

## **Query No. 10**

**Subject:** *Treatment of incentive to wallet users under Ind AS 115.*<sup>1</sup>

### **A. Facts of the Case**

*Company and the business model:*

1. A Company (hereinafter referred to as ‘the Company’) is a leading fintech platform, operating businesses in consumer payments, financial services and payment gateway.
2. The querist has stated that the business model under consideration comprises of use of the Company’s online platform for (i) paying bills including mobile recharge, broadband, TV, electricity, gas, credit card, etc. (ii) spending on e-Commerce websites/apps, (iii) shopping at physical retailers including mom & pop shops, (iv) availing credit facility and (v) transferring money to Bank. For providing these facilities, the Company enters into contracts with various e-commerce and physical retailers (hereinafter called as ‘merchants’) whereby it provides the wallet facility to the end user for purchasing goods and services of merchants. In return for this facility, the Company charges a percentage commission on the transaction value from merchants.

*Cashback/Supercash to users on transactions through the Company’s platform:*

3. In order to increase the end-user base and to incentivise the existing and new end-users, the Company provides incentives in the form of cashback and supercash on availing certain services from the Company’s wallet. Cashbacks are credited to the user’s wallet which can be used in any future transaction on the Company’s platform or can also be transferred to the user’s bank account. Supercash are credited to user’s wallet as well but shown separately from cashback and can only be used by user in future transactions on the Company’s platform and cannot be transferred to user’s bank account. At times, supercash is also given for completing activities like completing KYC documentation or other promotional activities.

E.g. 1 – Cashback credit to user’s wallet on transaction made through the Company’s wallet

Cashback - A mobile wallet user has a Nil balance in his wallet. He recharges the wallet with an amount of INR 1,000. He makes XYZ mobile bill payment of INR 800 using his wallet with the Company. As per the prevailing offer, he was entitled to receive a cashback of 5% of transaction value subject to a capping of INR 50. The wallet balance of the user after this transaction will be INR 240 (1000 - 800 + 40) as he has received a cashback of INR 40 on this transaction. The Company will earn a commission from XYZ mobile company (the merchant) on this transaction of the bill being paid by the end user. According to the querist, the cashback to the wallet of the user and receipt of commission from merchant vendor are two separately settled transactions as the cashback to the wallet of the user is not dependent on the Company getting the payment from the merchants.

E.g. 2- Supercash given to user on transaction made through the Company’s wallet

Supercash - A mobile wallet user has Nil balance in his wallet. He recharges the wallet with an amount of INR 1,000. He makes XYZ mobile bill payment of INR 800 through his wallet

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<sup>1</sup> Opinion finalised by the Committee on 15.6.2021.

with the Company. As per the current offer, he was entitled to receive a supercash of 10% of transaction value. The wallet balance of user after this transaction will be INR 200 + supercash (shown separately) of INR 80 (received on the transaction). This supercash is available for utilisation in future transactions with certain restrictions. To take this example further, if he makes an electricity payment of INR 120, he will be able to utilise supercash only up to a specified % as per the prevailing offer (say 5%) which in this case, shall be INR 6. After the transaction, the user balance in the wallet shall be INR 86 (200-114) + supercash of INR 74 (80-6). The Company will earn commission from XYZ mobile company and the electricity company (the merchants). According to the querist, the supercash given to the wallet user and receipt of commission from merchants are separately settled transactions as the supercash given to the wallet user is not dependent on the Company receiving the payment of commission from the merchants.

#### E.g. 3 - Supercash given to user through promotional activities

Supercash – INR 100 supercash given to users on account of completion of KYC documentation of their account on the Company’s wallet. This supercash is available for utilisation on future transactions with certain restrictions. To take the example further, if he makes an electricity payment of INR 120, he will be able to utilise supercash only to a specified % as per the prevailing offer (say 5%) which in this case, shall be INR 6. After the transaction, the user’s balance in the supercash will be INR 94 (100-6). The Company will earn commission from the electricity company (the merchant). According to the querist, the supercash given to the wallet user and receipt of commission from merchant will be treated as two separately settled transactions as the supercash given to the wallet user is not dependent on the Company getting the payment from the vendor.

