Our Company had filed an exemption application dated September 23, 2025 and an updated exemption application dated October 30, 2025 (collectively, the "**Exemption Application**"), (i) requesting approval to include disclosures (as required for group companies under the SEBI ICDR Regulations) and to provide the required confirmations applicable to group companies under the SEBI ICDR Regulations in relation to Yuvdhi Apparels Private Limited ("Yuvdhi"), on the basis of information available with our Company and within the public domain; and (ii) accordingly seeking exemption under Regulation 300(1)(c) of the SEBI ICDR Regulations from the strict enforcement of the disclosure requirements (to the extent that such information is not available in the public domain) applicable to group companies in relation to Yuvdhi. Subsequently, by way of a letter dated November 27, 2025, our Company withdrew the Exemption Application. Accordingly, as on date of this Updated Draft Red Herring Prospectus – I, our Company has not applied for any exemption from the SEBI under Regulation 300 (2) of the SEBI ICDR Regulations from compliance with any provisions of securities laws including the SEBI ICDR Regulations.

Other confirmations

No person connected with the Offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Offer, except for fees or commission for services rendered in relation to the Offer.

SECTION VII: OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term “group companies”, includes (a) such companies (other than promoters and subsidiaries) with which there were related party transactions during the period for which financial information is disclosed in this Updated Draft Red Herring Prospectus - I, as covered under applicable accounting standards, and (b) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, for point (a) above, all such companies (other than our Promoters and Subsidiaries) with which our Company had related party transactions during the periods covered in the Restated Consolidated Financial Information, as covered under the applicable accounting standards, have been disclosed as group companies in terms of the SEBI ICDR Regulations.

Further with respect to point (b), our Board, in its meeting held on September 23, 2025, has considered and adopted a policy of materiality for the identification of companies that shall be considered material and disclosed as a ‘group company’ in this Updated Draft Red Herring Prospectus - I. In terms of such materiality policy, such companies shall be considered material and disclosed as a Group Company, if a company (i) is a member of the Promoter Group; and (ii) has entered into one or more transactions with our Company in the most recent period for which Restated Consolidated Financial Information is included in this Updated Draft Red Herring Prospectus - I, which exceeds, individually or in the aggregate, 10% of the total restated consolidated revenue from operations of our Company derived from the Restated Consolidated Financial Information of the last completed full financial year.

Accordingly, based on the parameters outlined above, as on the date of this Updated Draft Red Herring Prospectus - I, our Company has identified the following Group Companies:

S. No.	Name	Registered Office	Country of Incorporation
1.	Arvind Youth Brands Private Limited	Main Building, Arvind Limited Premises, Near Chamunda Bridge, Naroda Road, Ahmedabad, Ahmendabad, Gujarat, India, 380025	India
2.	C. E. Info Systems Limited	237 Okhla Industrial Estate Phase-3, New Delhi-110020	India
3.	Cleartrip Packages & Tours Private Limited	Unit No 4, R City Offices, 10th Floor, L B S Marg, Ghatkopar West, Mumbai, Maharashtra, India, 400086	India
4.	Cleartrip Private Limited	Unit No 4, R City Offices, 10th Floor, L B S Marg, Ghatkopar West, Mumbai, Maharashtra, India, 400086	India
5.	Comercio Digital Wal-Mart, S. de R.L. de C.V.	Nextengo No. 78, Col. Santa Cruz Acayucan, Del. Azcapotzalco, Ciudad de Mexico, Mexico, 02770	Mexico
6.	F1 Info Solution & Services Private Limited	Buildings Alyssa, Begonia & Clover, Embassy Tech Village, Outer Ring Rd, Devarabeesanahalli Village, Bangalore, Karnataka, India, 560103	India
7.	Flipkart Advanz Private Limited	Buildings Alyssa, Begonia & Clover, Embassy Tech Village, Outer Ring Road, Bangalore, Devarabeesanahalli Village Bengaluru, Karnataka, India, 560103	India
8.	Flipkart Health Limited	9 th Floor/2, Tower -A, DLF IT Park, Plot no. 8, Block -AF, Mouza - HIDCO, Major Arterial Road, New Town (Rajarhat) Kolkata - 700156	India
9.	Flipkart India Private Limited	Buildings Alyssa, Begonia & Clover, Embassy Tech Village, Outer Ring Road, Devarabeesanahalli Village Bengaluru, Karnataka, India, 560103	India
10.	Flipkart Internet Private Limited	Buildings Alyssa, Begonia & Clover, Embassy Tech Village, Outer Ring Road, Devarabeesanahalli Village Bengaluru, Karnataka, India, 560103	India
11.	Flipkart Private Limited	9 Raffles Place #26 – 01, Republic Plaza, Singapore 048619	Singapore
12.	Headstand Pte. Ltd.(formerly known as “PhonePe Private Limited”)	79 Robinson Road, #07-01, Capitasky, Singapore – 068897	Singapore
13.	Instakart Services Private Limited	Buildings Alyssa, Begonia & Clover, Embassy Tech Village, Outer Ring Road, Devarabeesanahalli Village Bengaluru, Karnataka, India, 560103	India
14.	Jeeves Consumer Services Private Limited	Buildings Alyssa, Begonia & Clover, Embassy Tech Village, Outer Ring Road, Devarabeesanahalli Village Bangalore, Karnataka 560103	India
15.	Myntra Designs Private Limited	Buildings Alyssa, Begonia & Clover, Embassy Tech Village, Outer Ring Road, Devarabeesanahalli Village Bengaluru, Bangalore KA 560103	India
16.	Myntra Jabong India Private Limited	Buildings Alyssa, Begonia & Clover, Embassy Tech Village, Outer Ring Road, Devarabeesanahalli Village Bengaluru, Karnataka, India, 560103	India

S. No.	Name	Registered Office	Country of Incorporation
17.	Shadowfax Technologies Limited (formerly known as Shadowfax Technologies Private Limited)	3rd Floor, Shilpitha Tech Park, Sy No. 55/3 & 55/4, Outer Ring Road, Devarabisanahalli Village, Bellandur, Varthur Hobli, Bangalore -560103, Karnataka, India.	India
18.	Walmart Inc.	c/o Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle, Delaware, 19801	United States of America
19.	Wal-Mart India Private Limited	E-20, 1st and 2nd Floor, Hauz Khas Main Market, New Delhi, South Delhi 110016	India
20.	Wildcraft India Limited	No. 15/16, 15th Cross, 100 Feet Road, 4th Phase JP Nagar, Bangalore, Bangalore, Karnataka, India, 560078	India
21.	Yuvdhi Apparels Private Limited	571 Dutt Nagar , Indore, Madhya Pradesh, India - 452001	India

In accordance with the SEBI ICDR Regulations, information with respect to: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit/(loss) after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, of our top five Group Companies determined on the basis of their annual turnover, based on their respective audited financial statements for the preceding three years has been uploaded on the website of the respective Group Companies or on the website of our Company, as indicated below, upon filing of the Updated Draft Red Herring Prospectus - I:

S. No.	Name	Website	QR Code
1.	Walmart Inc.	https://stock.walmart.com/financial-information/financial-results	
2.	C.E. Info Systems Limited	https://www.mapmyindia.com/investor/	
3.	Flipkart India Private Limited	ir.phonepe.com/ipo-kit/group-company-financials	
4.	Flipkart Internet Private Limited	www.flipkart.com/corporate-information	
5.	Instakart Services Private Limited	www.ekartlogistics.in/corporate-info	

Our Company has provided links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. The information provided on the websites given above does not constitute a part of (i) this Updated Draft Red Herring Prospectus - I, and will not constitute a part of (ii) the Updated Draft Red Herring Prospectus - II; (iii) the Red Herring Prospectus; or (iv) the Prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. Such information should not be relied upon or used as a basis for any investment decision.

Nature and extent of interest of the Group Companies

In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

In the properties acquired by our Company in the past three years before filing this Updated Draft Red Herring Prospectus - I or proposed to be acquired by our Company

Our Group Companies are not interested in the properties acquired by our Company in the three years preceding the filing of this Updated Draft Red Herring Prospectus - I or in any property proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

Our Group Companies are not interested in any transactions for acquisition of land, construction of buildings or supply of machinery, etc. as on the date of this Updated Draft Red Herring Prospectus - I.

Common pursuits among the Group Companies and our Company

Except as disclosed below, there are no common pursuits among the Group Companies and our Company:

1. Flipkart Internet Private Limited, Myntra Designs Private Limited, Cleartrip Private Limited operate marketplace platforms and accordingly to such extent are engaged in a similar line of business as that of our Company.
2. Flipkart Advanz Limited holds a UPI registration as a TPAP and is engaged in the same line of business as that of our Company.
3. Walmart Inc., through various business relationships with financial service partners, offers services in the U.S. such as money transfers, digital payments platforms, bill payment, money orders, check cashing, prepaid access, co-branded credit cards, installment lending, and earned wage access.

Related business transactions with our Group Companies and significance on the financial performance of our Company

Except for the agreements disclosed below (including any addenda, corrigenda, or amendments that may be entered into in respect of these agreements), and except as disclosed below and in “*Other financial information — Related party transactions*” on page 383, there are no related business transactions with our Group Companies which will impact financial performance of our Company:

Flipkart Internet Private Limited

Flipkart Internet Private Limited has entered into the following agreements with our Company:

1. Software services agreement dated June 1, 2017, for providing data centre servers;
2. Services agreement dated November 22, 2017, for providing services and personnel in relation to the human resource, security and finance functions of our Company;
3. Merchant agreement dated April 20, 2017, for payment aggregation and technology services to accept digital payments;
4. Promotional services agreement dated March 12, 2021, for offering promotion services on our Company’s platforms; and
5. Data sharing agreement dated October 26, 2021, for sharing of licensed data.

Additionally, Flipkart Internet Private Limited has entered into an intellectual property license agreement dated July 6, 2023, with PhonePe Shopping Solutions Private Limited, a wholly owned subsidiary of our Company, for procuring a license to use certain stock-keeping units, pictures or images to be used on its platform(s).

Instakart Services Private Limited

Instakart Services Private Limited has entered in a merchant agreement dated April 20, 2017 with our Company for payment aggregation and technology services to accept digital payments.

Myntra Designs Private Limited

Myntra Designs Private Limited has entered into the following agreements with our Company:

1. Merchant agreement dated August 19, 2016, for payment aggregation and technology services to accept digital payments; and
2. Promotional services agreement dated August 31, 2023, for offering promotion services on our Company’s platforms.

F1 Info Solutions & Services Private Limited

F1 Info Solutions & Services Private Limited has entered into a service agreement dated August 14, 2023, with our Company, for repair and refurbishment services provided to our Company for smart speakers.

Cleartrip Private Limited

Cleartrip Private Limited has entered into the following agreements with our Company:

1. Merchant agreement dated May 18, 2017, for payment aggregation and technology services to accept digital payments; and

2. Payment technology services agreement – B2B dated July 17, 2023, for availing collection and client settlement services from our Company.

Wal-Mart India Private Limited

Wal-Mart India Private Limited has entered into the following agreements with our Company:

1. Merchant agreement dated January 18, 2019, for payment aggregation and technology services to accept digital payments; and
2. Payment technology services agreement – B2B dated September 11, 2023, for availing collection and client settlement services from our Company.

Litigation

As on the date of this Updated Draft Red Herring Prospectus - I, there is no pending litigation involving our Group Companies which will have a material impact on our Company.

Business interest of Group Companies

Except in the ordinary course of business and as stated in “*Other financial information — Related party transactions* on page 383 and as disclosed herein, our Group Companies do not have any business interest in our Company.

Other Confirmations

Except for Walmart Inc. and C. E. Info Systems Limited, none of our Group Companies have their equity shares listed on a stock exchange.

Further, except for Walmart Inc., whose debt securities are listed on the Nasdaq Stock Market LLC, none of our Group Companies have listed debt securities.

None of the Group Companies are not-for-profit organisations.

Further, our listed Group Companies have not made any public or rights or composite issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Updated Draft Red Herring Prospectus - I.

Other than any transactions that may be entered into in the ordinary course of business from time to time, none of our Group Companies nor any of their directors are interested in, and there is no conflict of interest with any lessor of any immovable properties (which are crucial for operations of our Company).

Other than any transactions that may be entered into in the ordinary course of business from time to time and except as disclosed below, neither our Group Companies nor any of their directors are interested in, and there is no conflict of interest with, any suppliers of raw materials and the third-party service providers which are crucial for operations of our Company

1. Keki Mistry, a director on the board of directors of one of our Group Company Flipkart Private Limited, Singapore, is also a director on the board of directors of HDFC Bank Limited.

SECTION VIII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/ Allotment Advice and other terms and conditions as may be incorporated in other documents/ certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital, offer for sale and listing and trading of securities, issued from time to time, by SEBI, the GoI, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the GoI, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Offer

The Offer comprises an Offer for Sale by the Selling Shareholders. For details in relation to the sharing of Offer expenses amongst our Company and the Selling Shareholders, see “*Objects of the Offer*” on page 138.

Ranking of the Equity Shares

The Allottees upon Allotment of Equity Shares under the Offer will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. The Equity Shares transferred in the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA and AoA and shall rank *pari passu* with the existing Equity Shares in all respects including voting, right to receive dividends and other corporate benefits. For further details, see “*Description of Equity Shares and Terms of Articles of Association*” on page 515.

Mode of payment of dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association, dividend distribution policy of our Company, and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares through the Offer for Sale), will be payable to the Bidders who have been Allotted or transferred Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details in relation to dividends, see “*Dividend Policy*” and “*Description of Equity Shares and Terms of Articles of Association*” on pages 304 and 515, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹1 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot for the Offer will be decided by our Company, in consultation with the BRLMs, and published and advertised in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Bengaluru edition of Kannada Prabha, a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company, in consultation with the Book Running Lead Managers, after the Bid/Offer Closing Date.

At any given point of time, there shall be only one denomination for the Equity Shares, unless otherwise permitted by law.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “*Description of Equity Shares and Terms of Articles of Association*” on page 515.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Offer:

- Tripartite agreement dated February 4, 2022 amongst our Company, NSDL and Registrar to the Offer; and
- Tripartite agreement effective as of May 13, 2025 amongst our Company, CDSL and Registrar to the Offer.

