MobiKwik

ANNUAL REPORT

2021 - 22

What's inside...

Letter to Shareholders

Dear Shareholders,

We had an eventful FY22 – raised US$ 35mn; adding ADIA as another marquee investor to our cap table while doubling our valuation, formed an independent board; greatly enhancing our corporate governance standards and beefed-up management team significantly. Our GMV grew by 131% YoY and topline at Rs 5.4bn by 80% YoY. The company achieved this phenomenal growth with a cash burn of only Rs 725mn, all of which was related to the first half as we turned EBITDA positive in the second half of the financial year 2021-22. Achieving EBITDA profitability is a major milestone in the life of MobiKwik and demonstrates the financial discipline which we have applied in building the company over the past 13 years. It also puts us in a good position vis-à-vis our competitors as funding environment has become a lot tougher for unsustainable business models.

Fintech segment has been in news lately, which may have raised questions for some of you. I am, however, pleased to report to you that our ethos of doing business the right way in the first instance, working within our own preset boundaries and cost discipline has ensured that our business is at its strongest. 1) Payments segment continues to witness record user additions – 22m in FY22; the vast majority of users discovering us on their own instead of us having to spend marketing dollars and 2) Digital Financial services have been doing exceptionally well – our credit disbursal saw a 5x growth in FY22 combined with declining credit cost. This has given us confidence to really push the foot on the accelerator – the first 5 months of FY23 has seen as much credit disbursals as we did in the whole of FY22 and with further decline in credit costs. We are also expanding our suite of credit products for both users and merchants.

This business strength and momentum is reflected in our financials. Our revenue at Rs 5.4bn grew 80% YoY and contribution margin (netting all the direct costs) rose to Rs 1,467mn v/s Rs 354mn in FY21. This performance was broad based as both of our key segments reported strong topline growth as well as expansion in contribution margin. Our team has worked extremely hard to achieve these results – revenue per employee has been at a stupendous Rs 13mn. As a result, our adjusted EBITDA loss declined to Rs 725mn v/s Rs 989mn in FY21. More importantly, as I mentioned above, this entire loss relates to the first half of FY22 as we became EBITDA positive in 3Q and 4Q (Rs 15mn and Rs 6mn respectively).

Now is not the time to rest on our laurels. We, at MobiKwik, have always been at the forefront of fintech innovation – amongst the first to launch mobile wallet in 2009 and digital lending in 2018 – much before they became "popular" segments. We recently launched deposits, completing the flywheel of payments, credit and investments. I am pleased to inform you that we have now embarked on the next leg of our journey as a fintech as we transition towards a neobank. We remain focused on innovation and disciplined execution so that millions of Indians can bank on their fingertips with the best-in-class user experience and lowest possible costs. I will encourage all of you to please keep a track of product updates through our app.

Regards,
Bipin Preet Singh
Managing Director & CEO

About Us

MobiKwik is the largest digital credit player and the second largest mobile wallet in India. We have expanded our suite of financial products for consumers and merchants from payments to digital credit and investments. Our mission is to build a world-class neobanking platform for Bharat!

Founded in 2009 by Bipin Preet Singh and Upasana Taku, MobiKwik today has 127 million registered users who can make payments for all their daily life needs, including utility bills, eCommerce shopping, food delivery, and shopping at large retail chains, mom & pop (kirana) stores, etc. across a 3.7 million strong merchant network.
With credit card penetration in India at an abysmal 3.5%, we launched digital credit in 2018 with an aim to address the credit needs of a large and growing base of digitally savvy users. With 30 million credit pre-approved users, MobiKwik is focused on providing this unserved Indian population their first experience of credit.

MobiKwik is a fast-growing scaled fintech which turned profitable in 2021 (i.e. Q3 and Q4 of FY22), setting itself apart from all its peers. It ended the financial year 2021-22 with INR 5.4 bn in revenue recording, an 80% YoY growth.

Our Products

Payments:

- Bill Payments
- eCommerce Payments
- Retail In-Store Payments
- P2P
- Fund Transfer
- Payment Gateway

Digital Credit:

- ZIP Zip (Pay Later)
- EMI Shop on EMI

Insurance:

- General
- Health
- Life

Investments:

- Digital Gold
- Mutual Funds
- Deposits

Two sided Payment & Credit Network

127mn
Registered Users [1]

₹345.3bn
FY22 GMV

54.7mn
KYC- Completed Users [1]

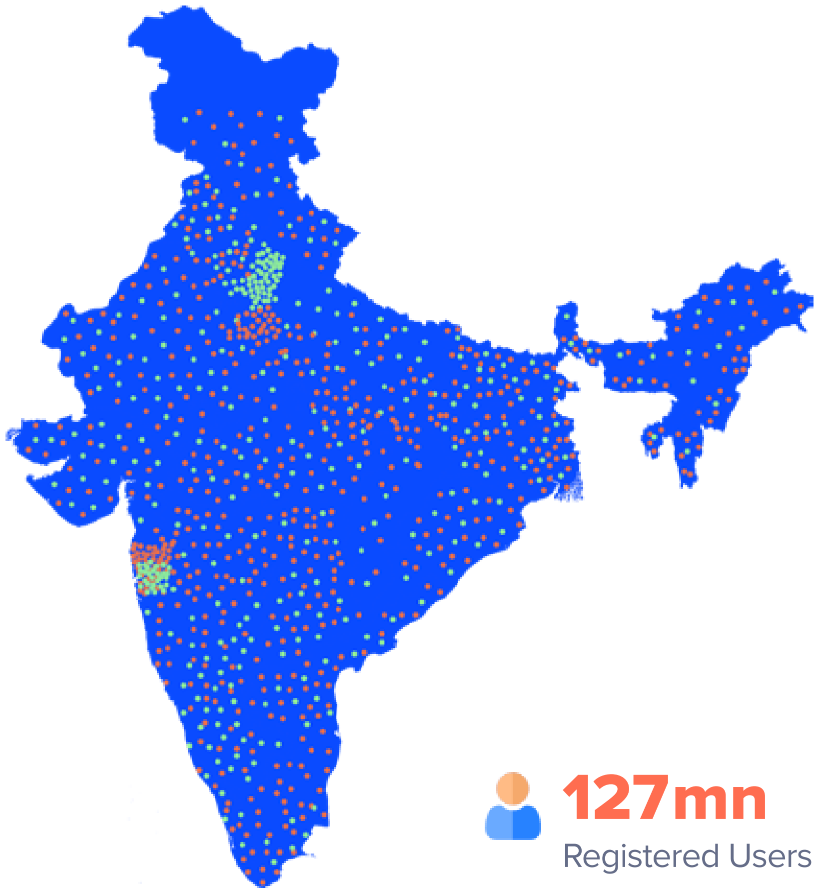
₹5.4bn
FY22 Revenue

30.2mn
Pre- Approved Users (Digital Credit) [1]

27.0%mn
Contribution Margin(%) [2] [3]

3.0mn
Digital Credit Active Users [1]

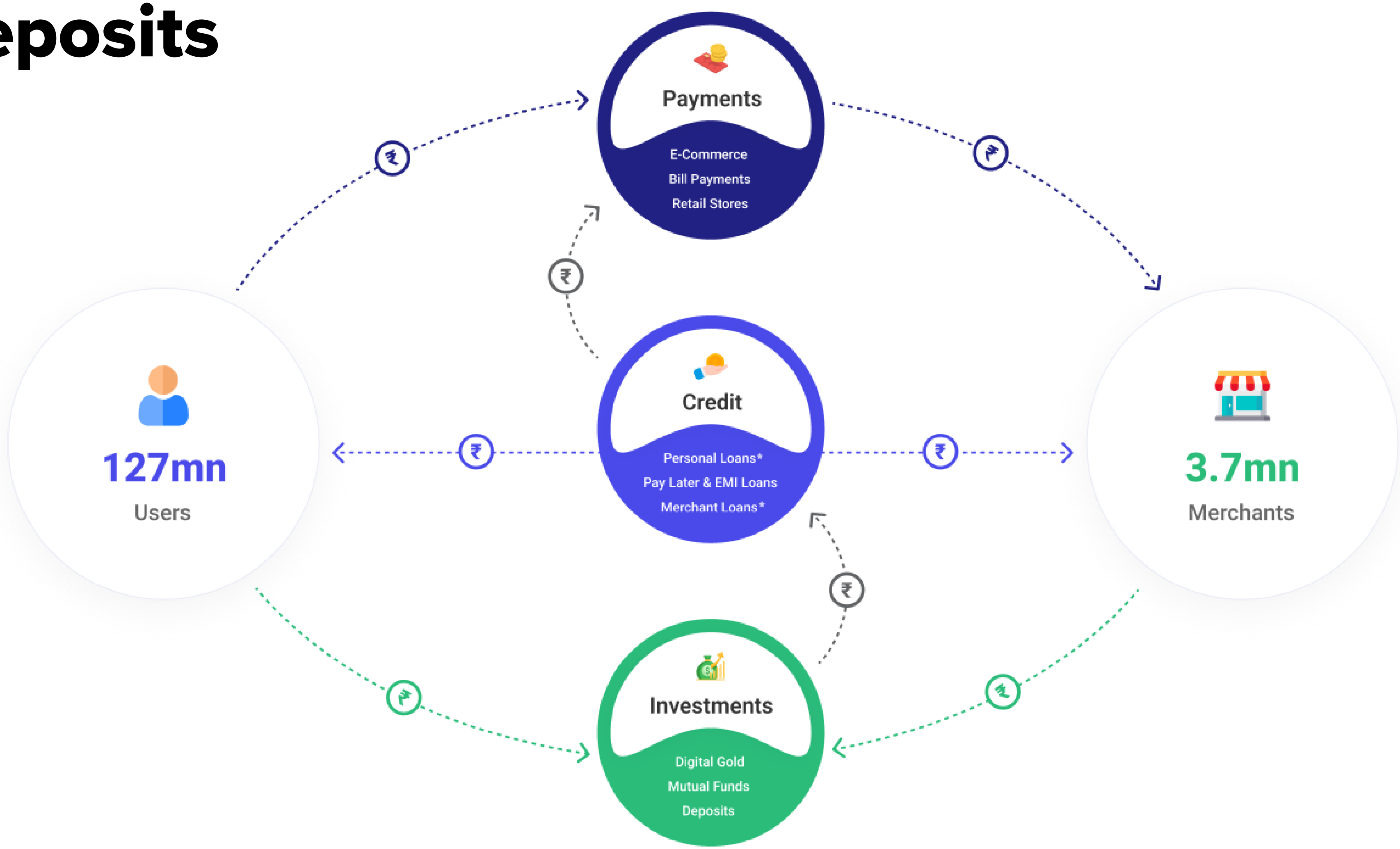
1. Metric as of 30 June 22
2. Metric for FY22
3. Contribution Margin = Revenue - Direct Cost



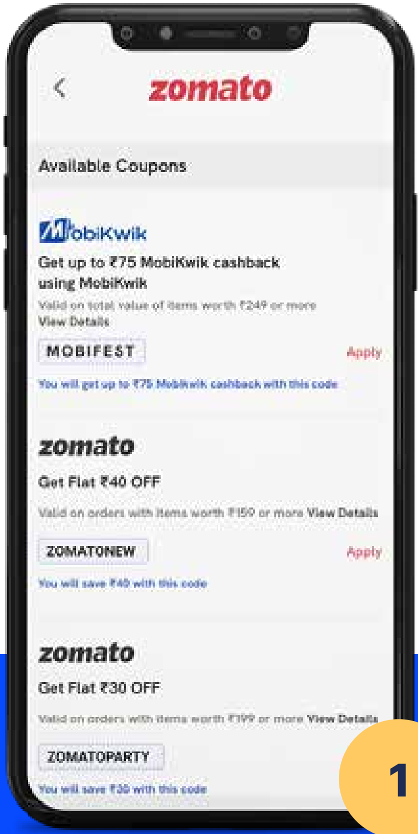
127mn
Registered Users

3.7mn
Merchants

Creating a flywheel of Payments, Credit & Deposits



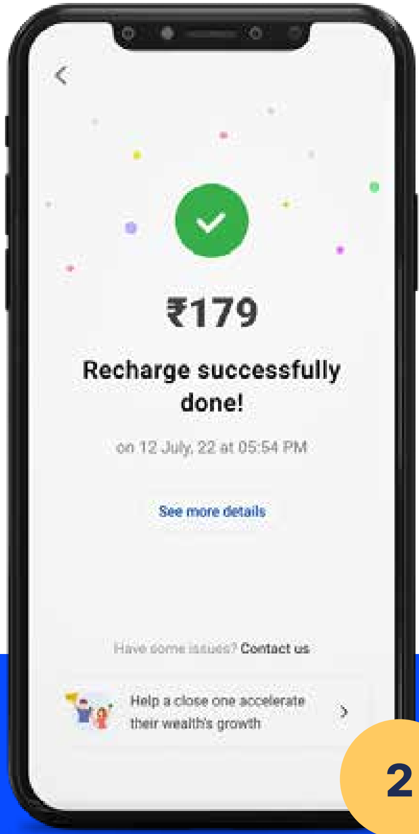
Powering Daily Life Payments for 127M Indians



1

E-Commerce

Payment options on checkout screens



2

Bill Payments

Mobile, Broadband, TV, Electricity, FastTag & many more

3

Large Format Stores

User acquisition via large merchants

4

Mom & Pop Stores

QR Based Payment at POS/Cashier

3.7mn strong pan India merchant network

87,333 [1]

E-Commerce

3.57mn [1]

Physical Stores

438 [1]

Billers

1. Metric as of 30 June 22

Offering Credit to underserved on MobiKwik app since 2018

ZIP

Small ticket size product for daily life use cases; one tap activation

$7 - $800

Credit limit per cycle

15 days

Interest free credit

EMI

High value interest bearing product for users with good repayment history

$340 - $1,360

Credit limit

3/6/12

Monthly EMIs

Personal Loan

Interest bearing product with flexibility to transfer money to user's bank a/c

$340 - $1,360

Credit limit

3/6/12

Monthly EMIs

$1 = ₹73.5

Our Board Members

Bipin Preet Singh

Managing Director, Chief Executive Officer and Co-founder

Education:

- B. Tech in electrical engineering, IIT Delhi

Experience:

- Co-founder of MobiKwik
- Approx 20 years of experience in Engineering and Financial Services
- Previously associated with Freescale Semiconductor (now NXP India Private Limited) as a Design Engineer, NVIDIA as Systems Architect, and Intel as Component Design Engineer

Upasana Rupkrishan Taku

Chairperson, Whole-time Director, Chief Operating Officer and Co-founder

Education:

- B. Tech in industrial engineering, Punjab Technical University
- Master's degree in management science and engineering, Stanford University

Experience:

- Co-founder of MobiKwik
- Approx. 18 years of experience in financial services and payment industries
- Previously associated with PayPal as Product Manager and HSBC as Business Analyst

Chandan Joshi

Whole-time Director & Co-founder

Education:

- B. Tech in textile technology, IIT Delhi
- Master's degree in business administration, specialising in finance and general management, London Business School

Experience:

- Co-founder of MobiKwik
- Previously founder & CEO of eCommerce logistics startup Paketts
- Previously worked with Nuvo Logistics, Credit Suisse and Futures First
- Approx. 17 years of experience in financial services, trading and logistics.

Our Board Members

Punita Kumar Sinha

Independent Director

Education:

- Bachelor's degree in chemical engineering from IIT Delhi
- Ph.D. and a master's degree in finance, Wharton School, University of Pennsylvania
- Master's degree in business administration, Drexel University
- Certified Chartered Financial Analyst
- Member of the Board of Governors at CFA Institute

Experience:

- Founder & Managing Partner of Pacific Paradigm Investors LLC
- Over 30 years of experience in Investment Management in emerging and International markets
- Previously associated with Infosys, Blackstone Embassy REIT and JSW Steel as an independent director
- Previously associated with Blackstone as a Senior Managing Director & Chief Investmet Officer at Blackstone Asia Advisors
- Previously associated with Oppenheimer Asset Management Inc. as Managing Director & Senior Portfolio Manager

Navdeep Singh Suri

Independent Director

Education:

- Master's degree in economics, Guru Nanak Dev University, Amritsar
- Completed the intensive Arabic language program from American University in Cairo, Center for Arabic Studies

Experience:

- Approx. 36 years of experience as a member of the Indian Foreign Service
- Served as India's Ambassador to Egypt and UAE.
- Served as India's Consul General in Johannesburg,
- Served as India's High Commissioner to Australia
- Distinguished Fellow and Director of the Centre for New Economic Diplomacy at the Observer Research Foundation in New Delhi,
- Led programmes in Morocco, Kigali & Dhaka
- Non-executive director in Hindustan Ports Private Limited & Ravin Infraproject Private Limited

Our Board Members

Sayali Karanjkar

Independent Director

Education:

- Bachelor's degree in computing, National University of Singapore,
- Master's degree in business administration, Kellogg School of Management, Northwestern University.