#### 4. Querist’s assessment - Accounting for cashback and supercash:

##### *Issues under consideration:*

Whether paragraphs 70 and 71 of Ind AS 115 (i.e., consideration payable to a customer) are applicable on above transaction. To analyse the same, assessment is required with respect to following questions:

- 1) Who is the customer - merchant vendor or wallet user?
- 2) Whether the transactions with merchant vendor and wallet users are distinct or not.
- 3) Whether the cashback/supercash offered to wallet user should be charged as promotional expense or netted from the commission earned from the merchant vendor.

#### **View - I**

##### **Technical guidance under Ind AS:**

##### ***Customer***

As per paragraph 6 of Ind AS 115, ‘Contracts with Customers’, A customer is a party that has contracted with an entity to obtain goods or services that are an *output of the entity’s ordinary activities in exchange for consideration*.

### ***Variable consideration***

As per paragraph 51 of Ind AS 115, an amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses or other similar items. The promised consideration can also vary if an entity's entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event. For example, an amount of consideration would be variable if either a product was sold with a right of return or a fixed amount is promised as a performance bonus on achievement of a specified milestone.

### ***Consideration payable to customer***

As per paragraph 70 of Ind AS 115, "Consideration payable to a customer includes cash amounts that an entity pays, or expects to pay, to the *customer (or to other parties that purchase the entity's goods or services from the customer)*. Consideration payable to a customer also includes credit or other items (for example, a coupon or voucher) that can be applied against amounts owed to the entity (or to other parties that purchase the entity's goods or services from the customer). An entity shall account for consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service (as described in paragraphs 26–30) that the customer transfers to the entity. If the consideration payable to a customer includes a variable amount, an entity shall estimate the transaction price (including assessing whether the estimate of variable consideration is constrained) in accordance with paragraphs 50–58."

As per paragraph 71 of Ind AS 115, "If consideration payable to a customer is a payment for a distinct good or service from the customer, then an entity shall account for the purchase of the good or service in the same way that it accounts for other purchases from suppliers. If the amount of consideration payable to the customer exceeds the fair value of the distinct good or service that the entity receives from the customer, then the entity shall account for such an excess as a reduction of the transaction price. If the entity cannot reasonably estimate the fair value of the good or service received from the customer, it shall account for all of the consideration payable to the customer as a reduction of the transaction price."

As per paragraph 72 of Ind AS 115, "Accordingly, if consideration payable to a customer is accounted for as a reduction of the transaction price, an entity shall recognise the reduction of revenue when (or as) the later of either of the following events occurs:

- (a) the entity recognises revenue for the transfer of the related goods or services to the customer; and
- (b) the entity pays or promises to pay the consideration (even if the payment is conditional on a future event). That promise might be implied by the entity's customary business practices.

### **Issue 1 - Who is the customer - merchant vendor or wallet user?**

- According to the querist, as per Ind AS 115, to be a customer, following criteria must be satisfied:
  - (i) Customer should have contracted with the Company;

- (ii) to obtain goods or services that are an output of the Company's ordinary activities; and
  - (iii) in exchange for consideration.
- The Company is providing services to both merchant vendor and wallet user that are part of its ordinary activities. As a consideration for its services, the Company earns a commission from merchants when users buy products and services of merchant through the Company's wallet. The Company generally does not charge from users except for few services where a convenience fee is charged.
  - It should be noted that, with respect to the payment services rendered by the Company to merchant, i.e., marketplace services, a user is not a customer of the merchant for said payment marketplace services but the user is a customer of the merchant for the goods and services of the merchant.
  - *As per the above definition, only merchant vendor should qualify as customer of the Company and not wallet user as in case of wallet user, there is no consideration attached. However, in case of those services wherein a fee is charged from wallet user, users are considered as customers of the Company.*