For details in relation to the Basis of Allotment, see “*Offer Procedure*” on page 493.

Market lot and trading lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares of face value of ₹1 each. For further details, see “*Offer Procedure*” on page 493.

Joint holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Bengaluru, Karnataka, India will have exclusive jurisdiction in relation to this Offer.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in and in reliance on Rule 144A under the U.S. Securities Act and referred to in this Updated Draft Red Herring Prospectus - I as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Updated Draft Red Herring Prospectus - I as “QIBs”) in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act, and (ii) outside the United States in “offshore transactions” as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the Sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of Sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is modified or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or modified by nominating any other person in place of the present nominee, by the holder of the Equity Shares who made the nomination, by giving a notice of such cancellation or variation to our Company. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Bid/ Offer programme

BID/OFFER OPENS ON	[●]⁽¹⁾
BID/OFFER CLOSES ON	[●]⁽²⁾⁽³⁾

⁽¹⁾ Our Company may, in consultation with the BRLMs consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations.

⁽²⁾ UPI mandate end time and date shall be at 5.00 pm on Bid/ Offer Closing Date, i.e. [●].

⁽³⁾ Our Company, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to dematerialized accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked; (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. The Bidder shall be compensated in the manner specified in the SEBI ICDR Master Circular, which for the avoidance of doubt, shall be deemed to be

incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable, issued by SEBI, and any other applicable law in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. The processing fees for applications made by the UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI ICDR Master Circular, which has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 0.50 million, shall use UPI. RIBs and individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹ 0.20 million and up to ₹ 0.50 million, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers. The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI ICDR Master Circular.

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, any of the Selling Shareholders or the BRLMs.

Any circulars or notifications from the SEBI after the date of this Updated Draft Red Herring Prospectus - I may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change due to any revised circulars issued by the SEBI to this effect.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within three Working Days from the Bid/Offer Closing Date or such other time as prescribed by SEBI, the timetable may be extended due to various factors, such as extension of the Bid/ Offer Period by our Company, in consultation with the BRLMs, revision of the Price Band by our Company in consultation with the BRLMs, or any delay in receiving the final listing and trading approval from the Stock Exchanges. Our Company shall within two Working days from the closure of the Offer or such period as may be prescribed, refund the subscription amount received in case of non-receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Selling Shareholders, severally and not jointly confirm that they shall extend such reasonable support and co-operation as may be required under Applicable Law or reasonably requested by our Company and/or the BRLMs, solely in relation to it and its respective portion of the Offered Shares, to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by SEBI.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the Registrar to the Offer on a daily basis in accordance with the SEBI RTA Master Circular and the SEBI ICDR Master Circular.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within such period as may be prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (other than Bids from Anchor Investors)

Bid/ Offer Period (except the Bid/ Offer Closing Date)	
Submission and revision in Bids	Only between 10.00 a.m. and up to 5.00 p.m. IST
Bid/ Offer Closing Date*	
Submission of electronic applications (Online ASBA through 3-in-1 accounts) - For Retail Individual Bidders	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of electronic applications (Bank ASBA through Online channels like internet banking, mobile banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹0.50 million)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of electronic applications (Syndicate non-retail, non-individual applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of physical applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of physical applications (Syndicate non-retail, non-individual applications where Bid Amount is more than ₹0.50 million)	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/ revision/ cancellation of Bids	
Upward revision of Bids by QIBs and Non-Institutional Bidders [#]	Only between 10.00 a.m. and up to 4.00 p.m. IST on Bid/ Offer Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIBs	Only between 10.00 a.m. and up to 5.00 p.m. IST on Bid/ Offer Closing Date

* UPI mandate end time and date shall be at 5.00 pm on Bid/Offer Closing Date, i.e. [●].

[#] QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

- (i) 4.00 p.m. IST in case of Bids by QIBs and NIBs, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid/ Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by RIBs after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and in any case no later than 1:00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in this Updated Draft Red Herring Prospectus - I is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids and any revision in Bids will be accepted only during Working Days during the Bid/ Offer Period. Bidders may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE, respectively, Bids and any revision in Bids shall not be accepted on Saturdays, Sundays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; and (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/ Offer Period till 5:00 pm on the Bid/ Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price. The Floor Price shall not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-a-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

As this is an offer for sale by the Selling Shareholders, the requirement of minimum subscription of 90% of the Offer under the SEBI ICDR Regulations is not applicable to this Offer. However, (i) if our Company does not receive the minimum subscription in the Offer as specified under the terms of Rule 19(2)(b) of the SCRR, including through the devolvement of Underwriters, within such period as prescribed under applicable law; (ii) the level of subscription falls below the threshold specified above on account of withdrawal of applications or after technical rejections or for any other reason whatsoever; or (iii) if the listing or trading permissions are not obtained from the Stock Exchanges for the Equity Shares offered pursuant to the Offer documents, our Company shall forthwith refund the entire subscription amount received within such period as prescribed by SEBI. If there is a delay in refunding the amount beyond such prescribed period, our Company and every director of our Company who is an officer in default shall pay interest at such rate as required under applicable law. The Selling Shareholders shall reimburse, severally and not jointly, and only to the extent of the Equity Shares offered by such Selling Shareholder in the Offer, any expenses and interest incurred by our Company on behalf of the Selling Shareholders for any delays in making refunds as

required under the Companies Act and any other applicable law including SEBI ICDR Master Circular, provided that the Selling Shareholders shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder in relation to its respective portion of the Offered Shares. All refunds made, interest borne, and expenses incurred (with regard to payment of refunds) by our Company on behalf of any of the Selling Shareholders (only to the extent of its respective portion of the Offered Shares) will be adjusted or reimbursed by such Selling Shareholder to our Company as agreed among our Company and the Selling Shareholders in writing, in accordance with applicable law.

In the event of achieving aforesaid minimum subscription, however, if there is under-subscription in achieving the total Offer size, all the Equity Shares held by the Selling Shareholders and offered for sale in the Offer for Sale will be Allotted (in proportion to the Offered Shares being offered by each Selling Shareholder).

Under-subscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories at the discretion of our Company, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange.

Further our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of the SEBI ICDR Regulations, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for disposal of odd lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

New financial instruments

Our Company is not issuing any new financial instruments through this Offer.

Withdrawal of the Offer

The Offer shall be withdrawn in the event the requirement of the minimum subscription as prescribed under Regulation 45 of the SEBI ICDR Regulations is not fulfilled. Our Company in consultation with the Book Running Lead Managers and each of the Selling Shareholders, severally and not jointly, to the extent of its respective portion of the Offered Shares, reserves the right not to proceed with the Offer and for the Selling Shareholders, the Offer for Sale, in whole or in part thereof, of the Offered Shares, after the Bid/ Offer Opening Date but before Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer and Price Band advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The Book Running Lead Managers, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank(s) (in case of UPI Bidders), to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer and Price Band advertisements have appeared, and the Stock Exchanges will also be informed promptly. If our Company and each of the Selling Shareholders, in consultation with the Book Running Lead Managers withdraws the Offer after the Bid/ Offer Closing Date and thereafter determine that our Company will proceed with a public issue of the Equity Shares, our Company shall file a fresh offer document with SEBI. Notwithstanding the foregoing, the Offer is also subject to (i) the filing of the Prospectus with the RoC; and (ii) obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

Restrictions, if any on transfer and transmission of Equity Shares

Except for the lock-in of the pre-Offer Equity Share capital of our Company and the Anchor Investor lock-in as provided in “*Capital Structure*” on page 116, and except as provided in our Articles of Association as detailed in “*Description of Equity Shares and Terms of Articles of Association*” on page 515 there are no restrictions on transfer and transmission of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see “*Description of Equity Shares and Terms of Articles of Association*” on page 515.

OFFER STRUCTURE

Offer of up to 50,660,446 Equity Shares of face value of ₹1 each for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹[●] million. For details, see “*The Offer*” on page 101.

The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company, respectively.

The Offer is being made through the Book Building Process in compliance with Regulation 6(2) and Regulation 31 and 32(2) of the SEBI ICDR Regulations.

Particulars	QIBs ⁽¹⁾	NIBs	RIBs
Number of Equity Shares available for Allotment or allocation ^{*(2)}	Not less than [●] Equity Shares of face value of ₹1 each	Not more than [●] Equity Shares of face value of ₹1 each available for allocation or Offer less allocation to QIB Bidders and RIBs	Not more than [●] Equity Shares of face value of ₹1 each available for allocation or Offer less allocation to QIB Bidders and NIBs
Percentage of Offer size available for Allotment or allocation	Not less than 75% of the Offer shall be available for allocation to QIBs. However, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not more than 15% of the Offer, or the Offer less allocation to QIB Bidders and RIBs shall be available for allocation, subject to the following: (i) one-third of the portion available to NIBs shall be reserved for applicants with an application size of more than ₹0.20 million and up to ₹1.00 million; and (ii) two-third of the portion available to NIBs shall be reserved for applicants with application size of more than ₹1.00 million provided that the unsubscribed portion in either of the subcategories specified above may be allocated to applicants in the other sub-category of Non-Institutional Bidders.	Not more than 10% of the Offer or the Offer less allocation to QIB Bidders and NIBs shall be available for allocation
Basis of Allotment if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): a) Up to [●] Equity Shares of face value of ₹1 each shall be available for allocation on a proportionate basis to Mutual Funds only; and b) [●] Equity Shares of face value of ₹1 each shall be available for allocation on a proportionate basis to all other QIBs, including Mutual Funds receiving allocation as per (a) above Up to 60% of the QIB Portion (of up to [●] Equity Shares of face value of ₹1 each) may be allocated on a discretionary basis to Anchor Investors out of which 40% out of the Anchor Investor Portion shall be available for allocation as follows, (i) 33.33% shall be available for allocation to	The Equity Shares available for allocation to NIBs under the Non-Institutional Portion, shall be subject to the following: a) one third of the portion available to NIBs being [●] Equity Shares of face value of ₹1 each are reserved for Bidders Biddings more than ₹0.20 million and up to ₹1.00 million; and b) two third of the portion available to NIBs being [●] Equity Shares of face value of ₹1 each are reserved for Bidders Bidding more than ₹1.00 million. Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above, may be allocated to Bidders in the other category.	Allotment to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see “ <i>Offer Procedure</i> ” on page 493.

Particulars	QIBs ⁽¹⁾	NIBs	RIBs
	domestic Mutual Funds and (ii) 6.67% for Life Insurance Companies and Pension Funds, subject to valid Bids being received from domestic Mutual Funds, Life Insurance Companies and Pension Funds at or above the Anchor Investor Allocation Price. In the event of undersubscription in (ii) above, the allocation may be made to Domestic Mutual Funds, at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.	The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations. For details, see “Offer Procedure” on page 493.	
Mode of Bid	Through ASBA Process only (excluding UPI Mechanism) except in case of Anchor Investors ⁽³⁾		
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹0.20 million and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹0.20 million and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares and in multiple of [●] Equity Shares not exceeding the size of the Offer (excluding the Anchor Investor Portion), subject to applicable limits	Such number of Equity Shares and in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding QIB Portion), subject to applicable limits	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹0.20 million
Mode of Allotment	Compulsorily in dematerialised form		
Bid Lot	[●] Equity Shares of face value of ₹1 each and in multiples of [●] Equity Shares thereafter		
Allotment Lot	A minimum of [●] Equity Shares of face value of ₹1 each and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply ⁽⁴⁾	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAL, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the GoI through resolution F. No.2/3/2005-DD-II dated November 23, 2005, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs and accredited investors as defined in regulation 2(1)(ab) of the SEBI AIF Regulations, for the limited purpose of their investment in	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the <i>karta</i>), companies, corporate bodies, scientific institutions, societies and trusts, and FPIs who are individuals, corporate bodies and family offices and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of <i>karta</i>)

Particulars	QIBs ⁽¹⁾	NIBs	RIBs
	angel funds (as defined in SEBI AIF Regulations) registered with SEBI, under the SEBI AIF Regulations, in accordance with applicable laws.		
Terms of Payment	In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids⁽⁵⁾ In case of all other Bidders: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder, or by the Sponsor Bank(s) through the UPI Mechanism (other than Anchor Investors), that is specified in the ASBA Form at the time of submission of the ASBA Form		

* Assuming full subscription in the Offer

- (1) Our Company in consultation with the Book Running Lead Managers will finalize allocation to the Anchor Investors on a discretionary basis, subject to the following: (i) minimum of two and maximum of 15 such investors shall be permitted for allocation up to ₹2,500 million, subject to minimum allotment of ₹50 million per such investor; and (ii) in case of allocation above ₹2,500 million, a minimum of five such investors and a maximum of 15 such investors for allocation up to ₹2,500 million and an additional 15 such investors for every additional ₹2,500 million or part thereof, shall be permitted, subject to a minimum allotment of ₹50 million per such investor.
- (2) Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR and Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company in consultation with the Book Running Lead Managers may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.
- (3) Anchor Investors are not permitted to use the ASBA process. Further, SEBI vide the SEBI ICDR Master Circular, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchanges shall, for all categories of investors viz. RIBs, QIBs, NIBs and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.
- (4) In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.
- (5) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

Bidders will be required to confirm and will be deemed to have represented to our Company, the members of the Syndicate, each of the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Bids by FPIs with certain structures as described under “Offer Procedure - Bids by FPIs” on page 500 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over proportionately from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see “Terms of the Offer” on page 484.

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a public announcement and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

OFFER PROCEDURE

All Bidders should read the General Information Document which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, including in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The Bidders should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of Bidders eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) disposal of applications; and (xiii) interest in case of delay in allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, had introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective until June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by UPI Bidders through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds was discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 had extended the timeline for implementation of UPI Phase II until further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders (“UPI Phase III”) and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarifications or notifications issued by the SEBI from time to time, including the SEBI ICDR Master Circular. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, had introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Subsequently, SEBI vide the SEBI RTA Master Circular, consolidated and rescinded the aforementioned circulars to the extent relevant for RTAs. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application sizes are up to ₹0.50 million shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, and SEBI master circular with circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of Bidders (all categories). These circulars are effective to the extent not rescinded by the SEBI RTA Master Circular for initial public offers opening on/or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Updated Draft Red Herring Prospectus - I.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular and the SEBI ICDR Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and BRLMs shall continue to coordinate with intermediaries involved in the said process.