Experience:

- Previous Co-founder & CBO of fintech start-up PaySense
- Several years of experience in the management and technology sectors
- Previously associated with AT Kearney
- Independent director in CMS Info Systems Limited

Raghu Ram Hiremagalur Venkatesh

Independent Director

Education:

- Bachelor's degree in electronics and communication engineering,Bangalore University
- Master's degree incomputer science, Arizona State University

Experience:

- Approx. 13 years of experience in the technology sector, including in Paypal Holdings Inc. as a software engineer
- Currently the Chief Technology Officer and Vice President, Engineering at LinkedIn Corporation.

Leadership Team

Bipin Preet Singh

Managing Director, Chief Executive Officer and Co-founder

Education:

- B. Tech in electrical engineering, IIT Delhi

Experience:

- Co-founder of MobiKwik
- Approx 20 years of experience in Engineering and Financial Services
- Previously associated with Freescale Semiconductor (now NXP India Private Limited) as a Design Engineer, NVIDIA as Systems Architect, and Intel as Component Design Engineer

Upasana Rupkrishan Taku

Chairperson, Whole-time Director, Chief Operating Officer and Co-founder

Education:

- B. Tech in industrial engineering, Punjab Technical University
- Master's degree in management science and engineering, Stanford University

Experience:

- Co-founder of MobiKwik
- Approx. 18 years of experience in financial services and payment industries
- Previously associated with PayPal as Product Manager and HSBC as Business Analyst

Chandan Joshi

Whole-time Director & Co-founder

Education:

- B. Tech in textile technology, IIT Delhi
- Master's degree in business administration, specialising in finance and general management, London Business School

Experience:

- Co-founder of MobiKwik
- Previously founder & CEO of eCommerce logistics startup Paketts
- Previously worked with Nuvo Logistics, Credit Suisse and Futures First
- Approx. 17 years of experience in financial services, trading and logistics.

Leadership Team

Mukul Saxena

CEO - Digital Financial Services & B2B Payments

Education:

- MBA from IMT Ghaziabad with dual specialisation in Marketing & Information Technology
- 3 Year Diploma in Computer Applications from NIIT

Experience:

- Over 21 years of overall experience with focus on Digital Payments, UPI, Cards, Mobile Banking, Merchant Acquiring, API, Neo Banking and Fintech.
- Joined Mobikwik from IndusInd Bank Ltd where he was serving as Executive VP and Head – Payments Business.
- Prior to that associated with The Saudi British Bank and ABN AMRO Bank N.V.

Dilip Bidani

Chief Financial Officer

Education:

- Member of ICAI
- B.com from the University of Calcutta
- Post graduate diploma in management from IIM Ahmedabad

Experience:

- Over 34 years of experience, including leading the finance function in healthcare, cosmetics, financial services, and food processing companies
- Previously a CFO at Dr. Lal Pathlabs, Manpower Services, and Mother Dairy.
- Previously worked with Avon Beauty Products, ICI India, Orbis Financial Corporation, Max Healthcare, and Hindustan Lever Limited

Anshuman Misra

Chief Product & Technology Officer

Education:

- Bachelor's degree in technology, information technology from Guru Gobind Singh Indraprastha University

Experience:

- Over 18 years of experience in product, engineering, growth and revenue functions
- Previously worked with Hike Private Limited, Spice Digital Limited, IBM, Mobisoc Technology Pvt. Limited, Microsoft India (R&D) Pvt. Limited, Impetus, Mindfire Solutions, and Quark Media House India Pvt. Ltd.

BOARD'S REPORT

Dear Members,

The Board of Directors of your Company are pleased to present their Report, together with the Audited Financial Statements (Standalone & Consolidated) for the financial year ended on March 31, 2022.

A. FINANCIAL PERFORMANCE & COMPANY AFFAIRS

i. FINANCIAL HIGHLIGHTS

Your Company's performance during the financial year ended on March 31, 2022, along with previous year's figures is summarized below:

('Amount in Rs. Million')

Particulars	Standalone		Consolidated	
	FY 2022	FY 2021	FY 2022	FY 2021
Revenue from Operations	4,866.07	2,709.51	5,265.65	2,885.71
Other Income	248.71	207.16	166.54	136.85
Total Income	**5,114.78**	**2,916.67**	**5,432.19**	**3,022.56**
Employee Benefit Expenses	1,041.62	521.35	1,072.46	530.31
Other Expenses	5,166.07	3,387.46	5,452.67	3,510.39
Total Expenses	**6,207.69**	**3,908.81**	**6,525.13**	**4,040.70**
Earning before interest, tax, depreciation and amortisation (EBITDA)	**(1,092.91)**	**(992.14)**	**(1,092.94)**	**(1018.14)**
Adjusted EBITDA	**(726.65)**	**(960.98)**	**(725.99)**	**(986.98)**
Finance Costs	104.91	71.44	109.13	71.35
Depreciation and amortisation expenses	20.77	13.10	20.99	13.14
Profit/(Loss) before exceptional items and tax	**(1,218.59)**	**(1,076.68)**	**(1,223.06)**	**(1,102.63)**
Exceptional item expense/(credit)	61.12	-	61.12	-
Profit/(Loss) before Tax	**(1,279.71)**	**(1,076.68)**	**(1,284.18)**	**(1,102.63)**
Total Tax Expenses / (Credit)	-	-	(2.56)	10.37
Profit/(Loss)for the year	**(1,279.71)**	**(1,076.68)**	**(1,281.62)**	**(1,113.00)**
Other Comprehensive(loss)/ income for the financial year	15.62	3.02	15.91	3.02
Total Comprehensive income/(loss) for the financial year	**(1,264.09)**	**(1,073.66)**	**(1,265.71)**	**(1,109.98)**
Earnings/(Loss) per Equity Share (₹)	(23.01)	(21.46)	(23.04)	(22.18)

We are glad to inform that the total income for the year grew by 79.72 % on a consolidated basis and the consolidated loss after tax for the year increased from Rs. 1,113.00 million to Rs. 1,281.62 million.

ii. AMOUNT TRANSFERRED TO RESERVES

The Company has not transferred any amount to the Reserves for the year under review.

iii. DIVIDEND

In view of the loss for the year, the Board of Directors did not recommend any dividend for the financial year ended March 31, 2022.

iv. STATE OF COMPANY'S AFFAIRS

Information and Data pertinent for proper appreciation of the state of affairs of a company are mentioned below: -

Sr. No.	Particulars	Remarks
1.	Segment-wise position of business and its operations	The segment wise reporting can be accessed at Note no. 33 of the Consolidated Financial Statements of the Company.
2.	Change in status of the Company	During the year under review, the Company has been converted from Private Limited Company to Public Limited Company, pursuant to a special resolution passed in the Extra-Ordinary General Meeting of the shareholders of the Company held on June 23, 2021, and consequently the name of the Company has changed to One MobiKwik Systems Limited pursuant to a fresh certificate of incorporation issued by the Registrar of Companies on June 25, 2021.
3.	Material changes/commitments of the Company	No material changes/commitments of the Company have occurred after the end of the financial year 2021-22 and till the date of this report, which affects the financial position of your Company.
4.	Nature of Business	During the year under review, there has been no change in the nature of business of the Company.

B. SHARE CAPITAL

i. INCREASE IN AUTHORISED SHARE CAPITAL

During the year under review, the Authorised Share Capital of the Company was increased from Rs. 19,42,95,800/- (Rupees Nineteen Crores Forty-Two Lakhs Ninety-Five Thousand and Eight Hundred only) to Rs. 34,32,28,190/- (Rupees Thirty-Four Crores Thirty-Two Lakhs Twenty-Eight Thousand One Hundred & Ninety Only) *vide* shareholder's resolution passed in the Extra-Ordinary General Meeting of the shareholders of the Company held on June 21, 2021, and consequently the Capital clause of Memorandum of Association has been altered.

ii. EQUITY SHARE CAPITAL

a. SUB-DIVISION OF FACE VALUE

During the year under review, the face value of Equity Shares of the Company was sub-divided from 1 equity share of Rs. 10/- each into 5 equity shares of Rs. 2/- each pursuant to the approval granted *vide* Shareholder's resolution passed in the Extra-Ordinary General Meeting of the shareholders of the Company held on June 21, 2021.

b. BONUS ISSUE

During the period under review, the Board at its meeting held on June 20, 2021, approved and recommended the issue of Bonus Shares in proportion of 3:1 i.e. 3 Bonus Equity Shares of face value Rs. 2/- each for every 1 Equity Share of Rs. 2/- each which was further approved by the Members of the Company in the Extra-ordinary General Meeting held on June 21, 2021. The Company had allotted 1,56,17,940 fully paid -up Bonus Equity Shares of Rs. 2/- each.

c. PREFERENTIAL ISSUE

During the period under review, the Company has allotted 8,83,160 Equity Shares on preferential basis.

d. ISSUE PURSUANT TO ESOP SCHEME

During the period under review, the Company has allotted 7,14,493 fully paid-up Equity Shares of Rs. 2/- each upon exercise of vested options by the employees of the Company under Employee Stock Option Scheme of the Company.

iii. PREFERENCE SHARE CAPITAL

During the period under review, all the compulsorily convertible cumulative preference shares standing outstanding at the beginning of the year and also issued during the year were converted into Equity Shares of the Company as per their respective conversion terms & conditions.

C. EMPLOYEE STOCK OPTION SCHEME

The Company established the Employee Stock Option Scheme, 2014 (ESOP Scheme) which was approved by the shareholders *vide* their Special Resolution dated August 05, 2014. The members of the Company in its Extra-ordinary General Meeting held on July 7, 2021 and December 29, 2021 amended its ESOP Scheme respectively to align it in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. Under the Scheme, the Company is authorized to issue upto 45,64,260 fully paid-up Shares in the Company of face value of Rs. 2/- each with each such Option conferring a right upon the Eligible employee to apply for one share of the Company.

The information required to be disclosed pursuant to the Companies (Share Capital and Debentures) Rules, 2014 is given below:

Particulars	Details
(a) Options outstanding at the beginning of the financial year	25,76,360
(b) options granted during the financial year;	10,58,230
(c) options vested at the end of financial year;	7,39,180
(d) options exercised during the financial year;	7,14,493
(e) the total number of shares arising as a result of exercise of options during the financial year;	7,14,493
(f) options lapsed during the financial year;	3,51,955
(g) the exercise price;	As per grant letter
(h) variation of terms of options;	During the year under review, the following variations were made in the ESOP Scheme: 1. The members of the Company in its Extra-ordinary General Meeting held on July 7, 2021 approved to increase the ESOP Pool from 2,28,213 fully paid-up equity shares in the Company of face value Rs. 10/- each to 45,64,260 fully paid-up Shares in the Company of face value of Rs. 2/- each and also to align the ESOP Scheme with the SEBI ESOP Regulations. 2. The members of the Company in its Extra-ordinary General Meeting held on December 29, 2021 amended its ESOP Scheme to align it in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
(i) money realized by exercise of options;	Rs. 5,99,72,976.30/-
(j) total number of options in force at the end of financial year;	25,68,142

(k) employee wise details of options granted to;- (i) key managerial personnel; (ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year. (iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	Refer table below

Name and Designation	No. of Options Granted	No. of Options lapsed / cancelled	No. of Options Exercised	No. of options outstanding
Key Managerial Personnel				
Chandan Joshi	4,50,180	-	46,530	4,03,650
Dilip Bidani	44,660	-	-	44,660
Rahul Luthra	14,766	-	-	14,766
Employees who received a grant in any one year of options amounting to 5% or more of the options granted during that year				
Fiscal Year ending March 2020				
Kunal Rajan Bajaj	30,453	-	-	30,453
Fiscal Year ending March 2021				
Chandan Joshi	8,758	-	-	8,758
Chirag Jain	1,994	-	-	1,994
Gaurav Malhotra	1,994	-	-	1,994
Fiscal Year ending March 2022				
Chandan Joshi	2,18,960	-	-	2,18,960
Dheeraj Aneja	78,160	-	-	78,160
Preety Pandey	55,820	-	-	55,820
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				
Fiscal Year ending March 2020				
Kunal Rajan Bajaj	30,453	-	-	30,453

D. DIRECTORS & KEY MANAGERIAL PERSONNEL

i. BOARD OF DIRECTORS

As on March 31, 2022, the Board of the Company consist of the following Seven (7) members:

Sr No.	Name of Director	Designation
1.	Ms. Upasana Rupkrishan Taku	Chairperson, Whole Time Director and Chief Operating Officer
2.	Mr. Bipin Preet Singh	Managing Director and Chief Executive officer
3.	Mr. Chandan Joshi	Whole Time Director
4.	Ms. Punita Kumar Sinha	Independent Director

5.	Ms. Sayali Karanjkar	Independent Director
6.	Mr. Navdeep Singh Suri	Independent Director
7.	Mr. Raghu Ram Hiremagalur Venkatesh	Independent Director

During the year under review, following are the changes that took place in the Board of the Company: -

Sr No.	Particulars	Designation	Date of appointment/cessation
1.	Mr. Dhruv Chopra	Nominee Director	Cessation w.e.f. April 05, 2021
2.	Ms. Upasana Rupkrishan Taku	Whole Time Director and Chief Operating Officer	Appointment w.e.f. June 23, 2021
3.	Mr. Bipin Preet Singh	Managing Director and Chief Executive officer	Appointment w.e.f. June 23, 2021
4.	Mr. Chandan Joshi	Whole Time Director	Appointment w.e.f. June 23, 2021
5.	Ms. Punita Kumar Sinha	Independent Director	Appointment w.e.f. July 07, 2021
6.	Ms. Sayali Karanjkar	Independent Director	Appointment w.e.f. July 07, 2021
7.	Mr. Navdeep Singh Suri	Independent Director	Appointment w.e.f. July 07, 2021
8.	Mr. Raghu Ram Hiremagalur Venkatesh	Independent Director	Appointment w.e.f. July 07, 2021

In accordance with the provisions of the Companies Act, 2013, Mr. Chandan Joshi, Whole Time Director (DIN:05168617) will retire by rotation at the ensuing AGM, and being eligible, has offered himself for re-appointment. Your Directors commend re-appointment of Mr. Chandan Joshi for approval of the Members at the ensuing Annual General Meeting (AGM).

All the Independent Directors of the Company have confirmed that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 along with declaration on compliance with Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014 with respect to their registration into the data bank of Independent Directors maintained by Indian Institute of Corporate Affairs. The Board considered the domain knowledge and experience of all the Independent Directors in areas of Payment System Operators, technology and public relations. The Board is of the opinion that all the Independent Directors possess requisite qualifications, experience, expertise (including proficiency) and hold highest standards of integrity.

All the Directors have also confirmed that they have complied with the 'Code of Conduct' of the Company.

ii. KEY MANAGERIAL PERSONNEL:

During the year under review, following are the changes in the office of Key Managerial Personnel(s) of the Company:

Sr No.	Particulars	Designation	Date of appointment/cessation
1.	Mr. Rohit Shadeja	Company Secretary	Cessation w.e.f. April 17, 2021
2.	Mr. Rahul Luthra	Company Secretary & Compliance Officer	Appointment w.e.f. April 17, 2021
3.	Mr. Bipin Preet Singh	Managing Director and Chief Executive officer	Appointment w.e.f. June 23, 2021
4.	Ms. Upasana Rupkrishan Taku	Whole Time Director and Chief Operating Officer	Appointment w.e.f. June 23, 2021
5.	Mr. Chandan Joshi	Whole Time Director	Appointment w.e.f. June 23, 2021
6.	Mr. Dilip Bidani	Chief Financial Officer	Appointment w.e.f. June 29, 2021

iii. NUMBER OF BOARD MEETINGS

During the financial year ended on March 31, 2022, the Board met **27 (Twenty-seven) times** and the gap between two meeting does not exceed 120 days as prescribed under Companies Act, 2013.

iv. COMMITTEES OF THE BOARD

At present, seven committees of the Board are in place whose compositions are herein under: -

Name of the Committee	Mr. Bipin Preet Singh	Ms. Upasana Rupkrishan Taku	Mr. Chandan Joshi	Ms. Punita Kumar Sinha	Ms. Sayali Karanjkar	Mr. Navdeep Singh Suri	Mr. Raghu Ram Hiremagalur Venkatesh
Audit Committee	-	Member	-	Member	Chairperson	Member	-
Nomination and Remuneration Committee	-		-	Chairperson	Member	-	Member
Stakeholders' Relationship Committee	-	Member	-	Member	Member	Chairperson	-
Risk Management Committee	Member	-	-	-	Chairperson	-	Member
Share Allotment Committee	Member	Member	Member	-	-	-	-
Treasury Committee	Member	Member	Member	-	-	-	-
IPO Committee	Member	Member	Member	-	-	-	-

During the year under review, recommendations of the aforesaid Committees were duly accepted by the Board.

v. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Remuneration Policy of the Company on appointment and remuneration of Directors, Key Managerial Personnel (KMP) & Senior Management, as prescribed under Section 178(3) of the Companies Act, 2013 is available on the Company's website at https://documents.mobikwik.com/files/investor-relations/policies/Remuneration-Policy.pdf.