**Issue 2 - Whether the transactions with merchant vendor and wallet user are distinct or not.**

- As per the querist, with respect to the application of paragraphs 70 to 72 of Ind AS 115, the Company needs to analyse whether the transactions with merchant vendor and wallet user are two distinct transactions or they are highly interrelated and should be accounted for as a single transaction.
- Commission is earned from the merchant based upon contractual agreement entered with them on every transaction done through the Company's platform, whereas incentives are offered to users from time to time based on different schemes launched by the Company. In general, these incentives are not offered on every transaction but are launched at different points in time and the schemes are for short duration of time. The intent of cashback/supercash offered is not to give discount/credits to customer but to promote the usage of the app/platform. The cashback offered to user can also be more than the commission earned from merchant as the cashbacks are purely sales focused and not for any particular transaction. The contractual agreement with merchant vendor would be for a longer duration of time however the cash backs will be offered only intermittently, and it would be completely unrelated to merchant vendor agreement. Further, the Commission is earned by the Company from all its merchants; however the cashback/supercash is given only to a handful of users. Hence, these are 2 distinct transactions with no relation to each other.
- Once the transaction is completed on which the user was eligible for cash back/super cash, it is pushed to his wallet and if later, the Company has disputes with merchant, the Company cannot claim back the cash back/super cash from the wallet user.
- Further, it has been noted that the increase in transactions per user and retention of user is highly correlated with cashback/supercash offers.
- *Accordingly, it should be considered that the intent of these incentives is purely promotional in nature and reaching out to multiple users at distinct points of time to*

*increase or maintain transaction traffic via platform. Therefore, these should be considered as distinct from transactions with the merchant.*

**Issue 3 - Whether the cashback/supercash offered to wallet user should be charged as promotional expense or netted from the commission earned from the merchant vendor.**

- In transactions where the Company does not receive any consideration from end user, the user is not considered as a customer of the Company and thus any cashback/supercash offered to the user is treated as a marketing or promotional expense. Since supercash has restricted use (with respect to time and utilisation), the Company should reasonably estimate the amount expected to be utilised by users for recognition as marketing or promotional expense (i.e., determine breakage considering the past trend of user non-utilisation or expired super cash).
- In transactions where the Company charges convenience fee from users, the user is considered as a customer of the Company, any cashback/supercash offered to the user is recorded as reduction from revenue to the extent of convenience fee earned from end user. The supercash is netted of with revenue (as reduction) to the extent of revenue amount, i.e., only to the extent of convenience fee and any further amount of supercash on said transaction will be recorded as an expense and will not be adjusted against commission earned from the merchant vendor.

**View – II**

Paragraph 70 of Ind AS 115 requires an entity to account for *consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue* (unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity).

As explained in View I above, only for those transactions where the Company charges service fee from the users, such users can be considered as the customer of the Company. Further, the incentives offered to the user and commission earned from the merchants are distinct transactions and are not linked. As supported by BC255 of Basis for Conclusions of International Financial Reporting Standard (IFRS) 15, *consideration payable to a customer includes amounts paid to a customer's customer*. Thus, the requirement of paragraph 70 of Ind AS 115 would apply not only to consideration payable to a customer but also to a customer's customer.

In this regard, apart from end users in a direct distribution chain, *it may be appropriate to apply the guidance more broadly - i.e., to amounts paid outside the direct distribution chain*. Judgement is required to evaluate a specific fact pattern to determine whether a payment to a party outside a direct distribution chain is treated as consideration payable to a customer.

Based on the above, both the merchant and the end users are the customers of Company following a broad assessment of who is the customer as both are part of the overall value chain (even though the end user is not within a direct distribution chain). The incentives do not provide the Company with any distinct good or service, but rather are offered to increase traffic and revenue of the Company from commissions.

In essence, the actual revenue to the Company from the commission is after the discount. This outcome is also consistent with the overall objective of determining the transaction price in Ind AS 115.47: *“The transaction price is the amount of consideration to which an entity*

*expects to be entitled in exchange for transferring promised goods or services to a customer...”.*

Thus, the incentives offered by the Company on their platform to the users should be reduced from revenue.

*Accounting for transactional incentives for cases where a convenience fee is charged but the incentive is in excess of the fee:*

In cases, where a convenience fee is charged by the company to the end-user, the Company considers in view I above, the merchant as well as the end-user to be its customer. In such cases, if a transactional incentive (cashback or supercash) is given to the customer, the Company reduces the incentive from the revenue to the extent of convenience amount and any balance amount is considered as a marketing expense.