SEBI pursuant to the SEBI ICDR Master Circular has introduced the disclosure of audiovisual presentation of disclosures made in offer documents. Pursuant to the SEBI ICDR Master Circular, investors are advised not to rely on any other document, content or information provided in respect to the public issue on the internet/online websites/social media platforms/micro-blogging platforms by influencers. Further, investors are advised to rely only on the information contained in the offer document and price band advertisement for making investment decision.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, investors shall be entitled to compensation in the manner specified in the SEBI ICDR Master Circular, as amended, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Updated Draft Red Herring Prospectus - I, the Red Herring Prospectus and the Prospectus.

Further, our Company, each of the Selling Shareholders and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors in accordance with the SEBI ICDR Regulations, out of which 40% shall be available for allocation as follows, (i) 33.33% shall be available for allocation to domestic Mutual Funds, and (ii) 6.67% for life insurance companies and pension funds, subject to valid Bids being received from domestic Mutual Funds, life insurance companies and pension funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in (ii) above, the allocation may be made to domestic Mutual Funds, at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, in accordance with Regulation 40(3) of the SEBI ICDR Regulations, the QIB Portion will not be underwritten by the Underwriters pursuant to the Underwriting Agreement. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to NIBs of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹0.20 million up to ₹1.00 million and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹1.00 million and undersubscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Further, not more than 10% of the Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over proportionately from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories. The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges. However, Allotees may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase was applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 had extended the timeline for implementation of UPI Phase II until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase.

Phase III: This phase had become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“**T+3 Notification**”). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days.

The Offer will be made under UPI Phase III of the UPI Circular (on mandatory basis). The Offer will be advertised in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Bengaluru edition of Kannada Prabha, a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located) each with wide circulation on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint SCSBs as the Sponsor Bank(s) to act as conduits between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders.

Individual investors bidding under the Non-Institutional Portion bidding for more than ₹0.20 million and up to ₹0.50 million using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI ICDR Master Circular.

Pursuant to the SEBI ICDR Master Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the SEBI ICDR Master Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. Electronic copies of the Bid

cum Application Forms will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process, which shall include the UPI Mechanism in case of UPI Bidders. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

UPI Bidders Bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID are liable to be rejected.

ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in their respective ASBA Accounts, or (ii) the UPI ID, as applicable in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. UPI Bidders using the UPI Mechanism may also apply through the mobile applications using the UPI handles as provided on the website of the SEBI.

Since the Offer is made under Phase III of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- (i) RIBs (other than the UPI Bidders using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (ii) UPI Bidders using the UPI Mechanism may submit their ASBA Forms with the Syndicate, Sub-Syndicate Members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (iii) QIBs and NIBs (other than NIBs using UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, Sub-Syndicate Members, Registered Brokers, RTAs or CDPs.

The ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to the SEBI ICDR Master Circular.

Anchor Investors are not permitted to participate in the Offer through the ASBA process. For Anchor Investors, the Anchor Investor Application Form will be available with the BRLMs.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate Members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs (except UPI Bidders using the UPI Mechanism). ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank(s), as applicable at the time of submitting the Bid pursuant to the SEBI ICDR Master Circular.

For all initial public offerings opening on or after September 1, 2022, as specified in SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 (rescinded and replaced by the SEBI ICDR Master Circular), the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. This circular shall be applicable for all categories of investors, i.e. RIB, QIB, NIB and other reserved categories and also for all modes through which the applications are processed.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, NIBs, RIBs and Eligible NRIs applying on a non-repatriation basis ⁽¹⁾	[•]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis ⁽¹⁾	[•]
Anchor Investors ⁽²⁾	[•]

* Excluding electronic Bid cum Application Forms

Notes:

- (1) *Electronic Bid cum Application forms and the Abridged Prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)*
- (2) *Bid cum Application Forms for Anchor Investors shall be available at the office of the BRLMs*

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges, and the Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on application monies blocked. For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID / Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID / Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis through API integration to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate the UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the issuer bank) at whose end the life cycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the Book Running Lead Managers for analysing the same and fixing liability.

For ensuring timely information to Bidders, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. In accordance with BSE Circular No: 20220803-40 and NSE Circular No: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date (“**Cut-Off Time**”). Accordingly, UPI Bidders Bidding through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification/cancellation of Bids (if any) shall be allowed in parallel during the Bid/Offer Period until the Cut-Off Time.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/ Offer Opening Date until the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in accordance the SEBI RTA Master Circular and the SEBI ICDR Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in and in reliance on Rule 144A under the U.S. Securities Act and referred to in this Updated Draft Red Herring Prospectus - I as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Updated Draft Red Herring Prospectus - I as “QIBs”) in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act, and (ii) outside the United States in “offshore transactions” as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Pursuant to NSE circular dated August 3, 2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

- a. Cut-off time for acceptance of UPI Mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and depository participants shall continue till further notice.
- b. There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued.
- c. Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5:00 pm on the initial public offer closure day.
- d. Exchanges shall display bid details of only successful ASBA blocked applications i.e. Application with latest status as RC 100 – Block Request Accepted by Investor/ client.

Electronic registration of Bids

- a. The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer, subject to applicable laws.
- b. On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids until such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- c. Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given until 5:00 pm for Retail Individual Bidders and 4:00 pm for Non-Institutional Bidders and QIBs, on the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.
- d. QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

Participation by the Promoters, Promote Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members and the persons related to the Promoters, Promoter Group, BRLMs and the Syndicate Member

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may bid Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis or in any other manner as introduced under applicable laws and such subscription may be on their own account or on behalf of their clients. All categories of Bidders, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices which are associates of the BRLMs) or pension fund sponsored by entities which are associate of the BRLMs nor; (ii) any person related to the Promoters or Promoter Group shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a “*person related to the Promoters or Promoter Group*”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common

director, excluding a nominee director, amongst the Anchor Investor and the BRLMs. Further, persons related to our Promoters and Promoter Group shall not apply in the Offer under the Anchor Investor Portion.

Except to the extent of participation in the Offer for Sale by the Promoters, and members of the Promoter Group will not participate in the Offer.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or exchange traded fund or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorise their respective SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form. In accordance with FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity share capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity share capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant or such other limit as may be stipulated by RBI in each case, from time to time. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the members of the Indian Company in a general meeting. Pursuant to a resolution passed by the Shareholders in a general meeting dated September 19, 2025, the investment limit for NRIs and OCIs has been increased to 24% of the total paid-up Equity Share capital of our Company, on a fully diluted basis.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 513. Participation of Eligible NRIs shall be subject to the FEMA Non-debt Instruments Rules.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of

sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs will be considered at par with Bids from individuals.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below.

- 1) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Book Running Lead Managers.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.
- 3) 40% out of the Anchor Investor Portion shall be made available for allocation, as follows, (i) 33.3% shall be available for allocation to domestic Mutual Funds, and (ii) 6.67% for Life Insurance Companies and Pension Funds subject to valid Bids being received from domestic Mutual Funds, Life Insurance Companies and Pension Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in (ii) above, the allocation may be made to domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date and will be completed on the same day.
- 5) Our Company in consultation with the Book Running Lead Managers will finalize allocation to the Anchor Investors on a discretionary basis, subject to the following: (i) minimum of two and maximum of 15 such investors shall be permitted for allocation up to ₹2,500 million, subject to minimum allotment of ₹50 million per such investor; and (ii) in case of allocation above ₹2,500 million, a minimum of five such investors and a maximum of 15 such investors for allocation up to ₹2,500 million and an additional 15 such investors for every additional ₹2,500 million or part thereof, shall be permitted, subject to a minimum allotment of ₹50 million per such investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the Book Running Lead Managers before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.
- 9) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment and the remaining 50% of the Equity Shares Allotted to Anchor Investors shall be locked in for a period of 30 days from the date of Allotment.
- 10) Neither the Book Running Lead Managers or any associate of the Book Running Lead Managers (other than Mutual Funds sponsored by entities which are associates of the BRLMs or AIFs sponsored by entities which are associates of the BRLMs or FPIs (other than individuals, corporate bodies and family offices) which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or pension funds sponsored by entities which are associates of the BRLMs) shall apply in the Offer under the Anchor Investors Portion. For details, see “*Offer Procedure – Participation by the Promoters, Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members and the persons related to Promoters, Promoter Group, BRLMs and the Syndicate Members*” on page 498. Further, the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group shall not apply under the Anchor Investors category.
- 11) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

Bids by FPIs

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason, subject to applicable laws.

To ensure compliance with the applicable limits, SEBI, pursuant to its master circular bearing reference number SEBI/HO/AFD-2/CIR/P/2022/175 dated December 19, 2022 and the SEBI RTA Master Circular, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs/ FPI investor group who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for Offer procedure, as prescribed by SEBI from time to time.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi-investment manager structure, indicating the name of their respective investment managers in such confirmation;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, *inter alia*, the following conditions:

- (a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (in [●] colour).

Further, as specified in the General Information Document, Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure ("MIM Structure") in accordance with the SEBI master circular bearing reference number SEBI/HO/AFD-2/CIR/P/2022/175 dated December 19, 2022, provided such Bids have been made with different beneficiary account numbers, Client IDs and DP

IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmations. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Updated Draft Red Herring Prospectus - I read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form “*exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.*”

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the “**FPI Group**”) shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer equity share capital shall be liable to be rejected.

In terms of the SEBI FPI Regulations, the offer of Equity Shares to a single FPI or an investor group (which means multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our total paid-up Equity Share capital of our Company, on a fully diluted basis. Further, in terms of the FEMA Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%).

For details of investment by FPIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 513. Participation of FPIs shall be subject to the FEMA Non-debt Instruments Rules.

All non-resident Bidders should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, each of the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs. The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs, respectively, registered with SEBI. While the SEBI VCF Regulations have since been repealed, the funds registered as VCFs under the SEBI VCF Regulations continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only 33.33% of the investible funds in various prescribed instruments, including in public offering.

Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs. Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. AIFs which are authorised under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs.

All non-resident Bidders should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA NDI Rules.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves.

The investment limit for banking companies in non-financial services companies as per the as per the Banking Regulation Act, 1949 ("**Banking Regulation Act**") and the Master Directions - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company, subject to prior approval of the RBI if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. Further no bank shall hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid-up share capital engaged in non-financial services. However, this cap does not apply to the cases mentioned in (i) and (ii) above.

The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves. Bids by banking companies should not exceed the investment limits prescribed for them under the applicable laws.

The banking company is required to submit a time-bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make investment in a (i) subsidiary or a financial services company that is not a subsidiary (with certain exceptions prescribed); and (ii) non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in para 5(a)(v)(c)(i) of the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with applicable law, including the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013, respectively. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under the IRDAI (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024, based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies are entitled to invest only in other listed insurance companies and insurance companies participating in the Offer are advised to refer to the IRDAI (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024, for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/ pension funds

In case of Bids made by provident funds with minimum corpus of ₹250 million and pension funds with minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable laws, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

Bids under power of attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, AIFs, Mutual Funds, insurance companies, systemically important NBFCs, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013 (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, in consultation with the BRLMs in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company, in consultation with the BRLMs may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Please note that in terms of notification dated June 14, 2021 issued by the RBI, new investors from Financial Action Task Force non-compliant jurisdictions are not permitted to acquire, directly or indirectly, 20% or more of the voting power of any payment system operators (“PSO”) or any entity seeking authorization as a PSO. However, existing investors may continue holding their investments in PSOs made prior to classification of their jurisdiction as FATF non-compliant and/or bring in additional investments as per the extant regulations

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer.

The above information is given for the benefit of the Bidders. Our Company, each of the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Updated Draft Red Herring Prospectus - I. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus and the Prospectus, when filed.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder’s responsibility to obtain the Acknowledgment Slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Updated Draft Red Herring Prospectus - I or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and NIBs are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you (other than in the case of Anchor Investors) have mentioned the correct details of ASBA Account number (i.e. bank account number or UPI ID, as applicable) and PAN in the Bid cum Application Form if you are not an UPI Bidder using the UPI Mechanism in the Bid cum Application Form and if you are an UPI Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. UPI Bidders using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in the list available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time;
6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;
7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
8. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with the Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;
9. Bidders not using the UPI Mechanism should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs or the relevant Designated Intermediary, as applicable;
10. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the First Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the ASBA Account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form (for all ASBA Bidders other than UPI Bidders Bidding using the UPI Mechanism);
11. Ensure that you request for and receive a stamped acknowledgement counterfoil or acknowledgement specifying the application number as a proof of having accepted Bid cum Application Form for all your Bid options from the concerned Designated Intermediary, if applicable;

12. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
13. UPI Bidders in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
14. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
15. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
16. RIBs not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs;
17. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank(s), as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank(s) for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
18. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by Bidders who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for Bidders residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
19. Ensure that the Demographic Details are updated, true and correct in all respects;
20. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
21. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
22. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
23. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
24. Since the Allotment will be in dematerialised form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the depository database;
25. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI;

26. UPI Bidders who wish to Bid using the UPI Mechanism, should submit Bid with the Designated Intermediaries, pursuant to which the UPI Bidder should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;
27. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;
28. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 5:00 p.m. on the Bid/ Offer Closing Date;
29. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
30. UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, a UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Bank(s) to block the Bid Amount mentioned in the Bid Cum Application Form;
31. Bids by Eligible NRIs for a Bid Amount of less than ₹0.20 million would be considered under the retail category for the purposes of allocation and Bids for a Bid Amount exceeding ₹0.20 million would be considered under the non-institutional category for allocation in the Offer;
32. UPI Bidders who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank(s) to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner;
33. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in); and
34. The ASBA bidders shall ensure that bids above ₹0.50 million, are uploaded only by the SCSBs.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the list available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
3. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
4. Do not Bid at Cut-off Price (for Bids by QIBs and NIBs);
5. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
6. Do not submit the Bid for an amount more than funds available in your ASBA account;
7. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
8. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
9. If you are a UPI Bidder and are using UPI Mechanism, do not submit more than one Bid cum Application Form for each UPI ID;

10. Anchor Investors should not Bid through the ASBA process;
11. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
12. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
13. Do not submit the General Index Register (GIR) number instead of the PAN;
14. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
15. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
16. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
17. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
18. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
19. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
20. Do not Bid for Equity Shares in excess of what is specified for each category;
21. If you are a QIB, do not submit your Bid after 3 p.m. on the Bid/Offer Closing Date (for online applications) and after 12:00 p.m. on the Bid/ Offer Closing Date (for physical applications);
22. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
23. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a NIB. RIBs can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;
24. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres. If you are UPI Bidder and are using UPI Mechanism, do not submit the ASBA Form directly with SCSBs;
25. If you are an UPI Bidder which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID;
26. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;
27. Do not submit a Bid cum Application Form with a third-party UPI ID or using a third-party bank account (in case of Bids submitted by UPI Bidders using the UPI Mechanism);
28. Do not submit the Bid cum Application Forms to any non-SCSB bank;
29. Do not Bid for a Bid Amount exceeding ₹0.20 million (for Bids by Retail Individual Bidders);
30. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned in the list provided on the SEBI website is liable to be rejected;
31. Do not Bid if you are an OCB; and
32. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any Bids above ₹0.50 million.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/ dematerialised credit/refund orders/unblocking etc., Bidders can reach out to our Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see “*General Information*” on page 108.

For helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL-2/OW/P/2021/2481/1/M dated March 16, 2021, see “*General Information - Book Running Lead Managers*” on page 109.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; and (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. The Bidder shall be compensated in the manner specified in the SEBI ICDR Master Circular, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchanges, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the Offer to public may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the RIBs, NIBs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis.

The allotment of Equity Shares to each RIB shall not be less than the minimum Bid Lot, subject to the availability of shares in RIB Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Not more than 15% of the Offer shall be available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹0.20 million and up to ₹1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment of Equity Shares to each NIB shall not be less than minimum application size, subject to the availability of Equity Shares in Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in the SEBI ICDR Regulations.

Payment into Escrow Account(s) for Anchor Investors

Our Company in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement amongst our Company, each of the Selling Shareholders, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC and at least two Working Days prior to the Bid/Offer Opening Date, publish a pre-Offer and Price Band advertisement, in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Bengaluru edition of Kannada Prabha, a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation.

In the pre-Offer and Price Band advertisement, we shall state the Bid/ Offer Opening Date, Floor Price, Price Band and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the BRLMs and the Registrar to the Offer shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Bengaluru edition of Kannada Prabha, a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation.

The Allotment advertisement shall be uploaded on the websites of our Company, the BRLMs and the Registrar to the Offer, before 9:00 p.m. IST, on the date of receipt of the final listing and trading approval from all the Stock Exchanges where the Equity Shares are proposed to be listed, provided such final listing and trading approval from all the Stock Exchanges is received prior to 9:00 p.m. IST on that day. In an event, if final listing and trading approval from all the Stock Exchanges is received post 9:00 p.m. IST on the date of receipt of the final listing and trading approval from all the Stock Exchanges where the Equity Shares are proposed to be listed, then the Allotment advertisement shall be uploaded on the websites of our Company, the BRLMs and the Registrar to the Offer, following the receipt of final listing and trading approval from all the Stock Exchanges.

The above information is given for the benefit of the Bidders/applicants. Our Company, each of the Selling Shareholders and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Updated Draft Red Herring Prospectus - I. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company, each of the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement (a) prior to filing the Red Herring Prospectus with the RoC, or (b) on or immediately after the finalisation of the Offer Price but prior to the filing of Prospectus with the RoC, as applicable, in accordance with the nature of underwriting which is determined in accordance with Regulation 40 (3) of SEBI ICDR Regulations.
- (b) After signing the Underwriting Agreement and finalisation of the Offer Price, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the ‘Prospectus’. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹1 million or one per cent of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5 million or with both.

Undertakings by our Company

Our Company undertakes the following:

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within three Working Days from the Bid/Offer Closing Date or such other time as prescribed by SEBI under applicable law;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds/unblocking (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- that if the Offer is withdrawn after the Bid/ Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event a decision is taken to proceed with the Offer subsequently;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the unsuccessful Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- Promoters' contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees
- Except for the issue of Equity Shares pursuant to the exercise of vested options under the PSOP, there will be no further issue of Equity Shares whether by way of issue of bonus shares, rights issue, preferential issue or in any other manner during the period commencing from the date of filing of this Updated Draft Red Herring Prospectus - I with SEBI until the listing of the Equity Shares on the Stock Exchanges pursuant to the Offer or until the Bid monies are refunded/unblocked in the relevant ASBA Accounts on account of non-listing, undersubscription, or for any other reason; and

- our Company, reserves the right not to proceed with the Offer, in whole or in part thereof, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed.

Undertakings by the Selling Shareholders

Each of the Selling Shareholders, severally and not jointly, in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares undertakes that:

- the Offered Shares have been held by it are in accordance with Regulation 8 and 8A of the SEBI ICDR Regulations;
- it is the legal and beneficial owner of Offered Shares;
- the Offered Shares shall be transferred to the Allottees free and clear of any encumbrances; and
- only the statements and undertakings provided above, in relation to the Selling Shareholders and their respective portion of Offered Shares are statements which are specifically confirmed or undertaken by it in relation to itself and its respective portion of the Offered Shares and shall be deemed to be “statements and undertakings made or confirmed” by such Selling Shareholder. No other statement in this Updated Draft Red Herring Prospectus - I will be deemed to be “made or confirmed” by the Selling Shareholders, even if such statement relates to the Selling Shareholders.

Utilisation of Offer Proceeds

All the monies received out of the Offer shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment (“**FDI**”) through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy, which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases, circulars and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Consolidated FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in financial services regulated by regulators such as RBI, IRDAI, SEBI and sectors/ activities which are not listed in the Consolidated FDI Policy and the FEMA Rules is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions. For further details, see “*Key Regulations and Policies*” on page 235.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the FEMA Rules, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the GoI is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in the Offer. For further details, see “*Offer Procedure*” on page 493.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The aggregate limit for FPI investments shall be the sectoral cap applicable to our Company. In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. Our Company has, pursuant to a Board resolution dated September 12, 2025 and Shareholders’ resolution dated September 19, 2025, increased the limit of investment of NRIs and OCIs from 10% to up to 24% of the paid-up equity share capital of our Company, provided however that the shareholding of each NRI in our Company shall not exceed 5% of the Equity Share capital or such other limit as may be stipulated by RBI in each case, from time to time.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in and in reliance on Rule 144A under the U.S. Securities Act and referred to in this Updated Draft Red Herring Prospectus - I as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Updated Draft Red Herring Prospectus - I as “QIBs”) in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act, and (ii) outside the United States in “offshore transactions” as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Updated Draft Red Herring Prospectus - I. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION IX: DESCRIPTION OF EQUITY SHARE AND TERMS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. The main provisions of the Articles of Association of our Company are detailed below. No material clause of the Articles of Association having a bearing on the Offer or the disclosures required in this Updated Draft Red Herring Prospectus – I has been omitted.

The Articles of Association of our Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until the date of receipt of final listing and trading approvals from the Stock Exchanges for the listing and trading of the Equity Shares pursuant to the initial public offering by our Company (“Listing”).

In case of inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall prevail and be applicable until Listing. However, all articles of Part B shall automatically stand deleted and cease to have any force and effect from the date of receipt of final listing and trading approvals from the Stock Exchanges for the listing and trading of the Equity Shares pursuant to the initial public offering by our Company, and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by our Company or by its shareholders.

PART A

1. CONSTITUTION

- 1.1 Subject as hereinafter provided the regulations contained in Table “F” in the First schedule to the Companies Act (*defined below*), as far as the same are applicable to a public company (as defined in the Companies Act) except provisions which are applicable only to a one-person company, shall apply to the Company except in so far as they have implied or expressly modified by what is contained in these Articles mentioned herein and as altered or amended from time to time.

2. INTERPRETATION

- 2.1 In Part A of these Articles, the following words and expressions shall have the meanings assigned to them herein, unless excluded by the subject or context:

“**Affiliate**” means:

- (a) in relation to a natural person: the spouse, parent, sibling or child (including a step parent, step sibling and step child) of such person (all of the foregoing collectively referred to as “family members”), or any trustee of any family trust created for estate planning purposes and solely for the benefit of such natural person or any of his family members, or any Entity Controlled by such natural person;
- (b) in relation to any Entity: any Person that Controls, is Controlled by, or is under common Control with, such Entity; and
- (c) in relation to an investment fund or private fund, shall also include any other investment fund or private fund under common Control with such fund or managed by the manager of such investment fund or private fund (it being understood, however, that, for the avoidance of doubt, an Entity in which such investment fund or private fund has merely made an investment shall not be deemed to be an Affiliate of such investment fund or private fund, solely as a result of such investment);

provided, however, that no PhonePe Group Company shall be considered an Affiliate of a Shareholder for the purposes of these Articles. For the avoidance of doubt, any Person will only be considered an Affiliate for so long as such Person continues to meet the requirements of the definition of “Affiliate” as aforesaid;

“**Annual Operating Plan**” means the annual operating plan for the PhonePe Group prepared for each Financial Year;

“**Applicable ABAC Laws**” means any anti-bribery or anti-corruption Laws (including Laws that prohibit the corrupt payment, giving, offer, promise or authorization of the unlawful payment or transfer of anything of value (including gifts or entertainment), directly or indirectly, to any Government Official, commercial entity or any other Person to obtain a business advantage) applicable to the PhonePe Group and its operations, as well as the Shareholders and their operations in connection with the PhonePe Group, from time to time, including, the (Indian) Prevention of Corruption Act 1988 and, to the extent applicable: (a) the US Foreign Corrupt Practices Act of 1977; and (b) the UK Bribery Act of 2010, in each case as amended from time to time;

“**Applicable Money Laundering Laws**” means the Laws applying to any PhonePe Group Company (which shall be deemed to include the Laws of India and, to the extent applicable to the relevant PhonePe Group Company, the Laws of the US) prohibiting money laundering and similar activities;

“Articles” means these articles of association of the Company, as amended from time to time;

“Asset Sale” means: (a) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by any PhonePe Group Company of all or substantially all of the assets or intellectual property rights of the PhonePe Group taken as a whole; or (b) the sale, transfer or other disposition (whether by sale of shares, merger, consolidation, amalgamation, scheme of arrangement or otherwise) of one or more PhonePe Group Companies if substantially all of the assets or intellectual property rights of the PhonePe Group taken as a whole are held by such PhonePe Group Company or PhonePe Group Companies, except, in the case of each of paragraphs (a) and (b) above, where such sale, lease, transfer, exclusive license or other disposition is to one or more PhonePe Group Companies;

“Board” or **“Board of Directors”** means the board of Directors of the Company;

“Business Day” means any day on which banks in Bengaluru, India, are open for general banking operations;

“Chairperson” means the Director appointed as the chairperson of the Board;

“Companies Act” means the (Indian) Companies Act, 2013, the rules made thereunder and any amendments thereto or re-enactments thereof from time to time;

“Contract” means any written, oral or other agreement, contract, license, sublicense, subcontract, settlement agreement, deed, lease, indenture, understanding, arrangement, instrument, note, loan, purchase order, warranty, insurance policy, benefit plan or legally binding commitment or undertaking of any nature;

“Control” (including, with its correlative meanings, the terms **“Controlling”**, **“Controlled by”** and **“under common Control with”**) means:

- (a) a holding of a direct or indirect interest in the majority of the equity, voting, beneficial or financial interests of the relevant Entity;
- (b) a holding of the direct or indirect right to appoint or remove a majority of the board of directors or members of an equivalent management body of the relevant Entity;
- (c) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the relevant Entity; or
- (d) being a shareholder or member of the relevant Entity and controlling jointly, pursuant to a Contract with other shareholders or members or otherwise, a majority of the voting rights in the Entity;

“Deemed Sale Event” means:

- (a) the acquisition of greater than fifty percent (50%) of the Company’s issued and outstanding voting securities by means of any transaction or series of related transactions (including any share purchase, business combination, reorganization, merger, consolidation, amalgamation or scheme of arrangement) but excluding any such transaction or series of related transactions where holders of the Company’s issued and outstanding voting securities immediately prior to the consummation of such transaction or series of related transactions hold, directly or indirectly, immediately following the consummation of such transaction or series of related transactions, greater than fifty percent (50%) of the issued and outstanding voting securities of the surviving corporation or resulting entity; or
- (b) an Asset Sale;

“Depository” means a depository, as defined in Section 2(1)(e) of the Depositories Act, 1996 and a company formed and registered under the Companies Act and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;

“Depositories Act” means the Depositories Act, 1996, the rules made thereunder and any amendments thereto or re-enactments thereof from time to time;

“Director” means a director of the Company appointed in accordance with the provisions of the Companies Act;

“Entity” means any corporation (including any non-profit corporation or other body corporate), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, business trust, company (including any limited liability company or joint stock company), firm or other enterprise, association, organization or entity;

“Financial Year” means the financial year of the Company as determined under the Companies Act;

“Government Official” means: (a) an officer or employee of any national, regional, local or other component of a Governmental Authority; (b) a director, officer or employee of any entity in which a Governmental Authority or component of a Governmental Authority possesses a majority or controlling interest; (c) a candidate for public office; (d) a political party and political party official; (e) an officer or employee of a public international organization; and (f) an individual who is acting in an official capacity for any Governmental Authority, component of a Governmental Authority, political party or public international organization, even if such individual is acting in that capacity temporarily and without compensation;

“Governmental Authority” means any: (a) multinational or supranational body exercising legislative, judicial or regulatory powers; (b) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (c) federal, state, local, municipal, foreign or other government; or (d) governmental or quasi-governmental, statutory or quasi-statutory or regulatory authority of any nature (including any division, department, corporation, authority, agency, commission, instrumentality, official, organization, unit, body or entity, any court or other tribunal, taxing authority, stock exchange, public international organization, or other body entitled to exercise executive power or power of any nature);

“Indemnification Agreement” means an agreement be executed in each case amongst the Company on the one hand, and each Director and their respective alternate directors (if any), on the other hand;

“Independent Director” means an individual who satisfies the eligibility requirements of an ‘independent director’ under the Companies Act and applicable securities Laws of India, and is appointed as a Director in accordance with Article 18.2 to Article 18.4;