The Remuneration Policy includes, inter-alia, criteria for appointment of Directors, KMPs, Senior Management Personnel and other covered employees, their remuneration structure, and disclosure(s) in relation thereto. There was no change in the Remuneration Policy, during the year under review.

vi. PERFORMANCE EVALUATION

In line with the requirements of section 134(3)(p) of the Companies Act, 2013 read with Rule 8(4) of the Companies (Accounts)Rules, 2014, the Board undertook a formal annual evaluation of its own performance and that of its Committees, Directors and the Chairperson.

The Nomination & Remuneration Committee of the Board in its meeting held on February 07, 2022, approved the 'Performance Evaluation Policy' of the Company for annual formal evaluation of the performance of the Board, its committees, of individual Directors and the Chairperson of the Company. The Committee *vide* the said Policy framed questionnaires for evaluation of performance of the Board as a whole, Board Committees (*viz*. Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee & Risk Management Committee), Directors (Executive & Non- Executive) and the Chairperson, on various criteria outlined in the 'Guidance Note on Board Evaluation' issued by The Institute of Company Secretaries of India.

The Directors were evaluated on various parameters such as Participation in Board / Committee meetings, Attendance in Board / Committee meetings, Effective utilisation of knowledge and expertise, Effective management of relationships with stakeholders, Integrity and maintaining of confidentiality, Timely disclosure of Interest and Independence, Independence of behaviour and judgment and Suggestions and recommendations to the Company Management based on experience and expertise knowledge. Similarly, the Board as a whole was evaluated on parameters which included its composition, strategic direction, focus on corporate governance, risk management, financial reporting process, Communication with the Company's management etc.

The Independent Directors of the Company convened a separate meeting on March 30, 2022 in accordance with the 'Code of Conduct' of the Independent Directors as prescribed under Schedule IV of the Companies Act, 2013.

A summary report of the feedback of Directors on the questionnaire(s) was considered by the Nomination & Remuneration Committee and the Board of Directors. The Board would endeavour to use the outcome of the evaluation process constructively, to improve its own effectiveness and deliver superior performance.

vii. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors state that:

i. in the preparation of the annual accounts for the financial year ended on March 31, 2022, the applicable Accounting Standards have been followed and there are no material departures;
ii. such accounting policies have been selected and applied consistently and judgments and estimates have been made; that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2022; and of the loss of the Company for the year ended on March 31, 2022;
iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
iv. the annual accounts have been prepared on a 'going concern' basis;
v. proper internal financial controls were in place and that such internal financial controls were adequate and operating effectively; and
vi. systems have been devised to ensure compliance with the provisions of all applicable laws, and that such systems were adequate and operating effectively.

E. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

During the year under review, no company became or ceased to be the subsidiary, joint ventures or associate companies of your Company.

As at the end of the reporting period, your Company has the following wholly owned subsidiary companies namely:

Sr. No.	Particulars	CIN No.
1	Zaak Epayment Services Private Limited	U72300HR2010PTC053765
2	Harvest Fintech Private Limited	U67190MH2016PTC273077
3	Mobikwik Credit Private Limited	U65990HR2018PTC074364
4	Mobikwik Finance Private Limited	U65993HR2017PTC070450

In terms of the applicable provisions of Section 136 of the Companies Act, 2013, Financial Statements of subsidiary companies for the financial year ended on March 31, 2022 are available for inspection at the Company's website viz. https://www.mobikwik.com/ir/subsidiary-financials#subsidiary

A report on the performance and financial position of each of the subsidiary companies, in the prescribed Form AOC-1 is annexed to the Consolidated Financial Statements and hence, not reproduced here. The 'Policy for determining Material Subsidiary(ies)', is available on the Company's website at https://documents.mobikwik.com/files/investor-relations/policies/Policy-on-Material-Subsidiary.pdf.

F. AUDIT & AUDITORS' REPORT

i. STATUTORY AUDITOR

B S R & Associates LLP, Chartered Accountants ("BSR"), having Firm Registration No. 116231W/W-100024 were appointed as the Statutory Auditor of the Company for a term of 5 (Five) consecutive years at the 12th Annual General Meeting of the Company held on December 31, 2020.

The report of the Statutory Auditor on Annual Financial Statements (Standalone and Consolidated) for the financial year ended on March 31, 2022, is an unmodified opinion i.e. it does not contain any qualification, reservation, adverse remark or disclaimer.

ii. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Board of Directors had appointed M/s. DPV & Associates LLP, Company Secretaries (LLPIN: AAV-8350) as Secretarial Auditor, to conduct Secretarial Audit for the financial year 2021-22. The Secretarial Audit Report is annexed herewith as **"Annexure-A".** The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

During the year under review, the Statutory Auditor and the Secretarial Auditor have not reported any instance of fraud to the Audit Committee pursuant to Section 143(12) of the Companies Act, 2013 and rules made thereunder, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

iii. INTERNAL AUDITOR

Pursuant to Section 138 of the Companies Act, 2013 and the Rules framed thereunder, the Board of Directors had appointed "Grant Thornton Bharat LLP" as the Internal Auditor of the Company for the financial year 2021-22 & 2022-23.

G. RELATED PARTY TRANSACTIONS

All contracts /arrangements /transactions entered into by the Company with related parties during the year under review, were in ordinary course of business of the Company and on arms' length terms. The related party transactions were placed before the Audit Committee for review and/or approval. During the year, the Company did not enter into any contract/arrangement/transaction with related party, which could be considered material in accordance with the Company's 'Policy on Materiality of and dealing with Related Party Transactions' and accordingly, the disclosure of related party transactions in Form AOC-2 is not applicable. The aforesaid Policy is available on the Company's website viz. https://documents.mobikwik.com/files/investor-relations/policies/Policy-On-Related-Party-Transactions.pdf.

Reference of Members is invited to Note no. 32 of the Standalone Financial Statements, which sets out the related party disclosures as per IND AS-24.

H. RISK MANAGEMENT

Your Company has a robust risk management framework to identify, evaluate and mitigate business risks. The key enterprise risks along with mitigation measures undertaken by the Management are also periodically reviewed by the Management of the Company. The Board of Directors of the Company had approved the 'Risk Management, Assessment and Minimization Policy' to formalize a risk management policy within the Company, the objective of which shall be identification, evaluation, monitoring and minimization of identifiable risks.

I. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES/ SECURITIES GIVEN

Details of investments made and loans/ guarantees/securities given, as applicable, are given in Note no. 6 of the Standalone Financial Statements.

J. VIGIL MECHANISM

The Vigil Mechanism, as envisaged in the Companies Act, 2013 & rules made thereunder is addressed in the Company's "Whistle Blower Policy". In terms of the Policy, directors/employees/stakeholders of the Company may report concerns about unethical behaviour, actual or suspected fraud or any violation of the Company's Code of Conduct and any incident of leak or suspected leak of Unpublished Price Sensitive Information (UPSI). The Policy provides for adequate safeguards against victimization of the Whistle Blower. The Policy is available on the Company's website *viz*. https://documents.mobikwik.com/files/investor-relations/policies/VIGIL-MECHANISM-POLICY.pdf.

K. ANNUAL RETURN

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company (Form MGT-7) for the year ended on March 31, 2022 is available on the website of the Company at https://www.mobikwik.com/ir/meetings

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

The information on conservation of energy, technology absorption and foreign exchange earnings & outgo stipulated under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed herewith as "**Annexure-B**".

M. SECRETARIAL STANDARDS

Your Directors state that the Secretarial Standards i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

N. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your Company adheres to a strict policy to ensure the safety of women employees at the workplace. The Company is fully compliant with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has constituted an Internal Committee to redress complaint regarding sexual harassment. The Company's policy in this regard, is available on the employee intranet portal. The Company conducts regular training sessions for employees and members of the Internal Committee and has also rolled-out an online module for employees to increase awareness. No complaint was reported during the year under review.

O. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant and material orders were passed by any regulators or courts or tribunals which impact the going concern status and company's operations in future.

P. INTERNAL FINANCIAL CONTROLS

The Company's internal control systems are supplemented by an internal audit program conducted by an independent professional agency. The internal control system is designed to ensure that all financial and other records are reliable for preparing financial statements and for maintaining accountability of assets. During the year, such controls were tested and no reportable material weaknesses in controls were observed.

Q. PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

The details of the proceedings initiated/pending against the Company under the Insolvency and Bankruptcy Code, 2016 ("IBC") and their respective status are as follows:

Sr. No.	Forum	Opposing Party	Facts/ Status
1.	NCLT, Chandigarh Bench	Arve Digital Media Pvt. Ltd. ("Arve Digital") CP (IB) 566/CHD/Hry/2019	Arve Digital had filed a petition under section 9 of IBC seeking initiation of corporate insolvency resolution process against the Company. The matter has been dismissed as withdrawn on January 5, 2022.

Sr. No.	Forum	Opposing Party	Facts/ Status
2.	NCLT, Chandigarh Bench	Gupshup Technology India Private Limited(“Gupshup”) CP (IB) 83/CHD/Hry/2020.	Gupshup had filed a petition under section 9 of IBC seeking initiation of corporate insolvency resolution process against the Company. The matter has been withdrawn vide order dated June 29, 2022.
3.	NCLT, Chandigarh Bench	Oslabs Technology IndiaPrivate Limited (“Oslabs”)	Oslabs had filed a petition under section 9 of IBC seeking initiation of corporate insolvency resolution process against the Company. The matter has been dismissed as withdrawn on February 1, 2022.
4.	Bench	Crayon Software Experts India Pvt Ltd. (“Crayon”)	Crayon has filed a petition under section 9 of IBC seeking initiation of corporate insolvency resolution process against the Company. The advance notice has been served in the matter by Crayon. The Company received the notice from Crayon on December 27, 2021 and thereafter filed its reply to the petition. The matter is now listed for filing of rejoinder by Crayon. An application has been also filed by the Company against the maintainability of the application since Mobikwik is a financial service provider. Reply to the application is yet to be filed by Crayon.

R. GENERAL

Your Directors state that no disclosure is required in respect of the following matters, as there were no transactions/events in relation thereto, during the year under review:

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme of the Company.
4. Any money received from the Director and their relatives.
5. A disclosure in respect of voting rights not exercised directly by the employees in respect of shares to which the scheme relates as per prescribed format under Companies (Share Capital and Debentures) Rules, 2014.

The Company is not required to maintain cost records as per sub-section (1) of Section 148 of the Companies Act, 2013.

There was no instance of onetime settlement with any Bank or Financial Institution.

ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation for the co-operation extended by all stakeholders, including government authorities, shareholders, investors, readers, advertisers, customers, banks, vendors and suppliers. Your Directors also place on record their deep appreciation of the committed services of the executives and employees of the Company.

For and on behalf of
One MobiKwik Systems Limited
(Formerly known as One MobiKwik Systems Private Limited)

Sd/-
Bipin Preet Singh
Managing Director & CEO
DIN: 02019594
Address: 1st Floor, Block B, Pegasus One,
Golf Course Road, Sector-53,
Gurugram, Haryana-122003

Sd/-
Upasana Rupkrishan Taku
Whole-Time Director & COO
DIN: 02979387
Address: 1st Floor, Block B, Pegasus One,
Golf Course Road, Sector-53,
Gurugram, Haryana-122003

Date: August 21, 2022
Place: Gurugram

Annexure-A

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
One Mobikwik Systems Limited
(CIN: U64201HR2008PLC053766)
5th Floor, Huda City Centre Metro
Station, Sector 29, Gurugram, Haryana-122001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **One Mobikwik Systems Limited** (hereinafter called the Company), which is an Unlisted Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

We report that: -

a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit and we adhered to best professional standards and practices as could be possible while carrying out audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the management representation about the compliances of laws, rules, regulations and standards and happening of events etc.

e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, wherever applicable.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India, with which the Company has generally complied with.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Standards and Guidelines, to the extent applicable, as mentioned above and the Company was generally regular in filing with Registrar of Companies & Reserve Bank of India (RBI).

(iv) The Company is in the business of technology-first Company operating in payments and financial services. On the basis of recording in the minutes of Board of Directors and our check on test basis, we are of the view that the Company has generally ensured the compliance, *except as mentioned below,* of the following laws specifically applicable on it:

- The Information Technology Act, 2000 and the rules made thereunder
- The Personal Data Protection Bill, 2019;
- Aadhar (Authentication) Regulations, 2016 and Draft Aadhaar (Authentication and Offline Verification) Regulations, 2021.
- Payment and Settlement Systems Act, 2007 and Payment and Settlement Systems Regulations, 2008
- Master Directions on Prepaid Payment Instruments (PPIs) issued by The Reserve Bank of India dated August 27, 2014, as amended from time to time.
- Prevention of Money Laundering Act, 2002
- Master Direction - Know Your Customer (KYC) Direction, 2016 issued by The Reserve Bank of India dated February 25, 2016, as amended from time to time
- Implementation of Bharat Bill Payment System (BBPS) – Guidelines issued by The Reserve Bank of India dated November 28, 2014, as amended from time to time.
- IRDAI (Registration of Corporate Agents) Regulations, 2015.

The Reserve Bank of India (RBI) vide its Speaking Order dated December 7, 2021 levied a penalty of Rs. 1,00,00,000/- (Rupees One Crore Only) by exercising its powers under section 26(6) of the Payment and Settlement Systems Act, 2007 for contravention of not maintaining the Net Worth requirement of at-least Rs. 100 crores during the period between March 31, 2019 and June 29, 2021 as required under paragraph 13(c) of the "Implementation of Bharat Bill Payment System (BBPS)-Guidelines" dated November 28, 2014. The Company had deposited the penalty within the stipulated time frame as prescribed in the said Order.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of

Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board and/ or Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those meetings which were held on shorter notice in compliance with the provisions of the Act read with Secretarial Standard-1 and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that the adequate systems and processes in the Company may be further strengthened to commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines.

We report further that during the period under review**:**

- The Board of directors at their meetings made the following allotments:

  i. allotment of 19,603 (Nineteen Thousand Six Hundred and Three) Compulsorily Convertible Cumulative Preference Shares (CCCPS) having face value of Rs. 100/- (Rupees One Hundred only) each at a premium of Rs. 12,350 (Rupees Twelve Thousand Three Hundred and Fifty) per CCCPS on April 17, 2021 pursuant to Special Resolution passed at the Extra-Ordinary General Meeting held on March 31, 2021.

  ii. allotment of 4,790 Compulsory Convertible Cumulative Preference Shares having face value of Rs. 100/- each at a premium of Rs. 15,456/- (Rupees Fifteen Thousand Four Hundred and Fifty Six Only) amounting to Rs. 7,45,13,240/- (Rupees Seven Crore Forty Five Lakh Thirteen Thousand Two Hundred and Forty Only) on May 19, 2021 pursuant to Special Resolution passed at the Extra-Ordinary General Meeting held on May 13, 2021.

  iii. allotment of 7394 Compulsory Convertible Cumulative Preference Shares having face value of Rs. 100/- each at a premium of Rs. 15,456/- (Rupees Fifteen Thousand Four Hundred and Fifty-Six Only) amounting to Rs. 11,50,21,064/- (Rupees Eleven Crores Fifty Lakhs Twenty One thousand and Sixty four Only) on May 28, 2021 pursuant to Special Resolution passed at the Extra-Ordinary General Meeting held on May 25, 2021.

  iv. allotment of 15,389 Compulsorily Convertible Cumulative Preference Shares for consideration of other than cash, aggregating to Rs. 15,67,73,778/- (Rupees Fifteen Crores Sixty Seven Lacs Seventy Three Thousand Seven Hundred and Seventy Eight Only) on May 31, 2021 pursuant to Special Resolution passed at the Extra-Ordinary General Meeting held on May 31, 2021.

  v. allotment of 9642 Compulsory Convertible Cumulative Preference Shares having face value of Rs. 100/- each at a premium of Rs. 15,456/- (Rupees Fifteen Thousand Four Hundred and Fifty Six Only) aggregating to Rs. 14,99,90,952/- (Rupees Fourteen Crore Ninety Nine Lacs Ninety Thousand Nine Hundred and Fifty Two Only) on June 02, 2021 pursuant to Special Resolution passed at the Extra-Ordinary General Meeting held on June 01, 2021.

  vi. allotment of 1 (One) Equity Share having face value of Rs.10/- each issued at a premium of Rs. 17,906/- (Rupees Seventeen Thousand Nine Hundred and Six Only) and 83,165 (Eighty Three

Thousand One Hundred Sixty Five) Compulsorily Convertible Cumulative Preference Shares (CCCPS) having face value of Rs. 100/- (Rupees One Hundred only) each at a premium of Rs. 17,816 (Rupees Seventeen Thousand Eight Hundred and Sixteen Only) per CCCPS on June 10, 2021 pursuant to Special Resolution passed at the Extra-Ordinary General Meeting held on June 05, 2021.

vii. allotment of 1,56,17,940 Bonus Equity Shares of Rs. 2/- each as fully-paid up Bonus Equity Shares on June 22, 2021, in the proportion of 3 (Three) Equity Share of Rs. 2/- each for one (1) existing Equity Shares held of Rs. 2/- each pursuant to Ordinary Resolution passed at the Extra-Ordinary General Meeting held on June 21, 2021.