For example, assume the following amounts apply to a transaction:

- End user makes a payment of CU 50 to a mobile operator through the platform and is charged a convenience fee of CU 5
- Company charges a 15% commission to the mobile operator for arranging the payment (50 x 15% = CU 7.5)
- Company grants a credit of 10 to the end user off its total order – i.e., the end user pays CU 45 (55 – 10)
- Company passes on CU 42.5 (50 transaction value – 7.5 commission) of the 45 collected from the end user to the mobile operator
- Company retains CU 2.5 of cash related to the transaction (5 convenience fee + 7.5 commission – 10 credit)

In this case, the incentive of 10 exceeds X’s revenue from the convenience fee of 5.

The end user incentive is related to the entire transaction, including the revenue earned from merchant commissions. The incentives are also offered to generate traffic on the platform and increase future revenues from both convenience fee and merchant commissions. In this case, the Company’s revenues from the merchant commissions are the more significant portion of its revenues when a customer makes a payment using its platform.

This outcome is consistent with the overall objective of determining the transaction price in Ind AS 115.47: “The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer...” In the example scenario, the Company is entitled to 2.5 of consideration from providing the services to its customers – i.e., the end users and the merchant. Recognising revenue of 7.5 (and a marketing expense of 5) would overstate the amount of consideration that the Company is entitled to from the transaction.

(Emphasis supplied by the querist.)

#### 5. Accounting treatment followed by Industry Peers:

Supporting View-I further, industry peers in India (e.g. ABC Limited) and abroad (e.g. U Inc.) have also followed a similar accounting treatment which can be seen from their financial statements available in the public domain. As an example, below is the presentation of this matter in the financial statements of one of the direct competitors of the Company. The relevant extracts from such XBRL financial statements for the financial year 2018-19 are:

a) Accounting policy on revenue recognition:

“The Company provides incentives to users in various forms including cashbacks. Prior to the adoption of Ind AS 115, cashbacks given to users where the Company recovers a convenience fees were classified in the statement of profit and loss as a marketing expense. Following the adoption of the Ind AS 115, cashbacks given to users **where the Company recovers a convenience fees** are classified as a reduction of revenue. However, such adjustment does not have an impact on the retained earnings of the Company at the date of transition.”

b) The impact of adoption of Ind AS 115 on the financial statements:

i) Impact on financial statements:

The following table show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included.

	March 31, 2019		
	As presented under Ind AS 115	Adjustments on account of Ind AS 115	Amounts prior adoption of Ind AS 115
Revenue from operations	3,049.87	194.14	3,244.01
Other expenses	6,534.71	194.14	6,728.85
Profit/(loss) for the year for continuing operation	(3,954.33)	-	(3,954.33)
Profit/(loss) for the year for discontinuing operation	(5.31)	-	(5.31)
Basic and diluted Earnings per share for continuing operations	(705.02)	-	(705.02)
Basic and diluted Earnings per share for discontinuing operations	(0.95)	-	(0.95)
Contract liability	352.87	352.87	-
Other current liability- Advance from customer	-	352.87	352.87

c) Advertising promotional expenses presented under section [500100] Notes - Subclassification and notes on income and expenses:

**[500100] Notes - Subclassification and notes on income and expenses**

Unless otherwise specified, all monetary values are in Crores of INR

	01/04/2018 to 31/03/2019	01/04/2017 to 31/03/2018
Advertising promotional expenses	3,366.55	2,185.32

It can be seen from the above extracts that the cashbacks given to *users where the Company recovers a convenience fees*, have been classified as a reduction from the revenue while the rest has been classified as the advertising promotional expenses. (Emphasis supplied by the querist.)

The querist has emphasized that in case View II were to be adopted for this industry peer (whose extracts of financial statements have been provided above), then its revenue would be significantly impacted. Considering the prevalent industry practice, where most of the advertisement and promotional expenditure is incurred in relation to the end-user, its revenue under Ind AS 115 would be close to Nil, which would not be tenable for them or their shareholders.

6. Querist’s Conclusion:

Based on the combined reading of View I, View II and the financial statements of reputed industry peers, the Company believes that View I should be applicable to the Company's business model.

Ind ASs are applicable to all the listed/to be listed companies without any exemption relating to the turnover or the size. The Company is in the process of filing Draft Red Herring Prospectus (DRHP) for Initial Public Offer and therefore, this matter is of the utmost significance to the Company.