“Law” means any federal, national, central, state, local, municipal, foreign, supranational or other law (including common law), statute, constitution, treaty, convention, principle of common law, directive, resolution, ordinance, code, edict, writ, decree, rule, regulation, judgment, ruling, injunction or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Authority;

“Listing Regulations” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any other regulations issued by the Securities and Exchange Board of India which are applicable to a public listed company, and any amendments thereto or re-enactments thereof from time to time;

“Memorandum” means Memorandum of Association of the Company, as amended from time to time;

“Office” means the registered office of the Company;

“Outstanding Shares” means, as of the date of determination, the Shares that are then issued and paid up;

“Person” means any natural person, firm, Entity, unincorporated organization, Governmental Authority, works council or employee representative body or other entity or organization of any nature whatsoever;

“PhonePe Group” means the Company and each of its Subsidiaries, from time to time;

“PhonePe Group Company” means any member of the PhonePe Group;

“Register” means the register of members to be kept in accordance with the Companies Act and the register of beneficial owners pursuant to Section 11 of the Depositories Act in case of shares held in a Depository;

“Sanctions” means: (a) sanctions imposed pursuant to a UN Security Council resolution; (b) US sanctions administered by the US Department of the Treasury, US Department of State or US Department of Commerce; (c) EU restrictive measures implemented pursuant to an EU Council or Commission Regulation or Decision adopted pursuant to a Common Position in furtherance of the EU’s Common Foreign and Security Policy; (d) UK sanctions adopted by or pursuant to the UK Terrorist Asset Freezing, etc., Act 2010 or other UK legislation or statutory instruments enacted pursuant to the United Nations Act 1946 or the European Communities Act 1972; and (e) any other trade, economic or financial sanctions laws, regulations, embargoes or similar restrictive measures administered, enacted or enforced by any Governmental Authority as being applicable to any PhonePe Group Company;

“Share” means equity shares in the issued share capital of the Company, with one (1) vote per equity share and having face value of INR one (₹ 1) per equity share;

“Share Capital” means the total paid up share capital of the Company;

“Shareholder” means any holder of at least one (1) Share;

“**Subsidiary**” of the Company means any Entity of which the Company owns (directly or indirectly) securities or other ownership interests having voting power in circumstances other than a breach or default to elect or remove at least a majority of the board of directors, managers or trustees or other persons performing similar functions, or in which the Company holds or Controls a majority of the equity, voting, beneficial or financial interests, or in relation to which the Company has the right (whether under Contract or the Entity’s organizational documents) or power, directly or indirectly, to direct the management of the Entity; and

“**Super Majority Directors’ Consent**” shall mean consent and votes by such number of Directors who constitute at least 3/4th of the Board.

- 2.2 In these Articles unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Companies Act or any statutory modification thereof in force at the date at which these Articles become binding on the Company.

3. **PUBLIC LIMITED COMPANY**

- 3.1 The Company is a public limited company within the meaning of Section 2(71) of the Companies Act, and the minimum paid-up capital of the Company shall be such amount as prescribed under the Companies Act.

4. **SHARE CAPITAL AND VARIATION OF RIGHTS**

- 4.1 The authorized share capital of the Company shall be as mentioned in the Memorandum, with power to increase or reduce or alter the capital for the time being into several classes and to attach thereto respectively such preferential, deferred or qualified or special rights, privileges or conditions as may be determined by or in accordance with the Companies Act and these Articles and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being provided by these Articles and consolidate or sub-divide the shares and issue shares of higher or lower denomination.
- 4.2 Subject to the provisions of the Companies Act and these Articles, the Board may issue and allot securities in the capital of the Company, either as fully paid up or partly paid up against cash with power to make calls on the amount remaining unpaid on such securities from time to time or as full payment or part payment for property, inclusive of goodwill of any business sold or transferred, goods or machinery supplied, or for services rendered to the Company or against conversion of any outstanding loans or debt or for any consideration other than cash.
- 4.3 Shares at the disposal of the Directors: Subject to the restrictions contained in the Companies Act and these Articles, the shares shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of the same to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of section 53 the Act) at a discount and at such time as they may from time to time think fit. Additionally, with sanction of the Company in a general meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board of Directors think fit and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in a general meeting.
- 4.4 Except as required by Law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by Law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
- 4.5 The Company may issue the equity shares with voting rights and/or with differential rights as to dividend, voting or otherwise and preference shares in accordance with the provisions of the Companies Act, these Articles and other applicable Laws. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Companies Act and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- 4.6 To every such separate meeting, the provisions of the regulations relating to general meetings shall mutatis mutandis apply.

- 4.7 Sub-Division, Consolidation and Cancellation of Share Certificate: Subject to the provisions of Section 61 of the Companies Act, the Company may, by ordinary resolution:
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum;
 - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- 4.8 Further issue of Shares: Where at any time the Board or the Company, as the case may be, proposes to increase the subscribed capital by the issue of further shares, then such shares shall be offered, subject to the provisions of Section 62 of the Companies Act, and the rules made thereunder:
- a) to the persons who, at the date of offer, are holders of shares of the Company in proportion as nearly as circumstances admit, to the paid-up share capital on those shares at that date, subject to the conditions mentioned in (i) to (ii) below; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
 - (i) the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed under the Companies Act or the rules made thereunder, or other applicable Law and not exceeding thirty days from the date of the offer, within which the offer if not accepted, shall be deemed to have been declined;

Provided that the notice referred above shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue;
 - (ii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to shareholders and the Company.
 - b) to employees under any scheme of employees' stock option subject to approval of shareholders of the Company by way of special resolution as per applicable provisions / Law and subject to the rules and such other conditions, as may be prescribed under applicable Law; or
 - c) to any person(s), if it is authorised by approval of the shareholders of the Company by way of special resolution, whether or not those persons include the persons referred to in paragraph (a) or paragraph (b) above either for cash or for a consideration other than cash, including by way of preferential offer or private placement, at such price as may be determined in accordance with Law, subject to such conditions as may be prescribed under the Companies Act and the rules made thereunder, or
 - d) nothing in these Articles shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares in the Company or to subscribe for shares of the Company. Provided that the terms of issue of such debentures or loans containing such an option have been approved before the issue of such debentures or the raising of such loans by approval of Shareholders of the Company in a general meeting as per applicable provisions of Law.
 - e) subject to the provisions of the Companies Act and these Articles, the Company may from time to time, issue sweat equity shares.
- 4.9 The Company in general meeting may decide to issue fully paid-up bonus share to the member, if so recommended by the Board.
- 4.10 Notwithstanding anything contained herein and subject to the provisions of the Companies Act, Company shall be entitled to admit its shares, debentures and other securities for dematerialization pursuant to the Depositories Act for the time being in force and to offer its shares, debentures and other securities for subscription/investment in a dematerialized form.

4.11 Certificate:

- (a) Subject to applicable Law, a person subscribing to shares of the Company shall have the option either to receive certificates for such shares or hold the shares with a Depository in electronic form. Where person opts to hold any share with the Depository, the Company shall intimate such Depository of details of allotment of the shares to enable the Depository to enter in its records the name of such person as the beneficial owner of such shares.
- (b) The certificate of shares, registered in the name of two (2) or more persons shall be delivered to first named person in the Register and this shall be a sufficient delivery to all such holders.
- (c) Limitation of time for issue of certificates: Unless the shares have been issued in dematerialized form, every person whose name is entered as a member in the Register shall be entitled to receive within two (2) months after incorporation, in case of subscribers to the Memorandum or after allotment of shares, or in the case of an allotment of debentures within a period of six (6) months from the date of allotment and subject to other applicable Laws, within one (1) month from the date of receipt of instrument of transfer or sub-division or intimation of transmission for the registration of transfer or transmission of securities or within such other period as prescribed under the Companies Act one or more certificates in marketable lots, in the manner below:
 - (i) one (1) certificate for all his shares without payment of any charges; or
 - (ii) several certificates, each for one or more of his shares, upon payment of such amount as the Board may deem fit, for each certificate after the first.
- (d) Every certificate shall specify the shares/debentures to which it relates and the amount paid-up thereon and shall be signed by two (2) Directors or by a Director and the Company secretary.
- (e) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one (1) certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- (f) If the shares are held in the name of two (2) or more persons jointly, then the person first named in the Register shall for all the purpose except voting and transfer, be deemed to be sole holder thereof. But the joint holders are severally and jointly liable for all purposes.
- (g) Issue of new certificate in place of one defaced, lost or destroyed: If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fee (not exceeding Rs. 20/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for the issue of new certificates in replacement of those that are old, defaced, or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Board of Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Companies Act or the rules made under the Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf.

- 4.12 For a share held in dematerialized form, the record of the depository is the prima facie evidence of the interest of the beneficial owner.
- 4.13 The provision of the foregoing Articles relating to the issue of certificates shall *mutatis mutandis* apply to the issue of certificates for any other securities, including debentures (except where the Companies Act otherwise requires) of the Company.
- 4.14 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
- 4.15 The Company, in a general meeting may, from time to time increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Companies Act, any shares of the original or increased capital shall be

issued upon such terms and conditions and with such right and privileges annexed thereto, as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, as the Directors shall determine and in particular, such may be issued with a preferential or qualified right to divide and in the distribution of assets of the Company.

- 4.16 The Company shall cause to be kept a register and index of members with details of securities held in dematerialized form in any media as may be permitted by Law, including any form of electronic media, in accordance with all applicable provisions of the Companies Act and the Depositories Act. The register and index of beneficial owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act.

5. COMPANY'S LIEN ON SHARE/DEBENTURES

- 5.1 The Company shall have a first and paramount lien upon all the shares (not being a fully paid up share) registered in the name of such member (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts, liabilities and engagements (whether presently payable or not) for all money called or payable at a fixed time in respect of such shares, solely or jointly with any other person, to or with the Company, whether the period for the payment, fulfillment or discharge thereof shall have actually a lien or not and such lien shall extend to all dividends, from time to time, declared in respect of shares, subject to Section 124 of the Companies Act and bonuses declared from time to time in respect of such shares under the Companies Act and no equitable interest in any share shall be created except upon the equal footing and condition that this Article will have full effect. The Board may at any time declare any shares to be wholly or in part exempt from the provisions of this Article. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this Article.

- 5.2 The fully paid-up shares shall be free from all lien, and in the case of partly paid-up shares, the Company's lien shall be restricted to monies called or payable at a fixed time in respect of such shares.

- 5.3 The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made,

- a) unless a sum in respect of which the lien exists is presently payable; or
- b) until the expiration of fourteen (14) days' after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of their death or insolvency or otherwise.

No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by them have not been paid, or in regard to which the Company has exercised any right of lien.

- 5.4 To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall their title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

- 5.5 The proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

- 5.6 In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by Law) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

- 5.7 The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

6. CALLS ON SHARES

- 6.1 Payment in anticipation of call may carry interest: The Board may, subject to provisions of the Companies Act, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him beyond the sums actually called for; and upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be agreed upon between the Board and the member paying the sum in advance. Nothing contained in this Article shall confer on the member (i) any right to participate in profits or dividends; or (ii) any voting rights in respect of the moneys so paid by him, until the same would, but for such payment, become presently payable by him. The Board may at any time repay the amount so advanced.
- (a) The Directors are empowered to make call on members of any amount payable at a time fixed by them. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one (1) month from the date fixed for the payment of the last preceding call.
- (b) Each member shall, subject to receiving notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
- (c) A call may be revoked or postponed at the discretion of the Board. The power to call on shares shall not be delegated to any other person except with the approval of the shareholders in a general meeting and as maybe permitted by Law.
- 6.2 A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
- 6.3 Each member shall, subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on their shares.
- 6.4 The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call, in respect of one or more members, as the Board may deem appropriate in any circumstances.
- 6.5 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- (a) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten percent (10%) per annum or at such lower rate, if any, as the Board may determine.
- (b) The Board shall be at liberty to waive payment of any such interest wholly or in part.
- (a) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (b) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 6.6 The provisions of these Articles shall apply *mutatis mutandis*, including the calls of debentures.

7. TRANSFER OF SHARES

- 7.1 Instrument of transfer: The securities or other interest of any member shall be freely transferable, provided that any contract or arrangement between 2 (two) or more persons in respect of transfer of securities shall be enforceable as a contract. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register in respect thereof. A common form of transfer shall be used in case of transfer of shares. The instrument of transfer shall be in writing and shall be executed by or on behalf of both the transferor and transferee and shall be in conformity with all the provisions of Section 56 of the Companies Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.
- 7.2 In the case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.
- 7.3 Directors may refuse to register transfer: Subject to the provisions of these Articles and other applicable provisions of the Companies Act or any other Law for the time being in force, the Board of Directors may (at its own absolute and uncontrolled discretion) decline or refuse by giving reasons, whether in pursuance of any power of the Company under

these Articles or otherwise, to register or acknowledge any transfer of, or the transmission by operation of Law of the right to, any securities or interest of a member in the Company, after providing sufficient cause, within a period of thirty (30) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company. Provided that the registration of transfer of any securities shall not be refused on the ground of the transferor being alone or jointly with any other person or persons, indebted to the Company on any account whatsoever except where the Company has a lien on shares. Transfer of shares/debentures in whatever lot shall not be refused. The Board may decline to recognize any instrument of transfer unless:

- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of Section 56 of the Companies Act;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one (1) class of shares.

7.4 At the death of any members his or her shares be recognized as the property of his or her heirs upon production of reasonable evidence as may require by the Board.

7.5 On giving not less than seven (7) days previous notice in accordance with Section 91 of the Companies Act and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty (30) days at any one (1) time or for more than forty-five (45) days in the aggregate in any year.

8. TRANSMISSION OF SHARES

- 8.1 (a) (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
- (ii) Nothing in Article 8.1(a)(i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- (b) (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either:
- (A) to be registered himself as holder of the share; or
- (B) to make such transfer of the share as the deceased or insolvent member could have made
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- (c) (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
- (d) A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety (90) days, the Board may

thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

- (e) No fee on transfer or transmission: No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney, or similar other documents.