- The Company has converted from Private Limited Company to Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on June 23, 2021, and consequently the name of the Company changed to "One MobiKwik Systems Limited" pursuant to a fresh certificate of incorporation issued by the Registrar of Companies, NCT of Delhi & Haryana, on June 25, 2021.

- The Board of Directors at its meeting held on July 07, 2021 given its approval for initial public offering of equity shares of the Company and to create, issue, offer, and allot for cash Equity Shares up to an aggregate of ₹ 15,000 million pursuant to a fresh issue (the "Fresh Issue") (including a pre-IPO placement, if any) and with an offer for sale by existing shareholders of the Company for upto ₹ 4,000 million, which was subsequently approved by the shareholders at their extraordinary general meeting held on July 07, 2021.

- The Share allotment committee in its meeting held on October 13, 2021 made following allotment of equity shares upon exercise of vested stock options:

  i. allotment of 2,72,915 (Two Lakh Seventy Two Thousand Nine Hundred & Fifteen) Equity Shares of Rs. 2/- each;
  ii. allotment of 2,52,112 (Two Lac Fifty Two Thousand One Hundred and Twelve) Equity Shares of Rs. 2/- each at a premium of Rs. 32.75/- per share;
  iii. allotment of 97,158 (Ninety Seven Thousand One Hundred Fifty Eight) Equity Shares of Rs. 2/- each at a premium of Rs. 221.75/- per share;
  iv. allotment of 42,240 (Forty Two Thousand Two Hundred Forty) Equity Shares of Rs. 2/- each at a premium of Rs. 283.40/- per share;
  v. allotment of 39,458 (Thirty Nine Thousand Four Hundred and Fifty Eight) Equity Shares of Rs. 2/- each at a premium of Rs. 327.35/- per share;
  vi. allotment of 10,610 (Ten Thousand Six Hundred and Ten) Equity Shares of Rs. 2/- each at a premium of Rs. 363.35/- per share;

- The Share allotment committee at its meeting held on December 29, 2021 made allotment of 8,83,159 Equity Shares having face of Rs. 2/- (Rupees Two Only) each at a premium of Rs. 1130.30/- (Rupees One Thousand One Hundred Thirty and Thirty Paisa Only) pursuant to Special Resolution passed at the Extra-Ordinary General Meeting held on December 29, 2021.

- Pursuant to the provisions of Section 180(1)(c) of the Act, the shareholders at their Extraordinary General Meeting held on June 23, 2021 given their approval to borrow any sum or sums of money from time to time upto Rs. 500 Crores (Rupees Five Hundred Crore Only) over and above the aggregate of the paid-up share capital of the Company and its free reserves.

- Pursuant to the provisions of section 186 of the Act, the shareholders at their Extraordinary General Meeting held on June 23, 2021 given their approval for making investment(s) from time to time in acquisition of securities of any body corporate / entity whether in India or outside India; to give any guarantee or provide security in connection with a loan to any other body corporate or person; and to give any loan to any person or other body corporate, as may be considered appropriate, for an amount not exceeding Rs. 1500 crore (Rupees Fifteen Hundred Crores Only) in excess of limits specified under section 186 of the Companies Act, 2013.

- Pursuant to the provisions of Section 180(1)(a) of the Act, the shareholders at their Annual General Meeting held on September 25, 2021, given their approval for creation of charge / mortgage / pledge / hypothecation / security on all or any of the movable and / or immovable, tangible or intangible assets of the Company, both present and future in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed / to be availed by the Company subject to the limits approved under Section 180(1)(c) of the Act.

For **DPV & ASSOCIATES LLP**
Company Secretaries
Firm Registration No.: L2021DE009500

Place: New Delhi
Date: August 22, 2022

Devesh Kumar Vasisht
Managing Partner
CP No.: 13700 / Mem. No. F8488
UDIN: F008488D000825513

Annexure-B

The disclosures to be made under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts)Rules, 2014 by the Company are as under:

A. CONSERVATION OF ENERGY

Though business operation of the Company is not energy-intensive, the Company, being a responsible corporate citizen, makes conscious efforts to reduce its energy consumption. Some of the measures undertaken by the Company on a continuous basis, including during the year, are listed below:

1. Steps taken or impact on conservation of energy:

i. Rationalization of usage of electrical equipment's-air conditioning system, office illumination, beverage dispensers, desktops.
ii. Regular monitoring of temperature inside the building and controlling the air-conditioning system.
iii. Planned Preventive Maintenance (PPM) schedule put in place for electro-mechanical equipment's.
iv. Usage of energy efficient illumination fixtures.
v. Signage timings rationalization.
vi. Power factor rationalization.
vii. Use of cloud based server services to avoid high energy consuming local data centres.

2. Steps taken by the Company for utilising alternate source of energy:

The business operation of the Company are not energy-intensive, hence apart from steps mentioned above to conserve energy, the management would also explore feasible alternate sources of energy.

3. The capital investment on energy conservation equipment:

There is no capital investment on energy conservation equipment during the year under review.

B. TECHNOLOGY OF ABSORPTION

i. Efforts made towards technology absorption: Not Applicable

ii. Benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(a) the details of technology imported: Not Applicable
(b) the year of import: Not Applicable
(c) whether the technology been fully absorbed: Not Applicable
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

iv. Expenditure incurred on Research and Development: Not Applicable

Specific areas in which R&D carried out by the Company: The Company has not carried out R&D in any specific area.

1. *Benefits derived as a result of above R&D:* Not Applicable

2. *Future plan of action:* The management of the company has not yet decided to carry out any R&D.

3. *Expenditure on R&D:* Not applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows and the Foreign Exchange outgo in terms of actual outflows, during financial year 2021-22 are as follow:

('Amount in INR Million')

	2021-22	**2020-21**
Earnings	18.47	50.84
Outgo	32.54	13.86
Net Foreign Earning (NFE)	(14.07)	36.98

For and on behalf of
One MobiKwik Systems Limited
(Formerly known as One MobiKwik Systems Private Limited)

Sd/-
Bipin Preet Singh
Managing Director & CEO
DIN: 02019594
Address: 1st Floor, Block B, Pegasus One,
Golf Course Road, Sector-53,
Gurugram, Haryana-122003

Sd/-
Upasana Rupkrishan Taku
Whole-Time Director & COO
DIN: 02979387
Address: 1st Floor, Block B, Pegasus One,
Golf Course Road, Sector-53,
Gurugram, Haryana-122003

Date: August 21, 2022
Place: Gurugram

Independent Auditor's Report

To the Members of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) (the "Company") which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Director's Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 33 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 48 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 31 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

C. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.:116231W/W-100024

Gajendra Sharma
Partner
Membership No.: 064440
ICAI UDIN:22064440APLSSV6602

Place: Gurugram
Date: 21 August 2022

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) for the year ended 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(A) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is a service company, primarily rendering service of issuing and operating prepaid payment instrument (Wallet Payment System). The Company also has a financial services platform facilitating various loans products in association with financing partners. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments, provided guarantee and granted loans to companies, firms, limited liability partnership or any other parties, in respect of which

the requisite information is as below.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to any other entity as below:

(Amounts in INR millions)

Particulars	Loans
Aggregate amount during the year – Subsidiaries* – Others	 300.10 -
Balance outstanding as at balance sheet date – Subsidiaries* – Others	 3.31 1.01

*As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided during the year and the terms and conditions of the grant of loans and guarantees during the year are, prima facie, not prejudicial to the interest of the Company. The Company has not given any security and advances in the nature of loans.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the payment of interest has been stipulated and the payments of interest have been regular. However, the loan given to ZAAK EPAYMENT SERVICES PRIVATE LIMITED, HARVEST FINTECH PRIVATE LIMITED and PIVOTCHAIN TECHNOLOGIES PRIVATE LIMITED is repayable on demand. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the party to whom the money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act").

	All Parties	Related Parties
Aggregate of loans – Repayable on demand (A) – Agreement does not specify any terms or period of Repayment (B)	 300.10 -	 300.10 -

	All Parties	Related Parties
Total (A+B)	300.10	300.10
Percentage of loans to the total loans	100.00 %	100.00 %

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013. In respect of the investments made and loans given by the Company, in our opinion the provisions of Section 185 and 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by the Company. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases in relation to deposit of Income-tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (INR millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demand	4.14	FY 2015-16 to FY 2017-18	Commissioner of Income Tax Appeals

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has taken funds from following entities and persons on account of or to meet the obligations of its subsidiaries (as defined under the Act) as per details below:

Nature of fund taken	Name of lender	Amount involved (INR millions)	Name of the relevant subsidiary, joint venture, associate	Relationship	Nature of transaction for which funds utilised
Equity	Multiple investors	124.16	ZAAK EPAYMENT SERVICES PRIVATE LIMITED	Wholly owned subsidiary	Refer Note below
Loans	ICICI Bank, Axis Bank, DMI Finance	248.00	ZAAK EPAYMENT SERVICES PRIVATE LIMITED	Wholly owned subsidiary	Refer Note below
Loans	ICICI Bank, Axis Bank, DMI Finance	2.10	HARVEST FINTECH PRIVATE LIMITED	Wholly owned subsidiary	Refer Note below

Note: There were multiple capital infusions and receipt of loans during the year, out of which some funds have been invested in subsidiary companies through loan or equity to meet their financial obligations. There is no direct correlation of funds received by the Company which were further invested in subsidiary companies.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of fully or partly convertible debentures during the year. In our opinion, in respect of preferential allotment of shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from issue of shares have been used for the purposes for which the funds were raised.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has incurred cash losses of INR 977.55 million in the current financial year and INR 1,021.30 million in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) We draw attention to Note 42 to the standalone financial statements which explains that the Company has incurred losses in current year and previous year and has accumulated losses as at 31 March 2022. The Company has net worth of INR 2,367.56 million and a positive working capital position (i.e. its current assets exceed its current liabilities) as at 31 March 2022 of INR 286.22 million, including cash and cash equivalents of INR 411.31 million.

Further, based on the current business plan and projections prepared by the management, the Company expects to achieve growth in its operations in the coming years with continuous improvement in operational efficiency.

On the basis of the above and according to the information and explanations given to us, on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.:116231W/W-100024

Gajendra Sharma
Partner
Membership No.: 064440
ICAI UDIN:22064440APLSSV6602

Place: Gurugram
Date: 21 August 2022

Annexure B to the Independent Auditor's Report on the Standalone Financial Statements of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of sub-section 3 of Section 143 of the Act.

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Director's Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **B S R & Associates LLP**
Chartered Accountants
Firm’s Registration No.:116231W/W-100024

Gajendra Sharma
Partner
Membership No.: 064440
ICAI UDIN:22064440APLSSV6602

Place: Gurugram
Date: 21 August 2022

ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Standalone Balance Sheet as at 31 March 2022
(Amounts in INR millions, unless otherwise stated)

	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	4	26.20	9.17
Right-of-use asset	39	66.53	-
Financial assets			
(i) Investments	6(a)	534.94	417.18
(ii) Other financial assets	6(c)	28.29	81.09
Non-current tax assets	18	144.71	87.28
Other non-current assets	7	1,360.75	418.12
Total non-current assets		**2,161.42**	**1,012.84**
Current assets			
Financial assets			
(i) Trade receivables	8	357.71	319.70
(ii) Cash and cash equivalents	9	411.31	540.43
(iii) Bank balances other than (ii) above	9	3,071.46	1,354.60
(iv) Loans	6(b)	3.31	6.96
(v) Other financial assets	6(c)	2,040.59	825.17
Other current assets	7	147.31	101.73
Total current assets		**6,031.69**	**3,148.59**
Total assets		**8,193.11**	**4,161.43**
Equity and liabilities			
Equity			
Equity share capital	10 (a)	114.38	10.05
Instruments entirely equity in nature	10 (b)	-	144.27
Other equity	11	2,253.17	(153.26)
Total equity		**2,367.55**	**1.06**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	39	59.54	-
(ii) Other financial liabilities	14	0.35	0.35
Provisions	15	20.18	23.06
Total non-current liabilities		**80.07**	**23.41**
Current liabilities			
Financial liabilities			
(i) Borrowings	12	1,440.50	557.01
(ii) Lease liabilities	39	8.47	-
(iii) Trade payables	13		
(a) Total outstanding dues of micro enterprise and small enterprises		55.13	6.77
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		585.04	736.49
(iv) Other financial liabilities	14	3,537.69	2,692.09
Contract liabilities	16	38.63	77.26
Other current liabilities	17	61.17	54.85
Provisions	15	18.86	12.49
Total current liabilities		**5,745.49**	**4,136.96**
Total liabilities		**5,825.56**	**4,160.37**
Total equity and liabilities		**8,193.11**	**4,161.43**
Summary of significant accounting policies	2		

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 116231W/W-100024

Gajendra Sharma
Partner
Membership No.: 064440
UDIN: 22064440APLSSV6602

Place: Gurugram
Date: 21 August 2022

For and on behalf of the Board of Directors of
ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Bipin Preet Singh
Managing Director
& Chief Executive Officer
DIN:02019594

Upasana Rupkrishan Taku
Chairperson,
Whole-time Director
& Chief Operating Officer
DIN:02979387

Dilip Bidani
Chief Financial Officer

Rahul Luthra
Company Secretary

Place: Gurugram
Date: 21 August 2022

ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Standalone Statement of Profit and Loss for the year ended 31 March 2022
(Amounts in INR millions, unless otherwise stated)

	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	19	4,866.07	2,709.51
Other income	20	248.71	207.16
Total income		**5,114.78**	**2,916.67**
Expenses			
Employee benefits expense	21	1,041.62	521.35
Other expenses	24	5,166.07	3,387.46
Total expenses		**6,207.69**	**3,908.81**
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**(1,092.91)**	**(992.14)**
Finance costs	22	104.91	71.44
Depreciation and amortisation expense	23	20.77	13.10
Loss before exceptional items and tax		**(1,218.59)**	**(1,076.68)**
Exceptional items	49	61.12	-
Loss for the year		**(1,279.71)**	**(1,076.68)**
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of net defined benefit liability	27	12.95	3.02
Equity instruments at FVOCI - net change in fair value	6(a)	2.67	-
Other comprehensive income for the year		**15.62**	**3.02**
Total comprehensive loss for the year		**(1,264.09)**	**(1,073.66)**
Earnings per share:	25		
- Loss per share (Basic and Diluted)		(23.01)	(21.46)
Summary of significant accounting policies	2		

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 116231W/W-100024

For and on behalf of the Board of Directors of
ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

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Dilip Bidani
Chief Financial Officer