The Company believes that Accounting Standards must be applied consistently across all the players in the industry so that retail investors can fairly compare their financial statements. Auditors (including the large auditing firms) must not be allowed to take differing positions on such an important standard such that it creates unfair advantages for a few companies, while prejudicing the revenue performance of all the other companies in the sector.

7. The querist has separately provided the following clarifications:

- The cashback/supercash incentives provided by the Company to users are not as per any contractual agreement with the merchants.
- The Company does not provide these cashback/supercash to users for payments towards all the merchants. It is at the Company's discretion to decide – a) which incentives it wants to provide, b) on which use, cases/merchants, and c) for what duration. Seasonality, religious holidays, and topical trends play a role in deciding what schemes should be run. As an example, if there is a cricket match on a Sunday, the Company may run a promotional campaign on top food delivery apps/merchants because many people will order food that day and transactions will spike. Therefore, if the Company wants to get a share of the merchant's peak volume (amongst all the competing payment options on the merchant's checkout screen), then it must run an incentive scheme to attract users so that they choose to pay via the Company's payment option. Not offering any incentive will reduce the Company's share of the merchant's total business on that day.
- The Company usually decides its schemes based on the expected transactions from specific merchants which in turn gives multiple tangible and intangible benefits to the Company, such as, stronger brand recall with users, higher new user acquisition from the merchant, higher retention of existing users and higher lifetime value per user.
- There is no differential commission charged from merchants whose users are incentivised versus whose users are not incentivised.
- These incentives are given by all the major players in the market, therefore, it is indeed a market compulsion. Without providing any incentives, it would be impossible to grow the business of the Company.
- The Company does not charge convenience fees to users in most instances. The Company charges convenience fees only when the merchant (usually a government entity) does not charge any fees to its customer (Company's user) nor pays any commission to the Company for the payment services rendered. In such cases, these merchants require the Company to charge its users a convenience fee in a transparent manner consistently across all payment options. For example, in relation to ticket booking for IRCTC (Indian Railways) through the Company's payment options, the Company charges convenience fees from its users for train tickets booked by them on IRCTC website.

## **B. Query**

8. On the basis of the above, the querist has sought the opinion of the Expert Advisory Committee as to whether paragraphs 70 and 71 of Ind AS 115, (i.e., consideration payable to a customer) are applicable on the above-mentioned transaction.

## **C. Points considered by the Committee**

9. The Committee, while expressing its opinion, has, restricted itself, to the issue raised in paragraph 8 above and has not examined any other issue that may arise from the Facts of the Case, such as, timing of the recognition of the incentives provided to the users under Ind AS 115, presentation of incentives paid in excess of commission received from merchant and/or convenience fee, accounting for commission received from the merchant, accounting for the convenience fee charged to the users, other aspects of revenue recognition including measurement of incentives, determination of principal vs. agent relationship between the Company and the merchant, accounting treatment in the financial statements of merchant, etc. The Committee has only examined the issue from Ind AS perspective and has not examined the regulatory or legal classification and implications, including those arising under Income tax Act and GST laws.

10. At the outset, the Committee notes that in the extant case, the arrangement is between the Company, the merchant, and the end users of the Company's payment platform (who have purchased goods and services from the merchant). The Company is rendering mobile phone-based payment services and digital wallet services to the end-users enabling them to make their payments to various merchants conveniently and in lieu of these services, the Company receives a percentage commission on the transaction value from merchants and in few cases (mostly, where the merchants so require), charges convenience fee from the end users.

11. With regard to the issue raised, the Committee notes paragraphs 70 and 71 of Ind AS 115 as follows:

### **“Consideration payable to a customer**

70 Consideration payable to a customer includes cash amounts that an entity pays, or expects to pay, to the customer (or to other parties that purchase the entity's goods or services from the customer). Consideration payable to a customer also includes credit or other items (for example, a coupon or voucher) that can be applied against amounts owed to the entity (or to other parties that purchase the entity's goods or services from the customer). An entity shall account for consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service (as described in paragraphs 26–30) that the customer transfers to the entity. If the consideration payable to a customer includes a variable amount, an entity shall estimate the transaction price (including assessing whether the estimate of variable consideration is constrained) in accordance with paragraphs 50–58.