9. FORFEITURE OF SHARES

- 9.1 (a) If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
- (b) The notice aforesaid shall:
 - (i) name a further day (not being earlier than the expiry of fourteen (14) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
 - (ii) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
- (c) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- (d) (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- (e) (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
- (ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
- (f) (i) A duly verified declaration in writing that the declarant is a Director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (iii) The transferee shall thereupon be registered as the holder of the share; and
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
- (g) The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

10. ALTERATION OF CAPITAL

- 10.1 The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
- 10.2 Subject to the provisions of Section 61 of the Companies Act, the Company may, by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

10.3 Where shares are converted into stock:

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit.

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- (c) such of the regulations of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

10.4 The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by Law,

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

11. CAPITALIZATION OF PROFITS

11.1 (a) The Company in general meeting may, upon the recommendation of the Board, resolve:

- (i) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and
- (ii) that such sum be accordingly set free for distribution in the manner specified in Article 11.1(b) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article 11.1(c), either in or towards:

- (i) paying up any amounts for the time being unpaid on any shares held by such members respectively;
- (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions afore said; or
- (iii) partly in the way specified in Article 11.1(b)(i) and partly in that specified in Article 11.1(b)(ii).

(c) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

(d) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

- (e) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
 - (i) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and
 - (ii) generally do all acts and things required to give effect thereto.
- (f) The Board shall have power:
 - (i) to make such provisions, by the issue of certificates representing such fractional part or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
 - (ii) to authorize any person to enter, on behalf of all the members entitled there to, into an agreement with the Company providing for the allotment to them respectively, credited a fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares.
- (g) Any agreement made under such authority shall be effective and binding on such members.

12. BUY-BACK OF SHARES

- 12.1 Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68 to 70 of the Companies Act and any other applicable provision of the Companies Act or any other Law for the time being in force, the Company may purchase its own shares or other specified securities.

13. GENERAL MEETINGS

- 13.1 (a) The Company shall in each year hold, in addition to any other meeting, a general meeting as its annual general meeting and shall specify the meeting as such in the notice calling it. The annual general meeting shall be held within six (6) months of the close of the financial year, with an interval of not more than fifteen months between two (2) successive meetings and as per the requirements of the Companies Act.
- (b) (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) The Board shall on the requisition of members convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under the Companies Act.
- (iii) Without prejudice to the right of shareholders under the applicable law, a Shareholder (directly or through its Affiliates) holds Shares equivalent to or more than the Control Threshold shall have the right to call for an extra-ordinary general meeting of the Shareholders by way of a requisition notice to the Board (“**Requisition Notice**”) in accordance with the provisions of the Companies Act. The Requisition Notice shall set out the matters for consideration and shall be signed by such Shareholder. Upon receipt of the Requisition Notice, the Board shall be required to call an extra-ordinary general meeting of the Shareholders within seven (7) days (with such notice period as required under the Companies Act) from the date of the Requisition Notice (“**Requisition Meeting**”).

14. PROCEEDINGS AT GENERAL MEETINGS

- 14.1 Save for the provisions of the Companies Act relating to matters requiring special notice, at least twenty-one (21) days’ (subject to applicable Law) prior written notice of every general meeting of Shareholders shall be given to all Directors, the auditors of the Company and all Shareholders whose names appear on the register of members / index of beneficial owners as per most recent record of the depository provided to the Company. A meeting of the Shareholders (including a Requisition Meeting) may be called by giving shorter notice with the written consent of the Shareholders subject to applicable Law. Subject to applicable Law, the Company shall ensure that it facilitates the ability of every Shareholder to participate in a general meeting through video conference or audio-visual means.
- 14.2 Every notice of the general meeting of the Company shall specify the day, date, time and full address of the venue of the meeting and shall set forth in full and sufficient detail the text of the resolutions sought to be passed thereat, the business to be transacted thereat and any other details required by applicable Law, and no business shall be transacted at such meeting unless the same has been stated in the notice convening the meeting. It shall contain a statement with

reasonable prominence that a member entitled to attend and vote is entitled to appoint a proxy and that the proxy need not be a member of the Company.

- 14.3 Notice of every general meeting of the Company shall be given to every member and to such other persons entitled to receive the same. The accidental omission to give notice to or the non-receipt of the notice by any member or other person to whom it should be given will not invalidate the proceedings of the meeting.
- 14.4 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. The quorum for a general meeting shall be as provided in Section 103 of the Companies Act.
- 14.5 If the quorum is not present within half-an-hour from the time appointed for holding a meeting of the Company, such meeting shall stand adjourned to the same day in the next week at the same time and place or such time and place as the Board may determine in accordance with the Act, provided, however, that if such day is not a Business Day, the meeting shall be held on the next Business Day. The Shareholders present at such adjourned meeting shall constitute the quorum for such re-convened meeting, subject to applicable Law.
- 14.6 The Chairperson of the Board, if any, shall be the Chairperson for all general meetings.
- 14.7 In the absence of Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the general meeting, or is unwilling to act as Chairperson of the meeting or if no Director has been so designated, the Directors present shall elect one of the members to be the Chairperson of the meeting.
- 14.8 If at any meeting no Director is willing to act as Chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of the members to be Chairperson of the meeting.
- 14.9 The Chairperson of a general meeting of the Company shall not have second or casting vote.

15. ADJOURNMENT OF MEETING

- 15.1 The Chairperson may, with the consent of majority of members at a meeting at which a quorum is present, and shall, if so directed, adjourn the meeting from time to time and from place to place.
- 15.2 No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 15.3 When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

16. VOTING RIGHTS

- 16.1 (a) Subject to any rights or restrictions for the time being attached to any class or classes of shares,
 - (i) on a show of hands, every member present in person shall have one (1) vote; and
 - (ii) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.
- (b) A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Companies Act and shall vote only once.
- (c) (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
 - (ii) For this purpose, seniority shall be determined by the order in which the names stand in the Register.
- (d) A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
- (e) Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

- (f) No member shall be entitled to vote at any general meeting unless all calls or other sums presently due and payable by him in respect of shares in the Company have been paid.
- (g)
 - (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
 - (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
- (h) Except as otherwise provided herein, all resolutions of the Shareholders shall, be subject to the requirements imposed by the Companies Act or any other applicable Law.

17. PROXY

- 17.1
- (a) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited not less than 48 (forty eight) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or in the case of a poll, not less than 24 (twenty four) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
 - (b) An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Companies Act.
 - (c) A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given.
- Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

18. BOARD OF DIRECTORS

- 18.1 Subject to Article 18.2, the number of Directors shall not be less than three (3) and not more than fifteen (15).
- (a) The first Directors of the Company at the time of the incorporation were:
 - (i) Mr. Amit Narang; and
 - (ii) Ms. Jyoti Narang.
 - (b) The Directors may from time to time, appoint one or more of their body to the office of the managing director for one or more of the divisions of the business carried on by the Company and to enter into agreement with him in such terms and conditions as they may deem fit.
 - (c) Subject to the provisions of Section 149 of the Companies Act, the Board of Directors, at any time and from time to time, to appoint any person as additional Director in addition to the existing Director so that the total number of Directors shall not at any time exceed the number fixed for Directors in these Articles. Any Directors so appointed shall hold office only until the next following annual general meeting but shall be eligible thereof for election as Director at that meeting subject to the provisions of the Companies Act.
 - (d) Subject to the provisions of Section 197 and Schedule V of the Companies Act, a managing director, whole-time director or manager shall be appointed and the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting of the company and such remuneration as may be fixed by way of salary or commission or participation in profits or partly in one way or partly in another subject to the provisions of the Companies Act.
 - (e) The quorum of any meeting of the Board shall be one-third of its total strength. Subject to the provisions of the Companies Act, if the quorum is not present within half an hour of the scheduled time of the meeting, the meeting shall stand adjourned to the same day, location and time on the following week; provided, however, that if such day is not a Business Day, the meeting shall be held on the next Business Day at the same location and time. Subject to the provisions of the Companies Act, the Directors present at such adjourned meeting

shall constitute the quorum for such re-convened meeting. The participation of the Directors by video conferencing or by other audio-visual means shall also be count for the purpose of quorum.

- (f) The Directors will be paid remuneration pursuant to the applicable provisions of the Companies Act and/or any other applicable Laws.
- (g) Subject to the Companies Act, any Director shall be entitled to nominate an individual for appointment as an alternate Director, with the prior consent of the Board, during the absence of such Director, provided such absence is for not less than three (3) months from India. Such an alternate Director must vacate the office for the original Director, once the original Director returns back to India. Any person considered to be an alternate Director must not be a person holding any alternate directorship for any other director in the Company or holding directorship himself/ herself in the Company. The Company shall enter into an Indemnification Agreement with each of the Directors and their respective alternate Directors (if any)
- (h) No share qualification is necessary for an individual to be appointed as a Director of the Company.
- (i) The Board shall include such number of Directors of the Company as are identified to be liable to retire by rotation as per the provisions of the Companies Act.
- (j) The Company may exercise the powers conferred on it by Section 88 of the Companies Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that Section) make and vary such regulations as it may think fit respecting the keeping of any such register.
- (k) All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

18.2 Composition and Size of the Board

Subject to applicable Law, if:

- (a) any Shareholder (directly or through its Affiliates) holds more than fifty percent (50%) of the Share Capital (“**Control Threshold**”), the Board shall consist of up to fifteen (15) Directors.
- (b) no Shareholder (directly or through its Affiliates) holds Shares equivalent to the Control Threshold, the Board shall consist of up to ten (10) Directors.

The Board and Shareholders can take all such actions and steps as may be considered necessary to ensure compliance with this Article 18.2.

18.3 Specific Board Matters: Notwithstanding anything to the contrary contained in these Articles but subject to Article 18.4, any decision relating to any matter specified in this Article 18.3 (“**Specific Board Matters**”) shall require a prior Super Majority Directors’ Consent. Except as otherwise provided under Article 18.4 and subject to Sections 100 and 111 of the Act, unless and until a prior Super Majority Directors’ Consent has been obtained in relation to a Specific Board Matter, the Company shall not include any agenda items in relation to Specific Board Matters for meetings of the Shareholders:

- 18.3.1 Other than (a) any merger, acquisition, consolidation, scheme of arrangement, amalgamation or any other type of business combination solely among or between PhonePe Group Companies, including any internal restructuring or other internal reorganization where the applicable PhonePe Group Company’s (or any successor parent entity’s) direct or indirect ownership remains the same in all material respects as the ownership of such PhonePe Group Company prior to such restructuring or reorganization; (b) any disposal, sale, lease, transfer, exclusive license or other disposition solely between PhonePe Group Companies or from one PhonePe Group Company to another, any: (i) Asset Sale; (ii) Deemed Sale Event; (iii) business combination, restructuring or reorganization not covered under the Companies Act; (iv) sale of any shares of any subsidiary of the Company, or the sale, lease, transfer, exclusive license or other disposition by the Company of any assets, in each case, outside the ordinary course of business; or (v) an issuance of Shares by the Company where prior to such issuance, the Company was not a “controlled foreign corporation” (“**CFC**”) as defined in the US Internal Revenue Code of 1986, as amended (or any successor thereto) (“**US IRS Code**”) and following such issuance the Company, in the determination of counsel or accountants appointed by the Board, would be a CFC.

- 18.3.2 Creation, adoption or amendment of any equity incentive plan or other benefit plan not covered under the Companies Act or the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- 18.3.3 Any application for a regulatory or other material business license, closure of any material or licensed or regulated business or commencement of any material, licensed or regulated business by the Company beyond the purview of the Annual Operating Plan approved by the Board.
- 18.3.4 Any direct or indirect change in shareholding or voting, economic or other ownership rights in any other PhonePe Group Company (except for the Company).
- 18.3.5 Any material change that is outside the ordinary course of business or not on arm's length terms in any material agreement between Company and its material customers and/or business partners or any termination of such agreement.
- 18.3.6 The approval of any Annual Operating Plan, or any amendment to the Annual Operating Plan approved by the Board or any equivalent business plans or budget of the Company.
- 18.3.7 Any: (a) sale or transfer or termination of ownership, exit or disposition of existing investments; (b) joint ventures under partnership agreements; (c) new or additional investment by the Company including projects or financial investments; or (d) purchase of any intellectual property rights from any Person.
- 18.3.8 Any change in the trading style of the Company, the nature or scope of the businesses of the Company, expansion of the businesses of the Company to any new country / territory, or any transfer of brand names used in such businesses, service marks and trademarks or other proprietary rights used in such businesses.
- 18.3.9 Any resolution passed or policy adopted by the Board, or modifications thereto, (whether prior to or after adoption of these Articles) requiring the Company to (a) comply with US IRS Code and US federal laws pertaining to Sanctions (the "**Covered Laws**") to the extent the non-compliance thereof would result in the Company or Shareholders (specified in such resolutions or policy) being non-compliant with the Covered Laws; (b) comply with Applicable ABAC Laws; and (c) comply with Applicable Money Laundering Laws and (d) provide reasonable assistance or information to the Shareholders (as specified in such resolutions or policies) that are subject to the Covered Laws, Applicable ABAC Laws and Applicable Money Laundering Laws.
- 18.3.10 Any declaration or payment of any dividend or distribution of profits or commissions to Shareholders, employees or directors, by the Company.
- 18.3.11 Any termination or variation of any shareholders' agreement between the Company and any PhonePe Group Company or any variation of the articles of association of any PhonePe Group Company to the extent that such articles of association relate to matters contained in the shareholders' agreement between the Company and such PhonePe Group Company.
- 18.3.12 Any decision to consider and/ or approve any matter that is a "Parent Reserved Matter" (as defined under the shareholders' agreement between the Company and any other PhonePe Group Company).
- 18.4 Passing of Resolutions and Voting.** All decisions of the Board shall be taken by the Super Majority Directors' Consent while any Shareholder holds Shares equivalent to or more than the Control Threshold. Provided that, where any Shareholder holds Shares equivalent to or more than the Control Threshold and if the composition of the Board reaches to the maximum capacity of fifteen (15) members, then the decisions of the Board in relation to any matter (including the Specific Board Matters) shall be taken by simple majority vote of such number of Directors who constitute the Board. If no Shareholder holds Shares equivalent to or more than the Control Threshold, then only Specified Board Matters shall require a Super Majority Directors' Consent pursuant to Article 18.3. Each Director participating in the meeting has one (1) vote.
- 18.5 Circular Resolution.** Subject to the provisions of the Companies Act and Article 18.4, a resolution signed by such Directors which represent the Super Majority Directors' Consent shall be deemed to be a decision of the Board without the need for a meeting provided, however, that if at least one-third of the members of the Board require any resolution under circulation to be decided in a meeting, such a resolution shall be considered only in a meeting of the Board, convened and conducted in accordance with Articles 18.7, 18.1(e) and 19.1(i). Subject to the Companies Act, a resolution signed by a majority of the Directors who are members of a committee and are entitled to vote on the resolution shall be deemed to be a decision of the committee without the need for a meeting. Any such resolution may consist of several documents in original or electronic form, each signed by one or more Directors. The expressions "in writing" and "signed" in this Article 18.5, shall include approval by any such Director by telefax or electronic/digital signature or any form of electronic communication approved by the Directors and recognized under applicable Law

for such purpose from time to time incorporating, if the Board deems necessary, the use of security and/or identification procedures and devices approved by the Board.