Rahul Luthra
Company Secretary

Place: Gurugram
Date: 21 August 2022

Place: Gurugram
Date: 21 August 2022

ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Standalone Statement of Cash Flows for the year ended 31 March 2022
(Amounts in INR millions, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from operating activities			
Loss before tax		(1,279.71)	(1,076.68)
Adjustments to reconcile loss before tax to net cash flows:			
Depreciation of property, plant and equipment	23	15.79	4.24
Depreciation of right of use asset	23	4.98	8.86
Bad debts	24	12.37	6.98
Interest income	20	(71.24)	(73.56)
Exceptional items	49	61.12	-
Provision for doubtful advances	24	2.76	1.01
Loss on sale/disposal of property, plant and equipment (net)	24	0.38	0.43
Gain on disposal of investments	20	-	(1.40)
Gain on termination of lease contract	20	-	(8.48)
Share-based payment expense	21	259.35	31.16
Finance costs	22	104.91	71.44
Financial guarantee expense	24	907.69	583.67
Provision for loss on ZIP product (refer note 38)	24	106.91	-
Recovery of impairment loss on trade receivables	20	(5.02)	-
Impairment loss on trade receivables	24	-	1.16
Impairment of investment	24	9.07	-
Operating Profit/(loss) before working capital changes		**129.36**	**(451.17)**
Changes in			
Trade receivables		(32.99)	(155.33)
Other financial assets		(1,324.79)	(454.86)
Other assets		(988.21)	(367.65)
Other bank balances (Escrow and Nodal accounts)		(926.65)	538.11
Other financial liabilities		(48.24)	81.78
Contract liabilities		(38.63)	13.17
Trade payables		53.94	376.84
Other liabilities		6.32	28.50
Provisions		16.44	13.87
Cash used in operations		**(3,153.45)**	**(376.74)**
Income tax (paid)/refund, net		(57.43)	2.21
Net cash used in operating activities		**(3,210.88)**	**(374.53)**
Cash flow from investing activities			
Purchase of property, plant and equipment		(33.20)	(5.95)
Proceeds from sale of mutual funds		-	38.12
Investment in unquoted shares of National Payment Corporation of India (NPCI)		-	(7.70)
Investment in subsidiaries		(124.16)	(359.34)
Interest received		53.69	78.21
Investments in bank deposits not considered in cash and cash equivalents		(5,786.69)	(233.48)
Redemption of bank deposits not considered in cash and cash equivalents		5,056.23	253.97
Loan to subsidiaries		(447.23)	(752.05)
Recovery of loan to subsidiaries		450.88	1,065.33
Net cash (used in)/generated from investing activities		**(830.48)**	**77.11**
Cash flow from financing activities			
Proceeds from issue of equity shares		1,059.99	-
Proceeds from issue of preference shares		2,154.44	998.30
Proceeds from borrowings		363.00	-
Repayment of borrowings		(67.92)	(75.00)
Repayment of non-convertible debenture		(25.45)	(114.55)
Payment of lease liabilities		(3.71)	(10.84)
Share issue expenses	49	(77.42)	-
Interest and other borrowing cost		(104.55)	(72.28)
Net cash generated from financing activities		**3,298.38**	**725.63**
Net (decrease)/increase in cash and cash equivalents		**(742.98)**	**428.21**
Cash and cash equivalents at the beginning of the year	9	**8.87**	**(419.34)**
Cash and cash equivalents at the end of the year (note 9)		**(734.11)**	**8.87**

ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Standalone Statement of Cash Flows for the year ended 31 March 2022
(Amounts in INR millions, unless otherwise stated)

Notes
1. Changes in liabilities arising from financing activities

	As at 31 March 2022	As at 31 March 2021
Non convertible debentures		
Opening balance	**25.45**	**139.88**
Amortisation of interest and other charges on borrowings	0.12	10.83
Repayments during the year - Principal	(25.45)	(114.55)
Repayments during the year - Interest	(0.12)	(10.71)
Closing balance	**-**	**25.45**
Borrowings (excluding bank overdraft)		
Opening balance	**-**	**75.00**
Proceeds during the year	363.00	-
Repayments during the year	(67.92)	(75.00)
Closing balance	**295.08**	**-**

Lease liabilities (note 39)

2. The above statement of cash flow from operating activities has been prepared under the "Indirect method" as set out in IND AS-7 "Statement of cash flows".

Summary of significant accounting policies 2

The notes referred to above form an integral part of the standalone financial statements.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 116231W/W-100024

Gajendra Sharma
Partner
Membership No.: 064440
UDIN: 22064440APLSSV6602

Place: Gurugram
Date: 21 August 2022

For and on behalf of the Board of Directors of
ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Bipin Preet Singh
Managing Director
& Chief Executive Officer
DIN:02019594

Upasana Rupkrishan Taku
Chairperson,
Whole-time Director
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DIN:02979387

Dilip Bidani
Chief Financial Officer

Rahul Luthra
Company Secretary

Place: Gurugram
Date: 21 August 2022

ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Standalone Statement of Changes in Equity for the year ended 31 March 2022
(Amounts in INR millions, unless otherwise stated)

(a) Equity share capital (refer note 10, 44 and 46)

Equity shares of INR 10 each issued, subscribed and fully paid up	Amount
As at 1 April 2020	**10.05**
Equity share capital issued during the year	-
As at 31 March 2021	**10.05**
As at 1 April 2021	**10.05**
Conversion of CCCPS to equity shares during the year (refer note 46)	0.36
Equity share capital issued during the year (refer note 10)*	0.00
Shares split during the year (refer note 44)	(10.41)
As at 31 March 2022	**-**

* Includes issue of one equity share of INR 10 , rounded off to "0" on conversion to INR million.

Equity shares of INR 2 each issued, subscribed and fully paid up	Amount
As at 1 April 2021	**-**
Shares split during the year (refer note 44)	10.41
Issue of bonus shares during the year (refer note 44)	31.24
Conversion of CCCPS to equity shares during the year (refer note 46)	69.53
Issue of equity shares on exercise of share based awards during the year	1.43
Equity share capital issued during the year (refer note 10)	1.77
As at 31 March 2022	**114.38**

(b) Instruments entirely equity in nature

(i) Cumulative compulsory convertible preference shares (CCCPS) of INR 10 each issued, subscribed and fully paid up (refer note 10 (b))

Particulars	Amount
As at 1 April 2020	**1.57**
Preference share capital issued during the year	-
As at 31 March 2021	**1.57**
As at 1 April 2021	**1.57**
Preference share capital issued during the year	-
Conversion of CCCPS to equity shares during the year (refer note 46)	(1.57)
As at 31 March 2022	**-**

(ii) Cumulative compulsory convertible preference shares (CCCPS) of INR 100 each issued, subscribed and fully paid up (refer note 10 (b) and 43)

Particulars	Amount
As at 1 April 2020	**131.68**
Preference share capital issued during the year	11.02
As at 31 March 2021	**142.70**
As at 1 April 2021	**142.70**
Preference share capital issued during the year (refer note 10)	15.37
Conversion of CCCPS to equity shares during the year (refer note 46)	(158.07)
As at 31 March 2022	**-**

(c) Other equity (refer note 11, 44 and 46)

Particulars	Money received against share warrants	Share application money pending allotment	Reserve and surplus			Other comprehensive income	Total other equity
			Securities premium	Employee share options reserve	Retained earnings		
As at 1 April 2020	**9.75**	**-**	**6,826.29**	**261.53**	**(7,384.52)**	**-**	**(286.95)**
Total comprehensive loss for the year ended 31 March 2021							
Loss for the year ended	-	-	-	-	(1,076.68)	-	(1,076.68)
Remeasurement of net defined benefit liability	-	-	-	-	3.02	-	3.02
Total comprehensive loss	**-**	**-**	**-**	**-**	**(1,073.66)**	**-**	**(1,073.66)**
Transactions with owners, recorded directly in equity							
Employee share based payment expense	-	-	-	31.16	-	-	31.16
Share application money received	-	36.51	-	-	-	-	36.51
Securities premium on CCCPS shares issued, (refer note 11)	-	-	1,139.68	-	-	-	1,139.68
Balance as at 31 March 2021	**9.75**	**36.51**	**7,965.97**	**292.69**	**(8,458.18)**	**-**	**(153.26)**
As at 1 April 2021	**9.75**	**36.51**	**7,965.97**	**292.69**	**(8,458.18)**	**-**	**(153.26)**
Total comprehensive loss for the year ended 31 March 2022							
Loss for the year	-	-	-	-	(1,279.71)	-	(1,279.71)
Remeasurement of net defined benefit liability	-	-	-	-	12.95	-	12.95
Equity instruments at FVOCI - net change in fair value	-	-	-	-	-	2.67	2.67
Total comprehensive loss	-	-	-	-	**(1,266.76)**	**2.67**	**(1,264.09)**
Transactions with owners, recorded directly in equity							
Employee share based payment expense	-	-	-	259.35	-	-	259.35
Share warrant adjusted (refer note 10 (f))	(9.75)	-	-	-	-	-	(9.75)
Share application money adjusted	-	(36.51)	-	-	-	-	(36.51)
Issue of equity shares on exercise of share based awards during the year	-	-	178.52	(119.98)	-	-	58.54
Securities premium on Equity/CCCPS shares issued (refer note 11)	-	-	3,340.35	-	-	-	3,340.35
Issue of bonus shares during the year (refer note 44)	-	-	(31.24)	-	-	-	(31.24)
Conversion of CCCPS to equity shares during the year (refer note 46)	-	-	89.78	-	-	-	89.78
Balance as at 31 March 2022*	**-**	**0.00**	**11,543.38**	**432.06**	**(9,724.94)**	**2.67**	**2,253.17**

* Represents share application money pending for allotment of INR 3,038 , rounded off to "0" on conversion to INR million.

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 116231W/W-100024

For and on behalf of the Board of Directors of
ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Gajendra Sharma
Partner
Membership No.: 064440
UDIN: 22064440APLSSV6602

Bipin Preet Singh
Managing Director
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DIN:02019594

Upasana Rupkrishan Taku
Chairperson,
Whole-time Director
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DIN:02979387

Place: Gurugram
Date: 21 August 2022

Dilip Bidani
Chief Financial Officer

Rahul Luthra
Company Secretary

Place: Gurugram
Date: 21 August 2022

ONE MOBIKWIK SYSTEMS LIMITED
(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the standalone financial statements for the year ended 31 March 2022
(Amounts in INR millions, unless otherwise stated)

1. Corporate Information

ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) ("the Company") was incorporated on 20 March 2008 under the Companies Act, 1956. The registered office and Corporate office of the Company are situated in Gurugram, Haryana. The principal place of business of the Company is in India.

The principal activities of the Company consist of issuing and operating prepaid payment instrument (Wallet Payment System). The Company was authorised by Reserve Bank of India for issuance and operation of mobile based pre-payment instruments subject to terms and conditions detailed in the certificate of authorisation dated 18 July 2013 for five years, which was subsequently extended to 30 September 2023 vide renewal certificate dated 30 September 2020. The users use their MobiKwik wallet for transferring money, for paying their utility bills (prepaid recharge, post-paid mobile, landline, electricity, TV, etc.) and for shopping online on e-commerce websites. The Company has also rolled out financial services platform facilitating various loans product in association with financing partners. The registered office of the Company is situated at 5th Floor, Huda City Centre Metro Station, Sector 29, Gurugram, Haryana.

These standalone financial statements were authorised for issue in accordance with a resolution passed by Board of Directors on 21 August 2022.

2. Significant accounting policies

2.1 Statement of compliance

The Standalone Balance Sheet of the Company as at 31 March 2022 and 31 March 2021 and the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year ended 31 March 2022 and 31 March 2021 and a summary of the significant accounting policies and other explanatory information (together referred to as 'Standalone Financial Statements) has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act').

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Basis of preparation and presentation

The Standalone Financial Statements have been prepared on the historical cost basis as explained in the accounting policies below, except for the following:

- certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

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, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the head of finance.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the

ONE MOBIKWIK SYSTEMS LIMITED
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Notes to the standalone financial statements for the year ended 31 March 2022
(Amounts in INR millions, unless otherwise stated)

conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the board of directors.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

All amounts disclosed in the Standalone Financial Statements and notes have been rounded off to the nearest INR millions as per the requirement of Schedule III, unless otherwise stated.

The preparation of these Standalone Financial Statements requires the use of certain critical accounting judgements and estimates. It also requires the management to exercise judgement in the process of applying the Company's accounting policies. The areas where estimates are significant to the Standalone Financial Statements, or areas involving a higher degree of judgement or complexity, are disclosed in Note 3.

2.2 Summary of significant accounting policies

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, to all the periods presented in these Standalone Financial Statements.

a) Current versus non-current classification

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

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle
(ii) Held primarily for the purpose of trading
(iii) Expected to be realised within twelve months after the reporting period, or
(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

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

The Company classifies all other liabilities as non-current.

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

ONE MOBIKWIK SYSTEMS LIMITED
(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the standalone financial statements for the year ended 31 March 2022
(Amounts in INR millions, unless otherwise stated)

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

b) Revenue from contract with customers

The Company derives revenue primarily from following services:

- Commission income from sale of recharge, bill payments and merchant payments
- Fees for money transfer service from user's wallet to bank account
- Revenue from share in interest income, processing fee and servicing of loans (Digital Financing Services)
- Revenue from technology platform services
- Income from advertisement/sale of space

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied upon transfer of control of service to a customer.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding taxes or duties collected on behalf on Government. An entity estimates the transaction price at contract inception, including any variable consideration, and updates the estimate each reporting period for any changes in circumstances.

Variable consideration such as discounts, volume based incentives, any payments made to a customer (unless the payment is for a distinct good or service received from the customer) is estimated using the expected value method or most likely amount as appropriate in a given circumstance. An entity includes estimates of variable consideration in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

The Company provides incentives to its users in various forms including cashbacks and supercash. Cashbacks and supercash given to users where the Company recovers a convenience fee are classified as reduction of revenue. However, when these incentives offered to the users are higher than the income earned from the users, the excess (i.e., the incentive given to a user less income earned from the users) on an individual transaction basis is classified under business promotion expenses.

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

The Company’s contracts with customers may include multiple performance obligations. For such arrangements, the Company allocate revenues to each performance obligation based on its relative standalone selling price. The Company generally determine standalone selling prices based on the prices charged to customers or using expected cost-plus margin.

Commission income from sale of recharge, bill payments and merchant payments:

The Company facilitates recharge of talk time, utility bill payments and merchant payments and earns commission for the respective services. Commission income is recognized when the control of services is transferred to the customer i.e. when the services have been provided by the Company.

Such commission is generally determined as a percentage of monetary value of transactions processed or gross merchandise value. The Company typically contracts with merchants, financial institutions, or affiliates of those parties. Contracts stipulate the types of services and articulate how fees will be incurred and calculated. Commission income are recognized each day based on the value of transaction at the time the transactions are processed.

ONE MOBIKWIK SYSTEMS LIMITED
(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the standalone financial statements for the year ended 31 March 2022
(Amounts in INR millions, unless otherwise stated)

Amount received by the Company pending settlement are disclosed as payable to the merchants under other financial liabilities.

Fees for money transfer service from user's wallet to bank account:

Commission on money transfer represents the amount earned from the users in the form of commission on the withdrawal of money by the users from their wallets and transfer the same to the bank accounts of their choice using the IMPS facility. Commission on money transfer is recognised on satisfaction of the associated performance obligation i.e. on transfer of money, and basis the standard agreement entered with the respective users.

Revenue from share in interest income, processing fee, servicing of loans and delayed payment penalty fees:

Share in interest income is earned on the loans to users by respective lending partners. This income is shared by the Company as per terms of agreement with service providers and accounted on accrual basis. Processing fees is recognised on satisfaction of associated performance obligation i.e. on sourcing of customers for lending partners and when amount of loan or credit is transferred to the user's wallet based on standard agreements entered with the respective lending partners. Servicing fee related to loan facilitation services, collection, monitoring etc is recognised over the tenure of loan. Penalty fees for customer defaults i.e. delayed payment of instalment of loan product, is recognised as revenue on receipt of payment from customer.

Revenue from technology platform services:

The Company has contracts with customers to provide technology platform services, in the form of service of design, development, operation and maintenance of technology-based products, one-time integration, setup and technology fee, etc. either independently or bundled with merchants, transaction processing and loan processing services. The Company typically contracts with financial institutions and merchant aggregators. Contracts stipulate the types of services and articulate how fees will be incurred and calculated. Service fee for design and development of technology-based products are recognised over the period of satisfaction of relative performance obligation i.e. development of product.

The services of one-time integration, setup, and technology fee, etc. are generally billed to the customers upfront. However, the underlying obligation to keep up and run the platform continues for the entire period of the contract with customer, and the pattern of benefits to the customer from such services rendered is generally even, throughout the period of contract. Revenue against such upfront technology platform service fee is recognized on a straight-line basis over a period (i.e. over the contractual term).

Income from advertisement/sale of space:

Revenue from sale of advertisement space is recognised, on satisfaction of associated performance obligation i.e. as and when the relevant advertisement is displayed on the application.