- 71 If consideration payable to a customer is a payment for a distinct good or service from the customer, then an entity shall account for the purchase of the good or service in the same way that it accounts for other purchases from suppliers. If the amount of consideration payable to the customer exceeds the fair value of the distinct good or service that the entity receives from the customer, then the entity shall account for such an excess as a reduction of the transaction price. If the entity cannot reasonably estimate the fair value of the good or service received from the customer, it shall account for all of the consideration payable to the customer as a reduction of the transaction price.”

The Committee further notes that paragraph BC255 of IFRS 15 which contains Basis for Conclusions for paragraphs 70 to 72 of IFRS 15 that contain similar requirements as in Ind AS 115, states as follows:

“In some cases, an entity pays consideration to one of its customers or its customer’s customer (for example, an entity may sell a product to a dealer or distributor and subsequently pay a customer of that dealer or distributor). That consideration might be in the form of a payment in exchange for goods or services received from the customer, a discount or refund for goods or services provided to the customer, or a combination of both.”

The Committee notes that when applying the above-reproduced requirements of consideration payable to a customer as per paragraphs 70 and 71 of Ind AS 115, it is important to determine who is an entity’s customer. The Committee notes that Appendix A to Ind AS 115 defines ‘customer’ as follows:

“A party that has contracted with an entity to obtain goods or services that are an output of the entity’s ordinary activities in exchange for consideration.”

The Committee notes that, the definition of customer under Ind AS 115, requires that a party should have contracted with the entity to obtain goods or services that are an output of the entity’s ordinary activities in exchange for consideration. The Committee is of the view that in the extant case, *except in cases where the convenience fee is charged*, there is no consideration in exchange of the payment wallet facility given by the Company to the end users. Further, there is no contractual obligation to provide incentives to the end users; rather incentives are offered to users from time to time based on different schemes launched by the Company. Therefore, the end users cannot be considered as customers of the Company.

The Committee further notes that paragraph 70 of Ind AS 115 states that the customer would not only include direct customers but “other parties that purchase the entities goods or services from the customer.” Thus, as per the requirements of paragraph 70, the party who purchases the Company’s goods or services from its customer (viz., merchant in the extant case) can also be considered as the customers of the entity. In the extant case, the end user is purchasing the merchant’s goods or services and not availing the Company’s services from the merchant. Therefore, in the extant case, end user cannot also be considered as ‘other parties that purchase the entities goods or services from the customer’ or ‘customer’s customer’, as per the requirements of paragraphs 70 and 71 of Ind AS 115.

Further, the Committee notes that in the extant case, the Company does not have a contractual obligation under the arrangements with the merchants to provide consideration (viz., incentives) to the merchant's customers (i.e., the end users) and therefore, there is no link between the Company and end users in the contractual relationship with the merchant. The Committee is of the view that the transactions of the Company with merchants and the transactions of the Company with the end users are two separate and distinct transactions and there is no direct link between the two since the cashback to the wallet of the user is not dependent on the Company getting the payment from the merchants and there is no differential commission charged from merchants whose users are incentivised versus whose users are not incentivized. Therefore, the consideration received from the transaction with the merchant, viz., commission should not be linked with the incentive paid under the other transaction with the end users.

Accordingly, the consideration (viz., revenue of the Company) received from the merchant on account of commission cannot be reduced on account of the incentives provided to the end users under the requirements of paragraph 70 of Ind AS 115. The Committee is further of the view that the incentives provided by the Company in the extant case are in the nature of sales promotion activities and shall not be considered as 'consideration payable to customers' by the Company under paragraph 70 of Ind AS 115.

However, the Committee believes that in cases where the Company charges convenience fee from the end users, incentives (cashback or supercash) shall be considered as consideration payable to a customer and shall be reduced from the concerned revenue, viz., convenience fee (and not from the revenue/commission received from the merchants), as per the requirements of paragraph 70 of Ind AS 115.

**D. Opinion**

12. On the basis of the above, the Committee is of the opinion on the issue raised in paragraph 8 above that, as mentioned in paragraph 11 above, except in cases where the Company charges convenience fee from the end users, incentives (cashback or supercash) shall not be considered as consideration payable to a customer and shall not be reduced from revenue, as per the requirements of paragraph 70 of Ind AS 115.

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