- 18.6 Notice of Meetings.** The Company shall provide prior notice of at least seven (7) days (or any longer minimum notice required by applicable Law) of the meetings of the Board and committees thereof to all the Directors. The Company shall convene Board meetings at shorter notice subject to and in compliance with the provisions of Section 173 of the Companies Act.

19. PROCEEDINGS OF THE BOARD

- 19.1 (a) (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit, provided that adjournment for want of quorum shall be in accordance with Article 18.1(e).
- (ii) A Director may, and the manager or secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.
- (iii) The Board shall meet at least four (4) times per year (or any greater number required under the Companies Act) at such locations as determined by the Board, provided that the gap between any two (2) meetings of the Board must not exceed one hundred and twenty (120) days. Travel, hotel and related expenses reasonably incurred by the Directors for attending meetings of the Board and committees shall be borne by the Company.
- (b) The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by Article 18.1(e) for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum under Article 18.1(e), or of summoning a general meeting of the Company, but for no other purpose.
- (c) (i) The Chairperson shall be appointed by the Board and must be an Independent Director and shall not have a second or casting vote. In the absence of the Chairperson at any meeting, the Directors present may elect one (1) among the Directors (who must also be an Independent Director) to chair that meeting.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five (5) minutes after the time appointed for holding the meeting, the Directors present may choose one of their numbers to be Chairperson of the meeting.
- (d) (i) The Board may set up, change, re-constitute, integrate, amend the terms of reference (*or charter*) of, or dissolve such committees of the Board as it deems fit from time to time, or as required by applicable Law. Any committee so formed shall, in the exercise of the power so delegated, conform to the terms of reference (*or charter*) as required by the Board or under applicable Law. The Board shall at all times maintain:
- (A) an Audit Committee: (a) The audit committee shall have minimum three (3) Directors as members; (b) at least, two-thirds of the members of the audit committee shall be Independent Directors; (c) all members of the audit committee shall be financially literate and at least one (1) member shall have accounting or related financial management expertise; (d) the chairperson of the audit committee shall be an Independent Director; and (e) the company secretary shall act as the secretary of the audit committee, provided, however, the requirements in (b) and (d) shall apply only from the earlier of: (A) the requirements being imposed by applicable Law; and (B) the required number of minimum Independent Directors being appointed to the Board and until such time the composition of the audit committee may be determined by the Board as it deems fit. The terms 'financially literate' and 'accounting or related financial management expertise' shall have the meaning ascribed to the term given under regulation 18 of the Listing Regulations.
- (B) a Nomination and Remuneration Committee: (a) The nomination and remuneration committee shall comprise at least three (3) directors; (b) all directors of the committee shall be non-executive directors; (c) at least two-thirds of the directors shall be Independent Directors; and (d) the chairperson of the nomination and remuneration committee shall be an Independent Director, provided that: (A) the chairperson of the Company, whether executive or non-executive, may be appointed as a member of the nomination and remuneration committee but shall not be chairperson of the nomination and remuneration committee; and (B) the requirements in (c) and (d) shall apply only from the earlier of: (I)

the requirements being imposed by applicable Law; and (II) the required number of minimum Independent Directors being otherwise appointed to the Board and until such time the composition of the nomination and remuneration committee may be determined by the Board as it deems fit.

- (C) a Risk Management Committee: The risk management committee shall have minimum three (3) members with majority of them being members of the Board, including at least one (1) Independent Director. The chairperson of the risk management committee shall be a member of the Board and senior executives of the Company may be members of the risk management committee.
 - (D) an Executive Committee: The members of the executive committee must be members of the Board and shall be determined and appointed, removed or replaced by the Board.
 - (E) a Stakeholders' Relationship Committee: The stakeholders' relationship committee must have at least three (3) Directors, with at least one (1) being an Independent Director. The chair must be a non-executive Director.
 - (F) all committees required by the Companies Act and other applicable Laws, from time to time.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- (e)
 - (i) If no such chairperson is elected, or if at any meeting the chairperson is not present within five (5) minutes after the time appointed for holding the meeting, the members present may choose one of their members to be chairperson of the meeting.
 - (ii) A committee may meet and adjourn as it thinks fit.
 - (iii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present. The chairperson of such committee shall not have a second or casting vote.
 - (iv) All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.
 - (f) A meeting of the Directors for the time being, at which a quorum as prescribed under Article 18.1(e) is present, shall be competent to exercise all or any of the authorities, powers and discretions by Law or under these Articles and regulations for the time being vested or exercisable by the Directors generally.
 - (g) For meeting of Board of Directors of the Company, the Board of Directors may meet for the dispatch of business, adjourn and otherwise regulate its meetings, as it thinks fit, each in accordance with Article 18.
 - (h) **Convening Meetings of the Board.** Any Director may, and the company secretary shall, on the requisition of a Director, summon a meeting of the Board or any committee, in accordance with the notice and other requirements set out in Article 18. Subject to applicable Law, any Director wishing to place a matter on the agenda for any meeting of the Board may do so by communicating with the Chairperson sufficiently in advance of the meeting of the Board so as to permit timely dissemination of information with respect to the agenda items to all Directors.
 - (i) The members may by passing an ordinary resolution remove a Director, before the expiry of his period of office.
 - (j) All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.

20. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

- 20.1 (a) Subject to the provisions of the Companies Act:
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed from such office by means of a resolution of the Board in accordance with Section 203 of the Companies Act; and
 - (ii) A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
- (b) A provision of the Companies Act or these regulations requiring or authorising a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

21. DIVIDENDS AND RESERVE

- 21.1 (a) The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- (b) Subject to the provisions of Section 123 of the Companies Act, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.
- (c) (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- (d) (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- (e) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- (f) (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- (g) Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Companies Act.
- (h) No dividend shall bear interest against the Company.

- (i) Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

21.2 RIGHT TO DIVIDEND AND UNPAID OR UNCLAIMED DIVIDEND

- (a) Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration the Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty (30) days to a special account to be opened by the Company in that behalf in any scheduled bank to be called Unpaid Dividend Account of PhonePe Limited.
- (b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under the Companies Act.
- (c) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by Law.
- (d) All other provisions under the Companies Act will be complied with in relation to the unpaid or unclaimed dividend.

22. ACCOUNTS

- 22.1 (a) The Board shall, from time to time, determine whether and to what extent and at what, times and places and under what conditions or regulation the accounts and books of the Company or any of them shall be open to the inspection of members (not being Directors).
- (b) No members (not being Director) shall have any right of inspecting any accounts or books of account of the Company except as conferred by Law or authorised by the Board or by the Company in general meeting.
- (c) The Directors shall in all respect comply with the provisions of Sections 128, 134, 137, 206, 207 and 208, of the Companies Act, and profits and loss account, balance sheet and auditors report and every other document required by Law to annexed or attached as the case may be, to the balance sheet, to be sent to every member and debenture holder of the Company and every trustee for the holders of the debentures issued by the Company at least twenty-one (21) days before the date of annual general meeting of the Company at which they are to be laid, subject to the provisions of Section 136 of the Companies Act.

23. WINDING UP

- 23.1 Winding up when necessary, will be done in accordance with the requirements of the Companies Act or statutory modification thereto:
 - (i) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
 - (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
 - (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
 - (iv) Any person who is or has been a Director or manager, whose liability is unlimited under the Companies Act, shall, in addition to their liability, if any, to contribute as an ordinary member, be liable to make a further contribution as if he were at the commencement of winding up, a member of an unlimited company, in accordance with the provisions of the Companies Act.

24. INDEMNITY

- 24.1 Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the tribunal.

25. ALTERATION TO MEMORANDUM

- 25.1 The Company shall have the power to alter the conditions of the Memorandum in any manner.

26. BORROWING POWERS

- 26.1 Subject to Section 73, 179 and 180 of the Companies Act and regulations made there under and directions issued by the Reserve Bank of India, the Directors may, from time to time, raise or borrow any sums of money for and on behalf of the Company from the member or other persons, companies or banks or they may themselves advance money to the Company on such interest as may be approved by the Directors.
- 26.2 The Directors may, from time to time, secure the payment of such money in such manner and upon such terms and conditions in all respects as they deem fit and in particular by the issue of bonds or debentures or by pledge, mortgage, charge or any other security on all or any properties of the Company (both present and future) including its uncalled capital for the time being.
- 26.3 Term of issue of Debentures: Any bonds, debentures, debenture-stock or other securities may if permissible under the applicable Laws be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company and on the condition that they or any part of them may be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) a general meeting, for appointment of Directors and otherwise debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in a general meeting by a special resolution.

27. OPERATION OF BANK ACCOUNTS

- 27.1 The Directors shall have the power to open bank accounts to sign cheques on behalf of the Company and to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundies and bills or may authorise any other person or persons to exercise such powers.

28. AUDIT

- 28.1 (a) The first auditor of the Company shall be appointed by the Board of Directors within thirty (30) days from the date of registration of the Company and the auditors so appointed shall hold office until the conclusion of the first annual general meeting.
- (b) At the first annual general meeting the Company shall appoint an auditor to hold office from the conclusion of the meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every six (6) meetings.
- (c) The remuneration of the auditor shall be fixed by the Company in the annual general meeting or in such manner as the Company in the annual general meeting may determine. In case of an auditor appointed by the Board his remuneration shall be fixed by the Board.

30. COMMON SEAL

- 29.1 The Board may provide a common seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new common seal in lieu thereof, and if the common seal provides for, the Board shall provide for the safe custody of the common seal for the time being.
- 29.2 The common seal of the Company, if any, shall not be affixed to any instrument except by the authority of a resolution of the Board, or of a committee of the board authorised by it in that behalf, and except in the presence of the company secretary or any other person as the Board may appoint for such purpose; and the said authorised person or company secretary shall sign every instrument to which the common seal of the Company is so affixed in their presence.

30. CONFIDENTIALITY

- 30.1 Subject to the provisions of Law and the Companies Act, every manager, auditor trustee, member of a committee, officer servant, agent accountant or other persons employed in the business of the Company shall, if so required by the Board of Directors before entering upon his duties, sign, declaration, pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of account with individuals and in matters relating thereto and shall by such declaration pledge himself, not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any court of law and except so far as may be necessary in order to comply with any of the provisions in these present.

31. GENERAL AUTHORITY

Wherever in the applicable provisions under Companies Act it has been provided that any Company shall have any right, privilege or authority or that any Company could carry out any transaction only if the Company is authorized by it Articles, then and in that case this regulation hereby authorizes and empowers the Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Companies Act without there being any other specific regulation in that behalf herein provided.

32. MISCELLANEOUS

At any point of time from the date of adoption of these Articles, if these Articles are or become contrary to the provisions of the Companies Act, the rules, the Listing Regulations, byelaws issued by the stock exchanges and any other applicable Laws, the provisions of the Companies Act, the rules, the Listing Regulations, byelaws issued by the stock exchanges and other applicable Laws shall prevail over these Articles to such extent and the Company shall, at all times, discharge all of its obligations as prescribed under applicable Laws, from time to time.

PART B

Part B of the Articles of Association provides for, amongst other things, the rights of certain shareholders pursuant to the Shareholders Agreement. For more details in relation to the Shareholders Agreement, see *“History and Certain Corporate Matters – Shareholders’ agreements and other agreements”* on page 267.

As on the date of this Updated Draft Red Herring Prospectus - I, the clauses/ covenants of Articles are in compliance with the Companies Act and the securities laws, as applicable.

SECTION X: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus/ Prospectus which will be filed with the RoC. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. IST on all Working Days and shall be also available on the web link ir.phonepe.com/ipo-kit/material-contracts from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date (except for such agreements executed after the Bid/ Offer Closing Date).

A. Material Contracts for the Offer

- a) Offer agreement dated September 23, 2025 read with first amendment agreement dated January 14, 2026 entered into amongst our Company, the Selling Shareholders and the BRLMs.
- b) Registrar agreement dated September 23, 2025 entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer.
- c) Cash Escrow and Sponsor Banks Agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Banks, Public Offer Account Bank and the Refund Bank(s).
- d) Share Escrow Agreement dated [●] amongst our Company, the Selling Shareholders, and the Share Escrow Agent.
- e) Syndicate Agreement dated [●] amongst our Company, the Selling Shareholders, Registrar to the Offer, the BRLMs and Syndicate Members.
- f) Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders and the Underwriters.

B. Material Documents

- a) Certified copies of our MoA and AoA, as updated from time to time.
- b) Certificate of incorporation dated December 18, 2012, Registrar of Companies, Punjab and Chandigarh at Chandigarh, in the name of 'FX Mart Private Limited'.
- c) Fresh certificate of registration dated August 1, 2016, issued by the Registrar of Companies, New Delhi at Delhi, pursuant to change in our registered office from the state of Punjab to the state of Delhi.
- d) Fresh certificate of incorporation dated November 18, 2016, issued by Registrar of Companies, Delhi at New Delhi, consequent upon change in the name of our Company from 'FX Mart Private Limited' to 'PhonePe Private Limited'.
- e) Fresh certificate of registration dated February 13, 2020, issued by the Registrar of Companies, Maharashtra at Mumbai, pursuant to change in our registered office from the state of Delhi to the state of Maharashtra.
- f) Fresh certificate of registration dated July 14, 2023, issued by the Registrar of Companies, Karnataka at Bengaluru, pursuant to change in our registered office from the state of Maharashtra to the state of Karnataka.
- g) Fresh certificate of incorporation dated May 1, 2025, issued by Central Processing Centre, MCA at Haryana, consequent upon change in the name of our Company from 'PhonePe Private Limited' to 'PhonePe Limited', pursuant to conversion to a public limited company.
- h) Copies of annual reports of our Company for the last three Financial Years.
- i) Resolution of the Board of Directors dated September 23, 2025 authorising the Offer and other related matters.
- j) Resolution of the Board of Directors dated September 23, 2025 approving the Pre-filed Draft Red Herring Prospectus - I.
- k) Resolution of the Board of Directors dated January 21, 2026 approving this Updated Draft Red Herring Prospectus - I.