Contract balance

Trade receivables

A receivable represents the Company’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section l) Financial instruments.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). The Company recognises contract liability for consideration received in respect of unsatisfied performance obligations and reports these amounts as “Deferred revenue” or “Advance from customers” in the balance sheet. Provisions for customer incentives are also reported as contract liabilities.

ONE MOBIKWIK SYSTEMS LIMITED
(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the standalone financial statements for the year ended 31 March 2022
(Amounts in INR millions, unless otherwise stated)

c) Leases

The Company's leased assets primarily consist of leases for office space. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes periods covered by extension options when it is reasonably certain that they will be exercised and includes periods covered by termination options when it is reasonably certain that they will not be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflect that the Company exercise a purchase option. The Company applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the accounting policy below on "Impairment of non-financial assets".

The lease liability is initially measured at amortized cost at the present value of the future lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the Company's incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset (or in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero) if the Company changes its assessment if whether it will exercise an extension or a termination or a purchase option.

The interest cost on lease liability (computed using effective interest method), is expensed in the statement of profit and loss.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract in accordance with Ind AS 116 and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company has elected to account for all COVID-19-related rent concession that meets all of the following conditions in the same way as they would if they were not lease modification:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.

(b) any reduction in lease payments affects only payments originally due on or before the 31 March 2022.

(c) there is no substantive change to other terms and conditions of the lease.

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

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d) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

e) Foreign currency transactions and translations

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using mean exchange rate prevailing on the last day of the reporting period. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Treatment of exchange differences

Exchange differences on monetary items are recognised in the Profit or Loss in the period in which they arise.

f) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity, compensated absences and other incentives to employees.

Post-employment and termination benefit costs

Payments to defined contribution benefit plans (i.e. provident fund and employee state insurance scheme) are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprises actuarial gains and losses which is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

Short-term and other long-term employee benefits

A liability is recognised for short-term employee benefits accruing to employees in respect of salaries, annual leave and sick leave, performance incentives etc. in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit.

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The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

g) Share-based payments

Employees of the Company also receive remuneration in the form of share-based payment transactions under Company's Employee stock option plan (ESOP)-2014.

Equity-settled transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service conditions at the vesting date.

h) Taxation

Income tax expense comprises represents the sum of the tax currently tax payable and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have enacted or substantially enacted by the end of the reporting period.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:
- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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Deferred 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 losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

i) Property, plant and equipment

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates then separately based on their specific useful lives.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. Cost includes, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation and amortisation

Depreciation is provided on the written down value method. The estimated useful life of each asset as prescribed under Schedule II of the Companies Act, 2013 and based on technical assessment of internal experts (after considering the expected usage of the asset, expected physical wear and tear, technical and commercial obsolescence and understanding of past practices and general industry experience) are as depicted below:

Assets category	**Estimated useful life**
Computers	3 Years
Furniture & fixtures	10 Years
Office equipment	5 Years
Server & Network Equipment	6 Years

Deprecation on addition to the property, plant and equipment is provided on pro rata basis from the date the assets are acquired/ installed. Deprecation on sale/ deduction of plant, property and equipment assets is provided for upto the date of sale and deduction.

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The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April 2019 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

j) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives determined based on technical assessment of internal experts. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Assets category	Estimated useful life
Computer software	5 Years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1 April 2019 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

k) 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. Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets (unless it is a trade receivable without a significant financing component) and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial instruments

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

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

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A financial asset that meet the following conditions are subsequently measured at amortised cost (except for financial asset that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments financial assets that meet the amortised cost criteria or the FVTOCI criteria may irrevocably be but are designated as at FVTPL are measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement of financial instruments

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt instruments at FVTOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity instruments at FVTOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments, trade receivables, other contractual rights to receive cash or other financial asset and financial guarantees not designated as at FVTPL. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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The Company always recognises lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For measurement of loss allowance in case of financial guarantee contracts, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Company applies a three-stage approach to measure ECL on financial guarantee contracts. The underlying receivables of debtors migrate through the following three stages based on the change in credit quality since initial recognition.

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognized.

Exposures with days past due (DPD) less than or equal to 30 days are classified as stage 1.

Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized. Exposures with DPD equal to 31 days but less than or equal to 89 days are classified as stage 2. At each reporting date, the Company assesses whether there has been a significant increase in credit risk for underlying receivables of debtors since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition.

Stage 3: Lifetime ECL – credit impaired

Receivable of debtor is assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For receivable of debtors that have become credit impaired, a lifetime ECL is recognized on principal outstanding as at period end.

Exposures with DPD equal to or more than 90 days are classified as stage 3.

The definition of default for the purpose of determining ECLs has been aligned to the Reserve Bank of India definition of default, which considers indicators that the debtor is unlikely to pay and is no later than when the exposure is more than 90 days past due.

The measurement of all expected credit losses for financial guarantee contracts held at the reporting date are based on historical experience, current conditions, and reasonable and supportable forecasts. The measurement of ECL involves increased complexity and judgement,

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including estimation of PDs, LGD, a range of unbiased future economic scenarios, estimation of expected lives and estimation of EAD and assessing significant increases in credit risk.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Company is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Company expects to receive from the holder, the debtor or any other party.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in a separate component of equity wherein fair value changes are accumulated, and does not reduce the carrying amount of the financial asset in the balance sheet.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party or when the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

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Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

A financial liability is any liability that is:

(a) a contractual obligation:

(i) to deliver cash or another financial asset to another entity; or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

(b) a contract that will or may be settled in the entity’s own equity instruments and is:

(i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity’s own equity instruments; or

(ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity’s own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Other financial liabilities are subsequently measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of a qualifying asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

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Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with Ind AS 109 (see section of impairment of financial assets above); and

- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Although the fee income from financial guarantee contracts is recognised in accordance with the principles of Ind AS 115, the financial guarantee contract is in the scope of Ind AS 109 and the fee income from it is not revenue from contracts with customers. The Company presents the fee income from financial guarantees as part of revenue from share in interest income.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Interest income

For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

l) Investment in subsidiaries

The Company records the investment in equity instruments of subsidiaries at cost less impairment loss, if any.

On disposal of investment in subsidiary, the difference between net disposal proceeds and the carrying amount is recognised in the Statement of profit and loss.

m) Provisions and Contingent liabilities

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing The amount recognised as a provision is the best estimate of the consideration expenditure required to settle the present obligation at the reporting date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

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Contingent liabilities

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

The Company does not recognise a contingent liability but discloses its existence in the Standalone Financial Statements.

n) Impairment of non - financials assets

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units. Each cash-generating unit represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or cash-generating units. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

p) Measurement of EBITDA

As permitted by the Guidance Note on Division II – Ind AS Schedule III to the Companies Act, 2013, the Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Standalone Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, exceptional items and tax expense. Finance costs comprise interest expense on : borrowings, bank overdraft, lease liability and other finance cost.

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3. Significant accounting judgements, estimates and assumptions

The preparation of Standalone Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Therefore, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is 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.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Standalone Financial Statements:

a) Revenue from contracts with customers

The Company applied judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers, such as identifying performance obligations, wherein, the Company provides multiple services as part of the arrangement. The Company allocated the portion of the transaction price to services basis on its relative standalone prices.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

b) Determining lease term

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has some property lease arrangements with its vendors that include option to terminate the contract by either party at any time by giving advance notice or by the Company as per its discretion. The Company applied judgment in evaluating whether it is reasonably certain to exercise the termination option. It considered all the factors that create economic incentive for the Company to continue with lease or terminate including alternatives available for the office lease, use of underlying property, leasehold improvements made and accordingly determined lease term.

Estimates and assumptions

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

a) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability the Company considers whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant

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management assumptions are 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 together with future tax planning strategies.

The Company has tax business losses and unabsorbed depreciation carried forward amounting to INR 6,804.64 million (31 March 2021: INR 7,037.38 million). The Company does not expect sufficient future taxable profit against which such tax losses can be utilised. On this basis, the Company has not recognised deferred tax assets on these carried forward tax losses. Refer Note 26 for further details.

b) Defined benefit plans (gratuity benefit)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate are current best estimates of the expected mortality rates of plan members, both during and after employment. Future salary increases and gratuity increases are based on expected future inflation rates, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Refer Note 27 for further details.

c) Useful life of assets of Property, Plant and Equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at each financial year end. Refer Note 4 for further details.

d) Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as stand-alone credit rating). Refer Note 39 for further details.

e) Calculation of loss allowance

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Also refer to note 31.

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f) Fair value of equity-settled share-based transaction

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The Company measures the fair value of equity-settled transactions with employees at the grant date using Black-Scholes model. The assumptions for estimating fair value for share-based payment transactions are disclosed in Note 28.

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4 Property, plant and equipment

	Computers	Office equipment	Furniture and fixtures	Server & Network Equipment	Total
Cost					
As at 01 April 2020	**6.09**	**2.01**	**0.06**	**5.64**	**13.80**
Additions	5.95	-	-	-	5.95
Disposals *	(0.28)	(0.60)	(0.00)	-	(0.88)
As at 31 March 2021	**11.76**	**1.41**	**0.06**	**5.64**	**18.87**
Additions	32.59	0.17	0.14	0.30	33.20
Disposals	(0.80)	(0.06)	(0.06)	-	(0.92)
As at 31 March 2022	**43.55**	**1.52**	**0.14**	**5.94**	**51.15**
Accumulated depreciation					
As at 01 April 2020	**2.76**	**0.92**	**0.02**	**2.22**	**5.92**
Charge for the year	2.41	0.46	0.01	1.36	4.24
Disposals	(0.06)	(0.40)	-	-	(0.46)
As at 31 March 2021	**5.11**	**0.98**	**0.03**	**3.58**	**9.70**
Charge for the year	14.69	0.20	0.02	0.88	15.79
Disposals	(0.45)	(0.05)	(0.04)	-	(0.54)
As at 31 March 2022	**19.35**	**1.13**	**0.01**	**4.46**	**24.95**
Net book value					
As at 31 March 2021	**6.65**	**0.43**	**0.03**	**2.06**	**9.17**
As at 31 March 2022	**24.20**	**0.39**	**0.13**	**1.48**	**26.20**

Notes:

* Includes disposal of furniture & fixtures of INR 1,435 rounded off to "0" on conversion to INR million.

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5 Other intangible assets

	Software	Total
Cost		
As at 01 April 2020	**0.01**	**0.01**
Additions	-	-
As at 31 March 2021	**0.01**	**0.01**
Additions	-	-
As at 31 March 2022	**0.01**	**0.01**
Accumulated amortisation		
As at 01 April 2020	**0.01**	**0.01**
Amortisation for the year	-	-
As at 31 March 2021	**0.01**	**0.01**
Amortisation for the year	-	-
As at 31 March 2022	**0.01**	**0.01**
Net book value		
As at 31 March 2021	-	-
As at 31 March 2022	-	-

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		As at 31 March 2022	As at 31 March 2021
6(a)	**Investments**		
	Non-current		
	Investment in equity instruments carried at cost		
	Unquoted Investments (fully paid)		
	Investment in subsidiaries (fully paid up)		
	1. ZAAK EPAYMENTS SERVICES PRIVATE LIMITED (100% Subsidiary) (116,236 (31 March 2021 : 11,346 equity shares of INR 10/- each) equity shares of INR 1/- each) (refer note 3 below)	474.57	350.41
	2. MOBIKWIK FINANCE PRIVATE LIMITED (100% Subsidiary) (2,500,000 (31 March 2021 : 2,500,000) equity shares of INR 10/- each)	25.00	25.00
	3. MOBIKWIK CREDIT PRIVATE LIMITED (100% Subsidiary) (2,500,000 (31 March 2021 : 2,500,000) equity shares of INR 10/- each)	25.00	25.00
	4. HARVEST FINTECH PRIVATE LIMITED (100% Subsidiary) (813,439 (31 March 2021 : 813,439) equity shares of INR 10/- each) (refer note 1 below)	70.49	70.49
	Less: Impairment allowance in value of investments	(70.49)	(61.42)
		524.57	**409.48**
	Non-current		
	Unquoted investments (fully paid)		
	Investment in other equity instruments at Fair value through other comprehensive income (FVTOCI)		
	National Payment Corporation of India ("NPCI") (6,132 (31 March 2021 : 6,132) equity shares of INR 1,256/- each) (refer note 2 below)	10.37	7.70
		10.37	**7.70**
	Aggregate amount of un-quoted investments	534.94	417.18

Notes:

1. During the year ended 31 March 2021, Harvest Fintech Private Limited ('Harvest') had issued additional 101,882 equity shares at a premium of INR 79.01 to the Company in lieu of loan and interest repayment outstanding to Company aggregating of INR 9.07 million.

2. The investment in other equity instruments are not held for trading. Instead, these are held for medium to long-term strategic purposes. Accordingly, the Company has elected to designate this investment in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in this investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investment for long-term purposes and realising their performance potential in the long run. Refer note 29 for further details.

3. During the year ended 31 March 2022, the Company has further invested in 166 equity shares of INR 10 each and 1,116 equity shares of INR 1 each (31 March 2021 : 1,245 equity shares of INR 10 each) in its wholly owned subsidiary ZAAK EPAYMENT SERVICES PRIVATE LIMITED. Further, ZAAK EPAYMENT SERVICES PRIVATE LIMITED has also split its stock of equity shares having face value of INR 10 per share into equity share of INR 1 per share on 28 May 2021.

		As at 31 March 2022	As at 31 March 2021
6(b)	**Loans (measured at amortised cost)**		
	Current		
	Unsecured, considered good unless stated otherwise		
	Loan (Refer note 1 and 2 below and note 32)		
	- considered good, unsecured	3.31	6.96
	Unsecured, considered doubtful		
	Loan (Refer note (3) below)	1.01	1.01
	Less: Provison for doubtful balances	(1.01)	(1.01)
	Total loans	**3.31**	**6.96**

Type of borrower	As at 31 March 2022	As at 31 March 2021
Related parties		
- Amount of loan or advance in the nature of loan outstanding	3.31	6.96
- Percentage to the total loans and advances in the nature of loans	100%	100%

Notes :

1. It includes loan given to wholly owned subsidiaries for working capital requirements which carries an interest rate of 10.75 % p.a and repayable on demand.
2. During the year ended 31 March 2022, the Company has converted the unsecured demand loan of INR 50 million extended to its wholly owned subsidiary ZAAK EPAYMENT SERVICES PRIVATE LIMITED into 1,116 equity share capital of Face Value INR 1 at a premium of INR 44,799.70 each (During the year ended 31 March 2021, INR 350.27 million converted into 1,200 equity share capital of Face Value INR 10 at a premium of INR 275,132 and 45 equity share capital of Face value INR 10 at a premium of INR 446,724).

3. It represents loan given to Pivotchain Technologies Private Limited (related party till 31 March 2020) which carries interest rate of 15 % p.a and repayable on demand.

4. The fair value of loans carried at amortised cost is disclosed in note 29.

		As at 31 March 2022	As at 31 March 2021
6(c)	**Others financial assets (measured at amortised cost)**		
	Non-current		
	Unsecured, considered good unless stated otherwise		
	Security deposits	27.04	20.09
	Bank deposits with remaining maturity for more than twelve months (refer note 9)	1.25	61.00
		28.29	**81.09**
	Current		
	Unsecured, considered good unless stated otherwise		
	Amount recoverable from payment gateway banks	384.01	270.30
	Amount recoverable from users and business partners	1,558.43	470.63
	Recoverable from related parties (Refer note 47)	18.88	61.64
	Interest accrued on deposits	21.81	4.26
	Share issue expense (Refer note 49)	16.30	-
	Security deposits	2.05	2.10
	Other recoverables	39.11	16.24
		2,040.59	**825.17**
	Unsecured, considered doubtful		
	Amount recoverable from payment gateway banks	2.31	2.31
	Receivable from users (Refer note 1 below)	95.38	95.38
	Less: Allowance for doubtful balances	(97.69)	(97.69)
		-	-
		2,040.59	**825.17**
	Total other financial assets	**2,068.88**	**906.26**

Notes:

1. Represents amounts receivable from users on account of a fraud in IMPS transactions in year ended 31 March 2018. Pending collection of these amounts, the amounts have been fully provided for in the books of account. The Company is in the process of recovering the amounts. The total amount of transfer through the above mode was INR 200.24 million, out of which INR 104.86 million has been recovered.

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7 Other assets

	As at 31 March 2022	As at 31 March 2021
Non-current		
Unsecured, considered good unless otherwise stated		
Advance to suppliers (Refer note 1 below)	1,354.91	414.99
Amount paid under protest (Refer note 33)	1.83	0.83
Prepaid expenses	2.61	0.90
Balances with government authorities	1.40	1.40
Total	**1,360.75**	**418.12**
Current		
Unsecured, considered good unless otherwise stated		
Advance to vendors (Aggregators)	93.62	54.43
Advance to suppliers	5.51	23.33
Advance to employees	7.57	2.33
Balances with government authorities		
GST credit not due	24.47	10.25
Prepaid expenses	14.95	9.87
Advance paid to customers	1.19	1.52
Current		
Unsecured, considered doubtful		
Advance to vendors (Aggregators)	2.05	2.05
Advance to suppliers	2.76	-
Advances to employees	0.03	0.03
Balances with government authorities	7.51	7.51
Less: Provison for doubtful advances	(12.35)	(9.59)
Total	**147.31**	**101.73**

Notes:

1. It represents an advance made as a part of an advertising and media usage agreement with the suppliers . This will be adjusted with the value of services availed by the Company from such suppliers in the future.

8 Trade receivables

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good unless stated otherwise		
Trade receivables	358.46	325.47
Less: Allowance for doubtful debts (expected credit loss allowance)	(0.75)	(5.77)
Total	**357.71**	**319.70**

Notes:

1. Trade receivables are non-interest bearing and the average credit period is between 30 to 60 days.
2. The Company always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix under simplified approach. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due. Based on internal assessment which is driven by the historical experience and current facts available in relation to default and delays in collection thereof, the credit risk for these trade receivables is considered low.

3. The Company writes off a trade receivable when there is information indicating that the customer is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the customer has been placed under liquidation or has entered into bankruptcy proceedings.

The following table details the risk profile of trade receivables based on the Company's provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Company's different customer segments.

	Expected credit loss - Default Risk Rate (%)	
Ageing	**As at 31 March 2022**	**As at 31 March 2021**
Within the credit period	0.00%	0.00%
1-30 days past due	0.00%	0.00%
31-60 days past due	0.04%	0.01%
61-90 days past due	0.36%	0.46%
91-180 days past due	2.16%	9.95%
181-365 days past due	5.22%	21.26%
1 - 2 years past due	61.06%	100.00%
2 - 3 years past due	100.00%	100.00%
Over 3 years	100.00%	100.00%

	Expected credit loss - Delay Risk Rates(%)	
Ageing	**As at 31 March 2022**	**As at 31 March 2021**
Within the credit period	0.00%	0.00%
1-30 days past due	0.06%	0.12%
31-60 days past due	0.19%	0.40%
61-90 days past due	0.36%	0.76%
91-180 days past due	0.73%	1.38%
181-365 days past due	1.78%	2.86%
1 - 2 years past due	6.58%	0.00%
2 - 3 years past due	0.00%	0.00%
Over 3 years	0.00%	0.00%

Movement in the expected credit loss allowance	**As at 31 March 2022**	**As at 31 March 2021**
Balance at beginning of the year	5.77	4.62
Movement in expected credit loss allowance on trade receivables	(5.02)	1.15
Balance at end of the year	**0.75**	**5.77**

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Trade receivables ageing schedule

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	226.19	33.76	42.17	56.20	0.04	0.10	358.46

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	197.27	116.08	12.08	0.01	0.03	-	325.47

9 **Cash and cash equivalents**	As at 31 March 2022	As at 31 March 2021
Cash on hand*	0.00	0.00
Balance with bank		
- On current accounts	411.31	540.43
Total Cash and cash equivalents	**411.31**	**540.43**
Total cash and cash equivalents	411.31	540.43
Less: Bank overdraft (refer note 12)	(1,145.42)	(531.56)
Cash balance for the purposes of statement of cash flows	**(734.11)**	**8.87**
Bank balances other than cash and cash equivalents		
Deposits with		
- Remaining maturity for less than twelve months**	967.12	176.91
- Remaining maturity for more than twelve months**	1.25	61.00
	968.37	**237.91**
Less: Deposits presented as non current financial assets	(1.25)	(61.00)
	967.12	**176.91**
Balances with banks:		
In Nodal account***	335.78	56.38
In Escrow account****	1,768.56	1,121.31
Total	**3,071.46**	**1,354.60**

* Includes cash on hand of INR 280, rounded off to "0" on conversion to INR million.
** These deposits includes lien marked bank deposits of INR 614.95 million (31 March 2021 : INR 120.13 million).
***The Company uses the Nodal account to receive money when wallet is used as payment gateway for settlement of the transactions with the merchants.
****The amount in escrow account includes a balance in account of INR 850 million bearing interest rate of 4% p.a (31 March 2021 : INR 500 Million bearing interest rate of 4.15% p.a).

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10 Equity share capital

10 (a) Authorised equity share capital

	Equity Shares (Face Value = INR 2/-)**		Equity Shares (Face Value = INR 10/-)**		Class A - Equity Shares (Face Value = INR 10/-)**	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount*
As at 01 April 2020	-	-	11,06,741	11.07	20	0.00
Increase/decrease during the year	-	-	-	-	-	-
As at 31 March 2021	-	-	**11,06,741**	**11.07**	**20**	**0.00**
As at 01 April 2021	-	-	11,06,741	11.07	20	0.00
Increase/decrease during the year	8,00,00,000	160.00	(11,06,741)	(11.07)	(20)	0.00
As at 31 March 2022	**8,00,00,000**	**160.00**	**-**	**-**	**-**	**-**

* Represents Class A equity shares of INR 200, rounded off to "0" on conversion to INR million
** During the year ended 31 March 2022, the Company have approved stock splits of one equity share having face value of INR 10 each into five equity shares having face value of INR 2 each and also approved issuance of bonus shares (refer note 44).

Issued equity share capital (subscribed and fully paid up)

	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount*
As at 01 April 2020	-	-	10,04,974	10.05	20	0.00
Increase/decrease during the year	-	-	-	-	-	-
As at 31 March 2021	**-**	**-**	**10,04,974**	**10.05**	**20**	**0.00**
As at 01 April 2021	-	-	10,04,974	10.05	20	0.00
Conversion of CCCPS to equity shares during the year	3,47,62,949	69.53	36,201	0.36	-	-
Conversion of equity shares**	-	-	20	0.00	(20)	0.00
Equity share capital issued during the year***	8,83,159	1.77	1	0.00	-	-
Shares split during the year****	52,05,980	10.41	(10,41,196)	(10.41)	-	-
Issue of bonus shares during the year****	1,56,17,940	31.24	-	-	-	-
Issue of equity shares on exercise of share based awards during the year	7,14,493	1.43	-	-	-	-
As at 31 March 2022	**5,71,84,521**	**114.38**	-	-	-	-

* Represent Class A equity shares of INR 200, rounded off to "0" on conversion to INR million.
** During the year ended 31 March 2022, in the board minutes dated 20 June 2021, the Company have approved the conversion of Class A equity shares having face value of INR 10 each into equity share of face value of INR 10 each.
*** Represents equity shares of INR 10 issued during the year ended 31 March 2022, rounded off to "0" on conversion to INR million.
**** During the year ended 31 March 2022, the Company have approved stock splits of one equity share having face value of INR 10 each into five equity shares having face value of INR 2 each and also approved issuance of bonus shares (refer note 44).

10 (b) Instruments entirely equity in nature

Authorised preference share capital

	Cumulative compulsory convertible preference shares (CCCPS) (Face value INR 100 per share)		Cumulative compulsory convertible preference share (CCCPS) (Face value INR 10 per share)	
	Number of shares	Amount	Number of shares	Amount
As at 01 April 2020	**15,92,863**	**159.29**	**1,56,899**	**1.57**
Increase/decrease during the year	2,23,729	22.37	-	-
As at 31 March 2021	**18,16,592**	**181.66**	**1,56,899**	**1.57**
As at 01 April 2021	**18,16,592**	**181.66**	**1,56,899**	**1.57**
Increase/decrease during the year	-	-	-	-
As at 31 March 2022	**18,16,592**	**181.66**	**1,56,899**	**1.57**

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Issued Cumulative compulsory convertible preference share (CCCPS) (subscribed and fully paid up)

	As at 01 April 2020		Issued during the year		As at 31 March 2021		As at 1 April 2021		Issued during the year		Conversion during the year (refer Note 46)		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Total of Face Value INR 10 Per Share -														
Series A CCCPS	1,09,779	1.10	-	-	1,09,779	1.10	1,09,779	1.10	-	-	(1,09,779)	(1.10)	-	-
Series B2 CCCPS	47,120	0.47	-	-	47,120	0.47	47,120	0.47	-	-	(47,120)	(0.47)	-	-
	1,56,899	**1.57**	**-**	**-**	**1,56,899**	**1.57**	**1,56,899**	**1.57**	-	-	**(1,56,899)**	**(1.57)**	**-**	**-**
Total of Face Value INR 100 Per Share -														
Series A1 CCCPS	1,72,536	17.25	-	-	1,72,536	17.25	1,72,536	17.25	-	-	(1,72,536)	(17.25)	-	-
Series A2 CCCPS	23,615	2.36	-	-	23,615	2.36	23,615	2.36	-	-	(23,615)	(2.36)	-	-
Series A3 CCCPS	17,806	1.78	-	-	17,806	1.78	17,806	1.78	-	-	(17,806)	(1.78)	-	-
Series B1 CCCPS	1,75,922	17.59	-	-	1,75,922	17.59	1,75,922	17.59	-	-	(1,75,922)	(17.59)	-	-
Series B3 CCCPS	52,834	5.28	-	-	52,834	5.28	52,834	5.28	-	-	(52,834)	(5.28)	-	-
Series B4 CCCPS	89,844	8.98	-	-	89,844	8.98	89,844	8.98	-	-	(89,844)	(8.98)	-	-
Series C1 CCCPS	84,469	8.45	-	-	84,469	8.45	84,469	8.45	-	-	(84,469)	(8.45)	-	-
Series C2 CCCPS	1,81,007	18.10	-	-	1,81,007	18.10	1,81,007	18.10	-	-	(1,81,007)	(18.10)	-	-
Series C3 CCCPS	1,20,665	12.07	-	-	1,20,665	12.07	1,20,665	12.07	-	-	(1,20,665)	(12.07)	-	-
Series C5 CCCPS	7,204	0.72	-	-	7,204	0.72	7,204	0.72	-	-	(7,204)	(0.72)	-	-
Series C6 CCCPS	5,067	0.51	-	-	5,067	0.51	5,067	0.51	-	-	(5,067)	(0.51)	-	-
Series C7 CCCPS	17,429	1.74	-	-	17,429	1.74	17,429	1.74	13,663	1.37	(31,092)	(3.11)	-	-
Series C9 CCCPS	5,810	0.58	-	-	5,810	0.58	5,810	0.58	-	-	(5,810)	(0.58)	-	-
Series D CCCPS	2,71,050	27.11	-	-	2,71,050	27.11	2,71,050	27.11	-	-	(2,71,050)	(27.11)	-	-
Series E1 CCCPS	20,040	2.00	-	-	20,040	2.00	20,040	2.00	-	-	(20,040)	(2.00)	-	-
Series E2 CCCPS	9,109	0.91	-	-	9,109	0.91	9,109	0.91	-	-	(9,109)	(0.91)	-	-
Series E3 CCCPS	48,057	4.80	22,944	2.29	71,001	7.09	71,001	7.09	-	-	(71,001)	(7.09)	-	-
Series E4 CCCPS	3,643	0.36	-	-	3,643	0.36	3,643	0.36	-	-	(3,643)	(0.36)	-	-
Series E5 CCCPS	6,972	0.70	-	-	6,972	0.70	6,972	0.70	-	-	(6,972)	(0.70)	-	-
Series E6 CCCPS	3,914	0.39	-	-	3,914	0.39	3,914	0.39	-	-	(3,914)	(0.39)	-	-
Series E7 CCCPS	-	-	41,375	4.14	41,375	4.14	41,375	4.14	-	-	(41,375)	(4.14)	-	-
Series E8 CCCPS	-	-	9,970	1.00	9,970	1.00	9,970	1.00	-	-	(9,970)	(1.00)	-	-
General CCCPS	-	-	35,887	3.59	35,887	3.59	35,887	3.59	56,818	5.68	(92,705)	(9.27)	-	-
General G CCCPS	-	-	-	-	-	-	-	-	83,165	8.32	(83,165)	(8.32)	-	-
Total	**13,16,993**	**131.68**	**1,10,176**	**11.02**	**14,27,169**	**142.70**	**14,27,169**	**142.70**	**1,53,646**	**15.37**	**(15,80,815)**	**(158.07)**	**-**	**-**
Total	**14,73,892**	**133.25**	**1,10,176**	**11.02**	**15,84,068**	**144.27**	**15,84,068**	**144.27**	**1,53,646**	**15.37**	**(17,37,714)**	**(159.64)**	**-**	**-**

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10 (c) Terms/ rights attached to shares

i) Terms/ rights attached to equity shares:

Voting
Each holder of equity share is entitled to one vote per share held.

Dividend
The Company will declare and pay dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting, except in the case where interim dividend is distributed. The Company has not declared or paid any dividend since its incorporation.

Liquidation
In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

ii) Terms/rights attached to equity shares- Class A

Voting
To the extent that, and at all times when, applicable laws do not permit the holders of the series A CCCPS or the Series A1 CCCPS to exercise voting rights on the series A CCCPS or the Series A1 CCCPS in the manner contemplated, the class A equity shares shall carry such number of votes as may be necessary to permit each holder of the Series A CCCPS or Series A1 CCCPS to vote, on all matters submitted to the vote of the shareholders of Company, in such manner and such proportion as each such holder of the Series A CCCPS or Series A1 CCCPS would have been entitled to, had each such holder of the Series A CCCPS or Series A1 CCCPS elected to convert its Series A CCCPS or Series A1 CCCPS into Equity shares based on the then applicable Series A Conversion Price or Series A1 Conversion Price. At all other times and in all other events, including the event that a holder of Class A Equity Shares does not hold any Series A CCCPS or Series A1 CCCPS, then the Class A Equity Shares held by such Shareholder shall carry one (1) vote each.

Dividend
The Company will declare and pay dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting, except in the case where interim dividend is distributed. The Company has not declared or paid any dividend since its incorporation.

Liquidation
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) Terms/rights attached to Compulsorily Convertible Preference Shares (CCCPS)

Terms/rights attached to Cumulative Compulsory Convertible Preference Shares (CCCPS) towards Series A, A1, A2, A3, B1, B2, B3, B4, C1, C2, C3, C5, C6, C7, C9, D, E1, E2, E3, E4, E5, E6, E7, E8 , General and General G CCCPS

i **Voting**
The Preference shareholders of series A, A1, A2, A3, B1, B2, B3, B4, C1, C2, C3, C5, C6, C7, C9, D, E1, E2, E3, E4, E5, E6, E7, E8, General and General G CCCPS are entitled to receive notice of and vote on all matters that are submitted to the vote of Shareholders of the Company. However preference shareholder of series B2 shall have only those voting rights as are provided to preference shareholders under the Act and the right to vote on the Affirmative Vote Matters. The holder is entitled to the number of votes equal to the number of whole or fractional shares into which they could be converted.

ii **Dividend**
The Preference share of series A and A1 carry cumulative dividend rights at 0.0001% and series A2, A3, B1 , B2 ,B3, B4, C1, C2, C5, C7, C6, C9, D, E1, E2, E3, E4, E5, E6, E7, E8 General and General G CCCPS carry cumulative dividend rights at 0.001%.

iii **Conversion**
As per the terms of shareholders agreement dated April 21, 2016, August 15, 2016, Supplemental Deed dated December 22, 2016, Amendment Agreement dated March 06, 2017 and Share Cum Warrant Subscription Agreement dated February 11, 2017 the CCCPS may be converted into Equity Shares at any time at the option of the holder of the CCCPS. Subject to compliance with applicable Laws, each CCCPS shall automatically be converted into equity shares, at the applicable Conversion Price then in effect, upon the earlier of (i) one day prior to the expiry of 20 years from the closing date; or (ii) in connection with a IPO (or any subsequent IPO), prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable Laws.
These CCCPS shall be converted into Equity Shares at the conversion price to be determined based on the formulae specified in the said shareholder's agreement dated dated April 21, 2016, August 15, 2016, Supplemental Deed dated December 22, 2016, Amendment Agreement dated March 06, 2017 and Share Cum Warrant Subscription Agreement dated February 11, 2017 respectively.
During the year ended 31 March 2022, all of the CCCPS has been converted into equity. (Refer note 10(b))

iv **Liquidation**
In the event of liquidation, the preference shareholders are eligible for preference of payment over any class of equity shareholders and there shall be pari-passu charge by all series of preference shareholders.

iv) Terms/rights attached to Share Warrants towards Series C7

Terms of Issue and exercise of the Warrants
Each Warrant entitles Benett Coleman & Company Limited ("BCCL") to subscribe to and be allotted such number of Shares and/or Series C7 CCCPS, at its sole discretion, calculated as specified in the said Share Cum Warrant Subscription Agreement dated February 11, 2017. BCCL, at its sole discretion, shall be entitled to (i) exercise all or some of the Warrants; and (ii) upon such exercise, subscribe to either the Shares or Series C7 CCCPS as per the procedure laid down in the Agreement.