- l) Resolution of the Board of Directors dated September 23, 2025, taking on record the approval for the Offer for Sale by the Selling Shareholders.
- m) Consent letters and authorisations from each of the Selling Shareholders, authorising their respective participation in the Offer.
- n) Service agreement dated October 5, 2020, along with its addendum dated June 5, 2023, entered between the Company and Sameer Nigam.
- o) Service agreement dated October 5, 2020, along with its addendum dated June 5, 2023, entered between the Company and Rahul Chari.
- p) Share purchase agreement dated September 27, 2021, entered into between our Company and PhonePe Private Limited, Singapore (*now known as Headstand Pte. Ltd.*) and C. E. Info Systems Private Limited (*now known as C.E. Info Systems Limited*).
- q) Share purchase agreement dated August 26, 2021, entered into between our Company and PhonePe Private Limited, Singapore (*now known as Headstand Pte. Ltd.*) and PhonePe Insurance Broking Services Private Limited.
- r) Share purchase agreements each dated November 5, 2021 read with addendums each dated March 16, 2022 entered into between our Company and (i) Explorium Innovative Technologies Private Limited (*now known as PhonePe Lending Services Private Limited*), Sahil Sharma, Aditya Shirole, Jerry Chase Resource Co. Ltd., M&S Partners Pte. Ltd., IF India II Investment Partnership, Beyond Next Ventures II Investment Limited Partnership, SAB Holdings Private Limited, Ravi Nigam, Kiran Deshpande, Shashank Deshpande, Subramanian Ramadorai, Shantanu Deshpande, Sakshi Gudwani, Pratap Singh Gudwani and Vineet Pani; and (ii) Explorium Innovative Technologies Private Limited (*now known as PhonePe Lending Services Private Limited*), Sahil Sharma and Aditya Shirole.
- s) Share purchase agreement dated May 19, 2022, entered into between PhonePe Wealth Broking Private Limited and Sujit Modi, Ujjwal Jain, Yuvraj Thakker and Quantech Capital Investment Advisors Private Limited.
- t) Share purchase agreements, dated May 20, 2022, read with a subsequent agreement dated November 7, 2022, entered into by PhonePe Wealth Broking Private Limited with: (i) Wealth Technology & Services Private Limited (*now merged with PhonePe Wealth Broking Private Limited*), Ujjwal Jain, and the persons listed in Part A of Schedule 1; and (ii) Payasyougotech Platforms Private Limited.
- u) Share purchase agreement dated October 3, 2022, entered into between our Company and PhonePe Private Limited, Singapore (*now known as Headstand Pte. Ltd.*) and OSlabs Pte. Ltd. (*now known as Indus Appstore Pte. Ltd.*).
- v) Share purchase agreement dated September 5, 2025 between our Company, General Atlantic Singapore PPIL Pte. Ltd., Manmeet Sandhu and the persons listed in schedule 1 of the agreement.
- w) Share purchase agreement dated September 5, 2025 between our Company, General Atlantic Singapore PPIL Pte. Ltd., Sameer Nigam and Rahul Chari.
- x) Valuation report dated August 25, 2021, issued by Walker Chandoik & Co. LLP, Chartered Accountants, in relation to acquisition of PhonePe Insurance Broking Services Private Limited.
- y) Valuation report dated September 26, 2022, issued by Navigant Corporate Advisors Limited in relation to acquisition of OSlabs Pte. Ltd. (*now known as Indus Appstore (Singapore) Pte. Ltd.*)
- z) Valuation report dated September 24, 2021, issued by MSKA & Associates, Chartered Accountants, in relation to acquisition of C. E. Info Systems Private Limited (*now known as C.E. Info Systems Limited*).
- aa) Shareholders' agreement dated September 19, 2025, entered into by and among our Company, WM Digital Commerce Holdings Pte. Ltd., Sameer Nigam, Rahul Chari, Headstand Pte. Ltd., 3State Ventures Pte. Ltd., INQ Holdings LLC., Jadoff SPV 5, LLC, Microsoft Global Finance Unlimited Company, WCH Q3 2020 1, LLC, General Atlantic Singapore PPIL Pte. Ltd., Tiger Global PIP-9 Ltd., Ribbit Bullfrog II Cayman IN Holdings Ltd. and TVS Shriram Growth Fund 3.
- bb) Our Company has received written consent dated January 21, 2026, from S.R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Updated Draft Red Herring Prospectus - I, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory

Auditor, and in respect of their (i) examination report dated January 14, 2026 on the Restated Consolidated Financial Information; and (ii) report on statement of special tax benefits dated September 23, 2025 included in this Updated Draft Red Herring Prospectus - I, and such consent has not been withdrawn as on the date of this Updated Draft Red Herring Prospectus - I. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

- cc) Consent dated January 21, 2026, from Manian & Rao, Chartered Accountants, the independent chartered accountants, to include their name in this Updated Draft Red Herring Prospectus - I as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations as an “expert” as defined under Section 2(38) of the Companies Act 2013 in respect of various certificates issued by them in their capacity as the independent chartered accountant to our Company.
- dd) Consent dated January 21, 2026, from K&S Partners, intellectual property consultant, to include their name as required under the SEBI ICDR Regulations in this Updated Draft Red Herring Prospectus - I, and as an “expert”, as defined under Section 2(38) of the Companies Act, 2013 in respect of the certificate dated January 21, 2026, in relation to the patent, design, trademark and copyright registrations and applications filed by our Company and the Subsidiaries in India and outside India.
- ee) Consent dated January 21, 2026, from Sai Krishna and Associates, intellectual property consultant, to include their name as required under the SEBI ICDR Regulations in this Updated Draft Red Herring Prospectus - I, and as an “expert”, as defined under Section 2(38) of the Companies Act, 2013 in respect of the certificate dated January 21, 2026, in relation to the patent, design, trademark and copyright registrations and applications filed by our Company in India.
- ff) The examination report dated January 14, 2026, by the Statutory Auditors on the Restated Consolidated Financial Information.
- gg) The report on statement of special tax benefits dated September 23, 2025, from S.R. Batliboi & Associates LLP, Chartered Accountants.
- hh) Consents of our Directors, Company Secretary and Compliance Officer, legal counsel to our Company as to Indian law, Bankers to our Company, Banker(s) to the Offer, the BRLMs, Syndicate Members, Registrar to the Offer, Escrow Collection Bank(s), Public Offer Account Bank(s), Refund Bank(s), Sponsor Bank(s), in their respective capacities.
- ii) Certificate dated January 21, 2026, issued by Manian & Rao, Chartered Accountants, certifying the KPIs of our Company.
- jj) Certificate dated January 21, 2026, issued by Manian & Rao, Chartered Accountants, certifying the weighted average price and cost of acquisition of Equity Shares by Promoters and Selling Shareholders.
- kk) Certificate dated January 21, 2026, issued by Manian & Rao, Chartered Accountants, certifying ESOP Scheme(s) and compliance with SEBI SBEB Regulations
- ll) Certificate dated January 21, 2026, issued by Manian & Rao, Chartered Accountants, certifying outstanding dues to the creditors.
- mm) Certificate dated January 21, 2026, issued by Manian & Rao, Chartered Accountants, certifying outstanding loans, advances and working capital facilities from banks, other financial indebtedness by the Company and its Subsidiaries and loans and advances taken by the Company from its Promoter, Directors and Related parties.
- nn) Certificate dated January 21, 2026, issued by Manian & Rao, Chartered Accountants, certifying tax litigation.
- oo) Certificate dated January 21, 2026, issued by Manian & Rao, Chartered Accountants, certifying details of Basis for Offer Price.
- pp) Certificate dated January 21, 2026, issued by Manian & Rao, Chartered Accountants, certifying the capitalisation statement.
- qq) Certificate dated January 21, 2026, issued by Manian & Rao, Chartered Accountants, certifying details of minimum Promoters’ contribution and lock-in.
- rr) Certificate dated January 21, 2026, issued by Manian & Rao, Chartered Accountants, certifying details of dividend.
- ss) Certificate dated January 21, 2026, issued by Manian & Rao, Chartered Accountants, certifying non-payment of statutory dues.

- tt) Resolution dated January 21, 2026, passed by the Audit Committee approving the KPIs.
- uu) Report titled '*Democratising Access to Digital Economy*' dated January 13, 2026, issued by Redseer which has been commissioned and paid for by our Company exclusively for the purposes of the Offer. The Redseer Report has been uploaded on the website of our Company at www.phonepe.com/apollo/investor-relations/pdf/industry-report.pdf.
- vv) Consent dated January 21, 2026 of Redseer in respect of the Redseer Report.
- ww) Due diligence certificate dated September 23, 2025 addressed to SEBI from the BRLMs.
- xx) Tripartite agreement dated February 4, 2022, amongst our Company, NSDL and Registrar to the Offer.
- yy) Tripartite agreement dated May 13, 2025, amongst our Company, CDSL and Registrar to the Offer.
- zz) In-principle listing approvals each dated December 1, 2025, issued by BSE and NSE, respectively.
- aaa) Final observation letter bearing number HO/49/11/11(127)2025-CFD-RAC-DIL2 dated January 8, 2026 issued by SEBI.

Any of the contracts or documents mentioned in this Updated Draft Red Herring Prospectus - I may be amended or modified at any time, if so, required in the interest of our Company or if required by the other parties, without notice to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Updated Draft Red Herring Prospectus - I is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, and undertakings made in this Updated Draft Red Herring Prospectus - I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Rohit Bhagat

Chairperson and Non-Executive Independent Director

Date: January 21, 2026

Place: Hillsborough, CA, USA

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Updated Draft Red Herring Prospectus - I is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, and undertakings made in this Updated Draft Red Herring Prospectus - I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sameer Nigam
Whole-time Director and Chief Executive Officer

Date: January 21, 2026

Place: Bengaluru

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Updated Draft Red Herring Prospectus - I is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, and undertakings made in this Updated Draft Red Herring Prospectus - I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Rahul Chari

Whole-time Director and Chief Technology Officer

Date: January 21, 2026

Place: Bengaluru

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Updated Draft Red Herring Prospectus - I is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, and undertakings made in this Updated Draft Red Herring Prospectus - I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Donna Catherine Morris

Non-Executive Nominee Director

Date: January 21, 2026

Place: Mexico City, Mexico

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Updated Draft Red Herring Prospectus - I is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, and undertakings made in this Updated Draft Red Herring Prospectus - I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

John David Rainey JR

Non-Executive Nominee Director

Date: January 21, 2026

Place: Bentonville, Arkansas, USA

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Updated Draft Red Herring Prospectus - I is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, and undertakings made in this Updated Draft Red Herring Prospectus - I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Leigh Douglas Hopkins

Non-Executive Nominee Director

Date: January 21, 2026

Place: Fayetteville, Arkansas, USA

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Updated Draft Red Herring Prospectus - I is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, and undertakings made in this Updated Draft Red Herring Prospectus - I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Rachel Lee Brand

Non-Executive Nominee Director (Additional)

Date: January 21, 2026

Place: McLean, Virginia, USA

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Updated Draft Red Herring Prospectus - I is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, and undertakings made in this Updated Draft Red Herring Prospectus - I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Manish Sabharwal

Non-Executive Independent Director

Date: January 21, 2026

Place: Indore

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Updated Draft Red Herring Prospectus - I is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, and undertakings made in this Updated Draft Red Herring Prospectus - I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Tarun Bajaj

Non-Executive Independent Director

Date: January 21, 2026

Place: Abu Dhabi

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Updated Draft Red Herring Prospectus - I is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, and undertakings made in this Updated Draft Red Herring Prospectus - I are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Zarin Bomi Daruwala

Non-Executive Independent Director

Date: January 21, 2026

Place: Mumbai

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Updated Draft Red Herring Prospectus - I is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, and undertakings made in this Updated Draft Red Herring Prospectus - I are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Adarsh Nahata

Date: January 21, 2026

Place: Bengaluru

DECLARATION BY THE SELLING SHAREHOLDER

We, WM Digital Commerce Holdings Pte. Ltd., acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings specifically made or confirmed by us in this Updated Draft Red Herring Prospectus - I in relation to ourselves, as a Selling Shareholder and our portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other persons or any other Selling Shareholders in this Updated Draft Red Herring Prospectus - I.

Signed for and on behalf of WM Digital Commerce Holdings Pte. Ltd.

Authorised signatory

Name: Lisle Geoffrey Adams

Designation: Authorized Signatory

Date: January 21, 2026

Place: Bentonville, Arkansas, USA

DECLARATION BY THE SELLING SHAREHOLDER

We, Tiger Global PIP 9-1 Ltd., acting as a Selling Shareholder, hereby confirm, certify and declare that all statements, disclosures and undertakings specifically made, confirmed or undertaken by us in this Updated Draft Red Herring Prospectus - I about or in relation to ourselves, as a Selling Shareholder and our portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other persons or any other Selling Shareholders in this Updated Draft Red Herring Prospectus - I.

Signed for and on behalf of Tiger Global PIP 9-1 Ltd.

Authorised signatory

Name: Richard Fortunato

Designation: Director

Date: January 21, 2026

Place: 9 West 57th St 35th FL NY, NY 10019

DECLARATION BY THE SELLING SHAREHOLDER

We, Microsoft Global Finance Unlimited Company, acting as a Selling Shareholder, hereby confirm, certify and declare that all statements, disclosures and undertakings specifically made or confirmed by us in this Updated Draft Red Herring Prospectus - I in relation to us, as a Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any expert or any other persons or any other Selling Shareholders in this Updated Draft Red Herring Prospectus - I.

Signed for and on behalf of Microsoft Global Finance Unlimited Company

Authorised signatory

Name: Bradley Faulhaber

Designation: Director

Date: January 21, 2026

Place: Redmond, Washington, USA