Conversion
BCCL may exercise its rights under all or some of the Series C7 CCCPS (in whole or in part) and convert the Series C7 CCCPS into Shares as per the procedure detailed in the agreement.

10 (d) The Company had not issued any bonus shares or bought back any shares during the five years immediately preceeding the reporting date, except that the Company has issued 15,617,940 equity shares of INR 2 each as bonus (3 bonus shares for each equity share), which was approved by the the Board of Directors and shareholders of the Company on 22 June 2021. (Refer note 44).

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10 (e) Details of shareholders holding

Details of shareholders holding more than 5% equity shares in the Company

	As at 31 March 2022*		As at 31 March 2021*	
	Number	**% Holding**	**Number**	**% Holding**
Equity shares of INR 10 each fully paid				
Bipin Preet Singh	-	-	5,85,000	58.21%
Upasana Rupkrishan Taku	-	-	4,15,000	41.29%
Class A - Equity shares of INR 10 each fully paid				
Sequoia Capital India Investment Holdings III	-	-	10	50.00%
Sequoia Capital India Investments IV	-	-	10	50.00%
Equity shares of INR 2 each fully paid				
Bipin Preet Singh	1,14,30,478	19.99%	-	-
Upasana Rupkrishan Taku	80,91,995	14.15%	-	-
Bajaj Finance Limited	79,79,440	13.95%	-	-
Sequoia Capital India Investments Iv	77,49,321	13.55%	-	-
Net 1 Applied Technologies Netherlands B.V.	62,15,620	10.87%	-	-

Details of shareholders holding more than 5% preference shares in the Company

		As at 31 March 2022*		As at 31 March 2021*	
		Number	**% Holding**	**Number**	**% Holding**
Sequoia Capital India Investment Holdings III	Series A CCCPS	-	-	1,09,779	100%
Sequoia Capital India Investments IV	Series A1 CCCPS	-	-	1,72,536	100%
Sequoia Capital India Investments IV	Series A2 CCCPS	-	-	23,615	100%
Sequoia Capital India Investments IV	Series A3 CCCPS	-	-	17,806	100%
Sequoia Capital India Investments IV	Series B1 CCCPS	-	-	87,864	50%
TreeLine Asia Master Fund	Series B1 CCCPS	-	-	88,058	50%
American Express Travel Related Services Co.	Series B2 CCCPS	-	-	47,120	100%
Cisco Systems (USA) PTE Ltd	Series B3 CCCPS	-	-	52,834	100%
Sequoia Capital India Investments IV	Series B4 CCCPS	-	-	62,341	69%
TreeLine Asia Master Fund	Series B4 CCCPS	-	-	27,503	31%
Sequoia Capital India Investments IV	Series C1 CCCPS	-	-	12,067	14%
TreeLine Asia Master Fund	Series C1 CCCPS	-	-	12,067	14%
GMO Global Payment Fund Investment Partnership	Series C1 CCCPS	-	-	24,134	29%
Cloud Ranger Limited	Series C1 CCCPS	-	-	36,201	43%
Net1 Applied Technologies	Series C2 CCCPS	-	-	1,81,007	100%
Cisco Systems (USA) Pte. Ltd.	Series C5 CCCPS	-	-	7,204	100%
Net1 Applied Technologies	Series C3 CCCPS	-	-	1,20,665	100%
American Express Travel Related Services Co.	Series C6 CCCPS	-	-	5,067	100%
Bennett, Coleman and Company Limited	Series C7 CCCPS	-	-	17,429	100%
GMO Global Payment Fund Investment Partnership	Series C9 CCCPS	-	-	5,810	100%
Bajaj Finance Limited	Series D CCCPS	-	-	2,71,050	100%
GMO Global Payment Fund Investment Partnership	Series E1 CCCPS	-	-	1,822	9%
Sequoia Capital India Investments IV	Series E1 CCCPS	-	-	18,218	91%
Net1 Applied Technologies Netherlands B.V.	Series E2 CCCPS	-	-	9,109	100%
Bajaj Finance Limited	Series E3 CCCPS	-	-	68,269	96%
Trifecta Capital VDF Management LLP	Series E4 CCCPS	-	-	3,643	100%
New Delhi Television Limited	Series E5 CCCPS	-	-	6,972	100%
Nicolas Jarrosson	Series E6 CCCPS	-	-	3,914	100%
Hindustan Media Ventures Ltd	Series E7 CCCPS	-	-	41,375	100%
Pratithi Investment Trust	Series E8 CCCPS	-	-	9,970	100%
Elizabeth Mathew	General CCCPS	-	-	12,048	34%
Mauryan First	General CCCPS	-	-	7,229	20%
Orios Select Fund I	General CCCPS	-	-	6,025	17%
Vineet Kulbandhu Sharma	General CCCPS	-	-	5,871	16%
		-		**15,76,622**	

* During the year ended 31 March 2022, the Company have approved stock splits of one equity share having face value of INR 10 each into five equity shares having face value of INR 2 each and also approved issuance of bonus shares (refer note 44).

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10 (f) Other

a) Shares issued for consideration other than cash

i) The Company issued CCCPS for INR 100 each to Bajaj Finance Limited at a premium mentioned below in lieu of extinguishment of outstanding trade payables.

For the year ended 31 March 2022		For the year ended 31 March 2021	
Number of shares	**Premium per share**	**Number of shares**	**Premium per share**
3,932	8,134	22,944	8,134
7,538	9,930	-	-
3,919	12,350	-	-

b) Share reserved for issue under contracts/ commitments for the sale of shares

(i) The Company has reserved the following number of equity shares for creating a pool of employee stock options for the benefit of eligible employees on such terms and conditions as determined by the investors and the Board of Directors (Refer note 28). For details of shares reserved for issue on conversion of CCCPS, please refer note 10(c)(iii) regarding terms of conversion/redemption of cumulative convertible preference shares.

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Number of shares	45,64,260	2,28,213
Face value of shares	2	10
Percentage of capital	7.98%	8.81%

(ii) Pursuant to the advertisement agreement and share cum warrant subscription agreement between the Company and Bennett, Coleman and Company Limited (BCCL) the Company shall allot such number of series C7 CCCPS to BCCL against the exercise of warrants by BCCL and against the amounts payable to BCCL by the Company under line of credit in accordance with the conversions basis agreed in the aforesaid agreements. During the year ended 31 March 2022, the warrant has been converted into 13,663 CCCPS for INR 100 each.

c) Shares reserved for issue under options

Information relating to the Company's employee option plan (ESOP), including details of options issued, exercised and lapsed during the year and options outstanding at the end of the reporting year, is set out in note 28.

10 (g) Shareholding of promoters

Shares held by promoters at the end of the year

	As at 31 March 2022*	**As at 31 March 2021**
Number Of Shares		
Bipin Preet Singh	1,14,30,478	5,85,000
Upasana Rupkrishan Taku	80,91,995	4,15,000
% of total shares		
Bipin Preet Singh	19.99%	58.21%
Upasana Rupkrishan Taku	14.15%	41.29%
% Change during the year		
Bipin Preet Singh	-38.22%	0.00%
Upasana Rupkrishan Taku	-27.14%	0.00%

* During the year ended 31 March 2022, the Company have approved stock splits of one equity share having face value of INR 10 each into five equity shares having face value of INR 2 each and also approved issuance of bonus shares (refer note 44).

11 Other equity

	As at 31 March 2022	**As at 31 March 2021**
Securities premium	11,543.38	7,965.97
Money received against share warrants	-	9.75
Other comprehensive income	2.67	-
Share application money pending allotment*	0.00	36.51
Employee share options reserve	432.06	292.69
Retained earnings	(9,724.94)	(8,458.18)
Total other equity	**2,253.17**	**(153.26)**

* Represents share application money pending for allotment INR 3038 , rounded off to "0" on conversion to INR million.

a) Securities premium:- Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.
b) Money received against share warrants :- Refer note 10(c)(iv) above.
c) Other comprehensive income:- This represents the gain on fair value of investment in NPCI which have been classified to be valued under OCI.
d) Share application money pending allotment :- It represents the amount received for which the share allotment is yet to be made or any excess amount received over and above the allotment amount.
e) Employee share options outstanding account:- Employee share option outstanding account is used to record the impact of employee stock option scheme. Refer note 28 for further detail of this plan.
f) Retained earnings:- Retained earnings are the accumulated loss made by the Company till date.

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12 Borrowings	**As at 31 March 2022**	**As at 31 March 2021**
Non-current		
Secured, at amortised cost		
Non-convertible debentures (refer note 1 below)	-	25.45
Less: Current maturity of non-convertible debentures	-	(25.45)
	-	**-**
Current		
Unsecured, at amortised cost		
Term loan from financial institution (refer note 3 below)	95.08	-
	95.08	-
Secured, at amortised cost		
From banks :		
Bank overdraft (refer note 2 below)	1,145.42	531.56
Term loan (refer note 2 below)	200.00	-
Current maturity of non-convertible debentures	-	25.45
	1,345.42	**557.01**
Total	**1,440.50**	**557.01**

Notes:

1. The Company had raised INR 300 million from Trifecta Venture Debt Fund - I through issue of 300 Series-A debentures (Non-convertible) having face value of INR 1 million at the interest rate of 14.25% p.a. (EIR 14.38% p.a.) during the year ended 31 March 2019. These debentures are secured by first pari passu charge created on present and future fixed and current assets of the Company. These debentures are repayable over 30 installments starting from November 2018. This loan has been paid off on 1 May 2021.

2. The bank overdrafts and short term loan is secured by way of first pari passu charge on all the present and future current assets (excluding the escrow balances), property plant and equipments and carries interest rate of 9.89% p.a. for bank overdraft and 9.44% for short term loan from AXIS Bank. The short term loan is repayable on demand.

The bank overdrafts is secured by way of first pari passu charge on all the present and future current assets (excluding the escrow balances) carries interest rate of 9.35% p.a. for ICICI Bank.

The unutilised sanction limits for bank overdrafts and term loans -

Bank Name	**Nature of Facility**	**Amount (31 March 2022)**	**Amount (31 March 2021)**
AXIS Bank	Bank overdrafts	2.07	118.68
AXIS Bank	Short term loan	-	200.00
ICICI Bank	Bank overdrafts	2.50	N/A

3. During the year ended 31 March 2022, the Company had raised INR 163 million from DMI Finance Private Limited as a Line of Credit at the interest rate of 16.00% p.a. and having a validity of 1 year.

4. The information required by the banks and financial institutions as per sanction letter for details on current assets under lien against the borrowings has been provided by the Company. The information which have been submitted by the Company to banks and financial institutions were in agreement with the books of accounts.

13 Trade payables	**As at 31 March 2022**	**As at 31 March 2021**
- Total outstanding dues of micro enterprises and small enterprises (Refer note 40)	55.13	6.77
- Total outstanding dues of creditors other than micro enterprises and small enterprises	585.04	736.49
	640.17	**743.26**

Trade payables aging schedule
As at 31 March 2022

Particulars	**Outstanding for following periods from due date of payment**					
	Not due	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 Years**	**Total**
Undisputed dues - MSME	49.13	5.60	0.10	0.01	0.29	55.13
Undisputed dues - Others	484.48	48.34	7.02	13.18	10.90	563.92
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	2.51	9.07	9.54	21.12

As at 31 March 2021

Particulars	**Outstanding for following periods from due date of payment**					
	Not due	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 Years**	**Total**
Undisputed dues - MSME	-	5.96	0.10	0.71	-	6.77
Undisputed dues - Others	216.25	363.84	21.91	71.60	39.64	713.24
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	0.88	10.29	12.08	-	23.25

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14 Other financial liabilities

	As at 31 March 2022	As at 31 March 2021
Non-current		
Security deposits	0.35	0.35
	0.35	**0.35**
Current		
Interest accrued on borrowings	0.67	0.31
Advance from financing partner	1,213.17	597.66
Security deposits	0.24	12.65
Advances from wallet users (user's balance)	1,225.63	1,010.58
Financial guarantee obligation*	489.87	757.22
Payable to merchants	427.71	127.55
Payable to operators and aggregators (Refer note 47)	44.03	39.36
Others	136.37	146.76
	3,537.69	**2,692.09**
Total	**3,538.04**	**2,692.44**

* For disclosure on inputs, assumptions and estimation techniques used in measurement of impairment loss on financial guarantee obligation, refer note 31.

15 Provisions

	As at 31 March 2022	As at 31 March 2021
Non-current		
Provision for employee benefits		
Provision for gratuity*	20.18	23.06
Total	**20.18**	**23.06**
Current		
Provision for employee benefits		
Provision for gratuity*	5.88	3.81
Provision for leave encashment	12.98	8.68
Total	**18.86**	**12.49**

*For details of movement in provision for gratuity, refer note 27.

16 Contract liabilities

	As at 31 March 2022	As at 31 March 2021
Current		
Deferred revenue	24.01	46.65
Provision for customer incentives	12.69	30.47
Advance from customers	1.93	0.14
Total	**38.63**	**77.26**

17 Other liabilities

	As at 31 March 2022	As at 31 March 2021
Current		
Statutory remittances	61.17	53.10
Others	-	1.75
Total	**61.17**	**54.85**

18 Non-current tax assets

	As at 31 March 2022	As at 31 March 2021
Advance tax and tax deducted at source	144.71	87.28
Total	**144.71**	**87.28**

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		For the year ended 31 March 2022	For the year ended 31 March 2021
19	**Revenue from operations**		
	Revenue from contract with customers		
	A. Payment Services		
	Consumer payment	3,889.50	2,111.38
	B. Digital financial services	976.57	598.13
	Total revenue from operations	**4,866.07**	**2,709.51**

The Company derives its revenue from contracts with customers for the transfer of services over time and at a point in time on the Company's available services product.

A. Payment services include revenue from consumer payment consist of merchant fee collected from a merchant and convenience fees collected from users under certain categories of services.

B. Digital financial services include MobiKwik Zip (which is flagship 15-day product), Zip EMI (which is a longer tenure credit product) and other credit products. It also includes revenue from insurtech, wealthtech and fintech products, platform services specifically designed to drive credit business and amounts received from online promotions on such platforms. Zip product includes revenue in the form of a) merchant fee collected from a merchant, b) one time Zip activation fee collected from a user, and c) late fees collected from those users who repay their Zip due amount after the due date.

19.1	**Disaggregation of revenue based on timing of recognition of revenue:**		
a	Services transferred at point in time	4,831.49	2,702.50
b	Services transferred over time	34.58	7.01
	Total revenue from contract with customers	**4,866.07**	**2,709.51**
19.2	**Reconciliation of revenue recognised in statement of profit and loss with contracted price:**		
	Revenue as per contracted price	4,887.88	2,716.94
	Less: Variable conisderation (including consideration payable to customer)	(21.81)	(7.43)
		4,866.07	**2,709.51**

19.3 Transaction price allocated to the remaining performance obligations:

The following table includes revenue expected to be recognised in the future related to performance obligation that are unsatisfied (or partially unsatisfied) at the reporting date:

Sale of services	38.63	77.26
	38.63	**77.26**

Note: All the remaining performance obligation are expected to be recognised within one year

19.4 Contract balances

The following table provides information about Contract liabilities from contract with customers

	As at 31 March 2022	As at 31 March 2021
Contract liabilities (refer note 16)	38.63	77.26

Significant changes in the contract liabilities balances during the year are as follows:

Deferred revenue	As at 31 March 2022	As at 31 March 2021
Opening balance at the beginning of the year	**46.65**	**5.00**
Add: Amount received from customers during the year	-	45.33
Less: Revenue recognised during the year	(22.64)	(3.68)
Closing balance at the end of the year	**24.01**	**46.65**

Customer incentive	As at 31 March 2022	As at 31 March 2021
Opening balance at the beginning of the year	**30.47**	**59.09**
Add: Created during the year	12.69	30.47
Less: Utilised during the year	(30.47)	(59.09)
Closing balance at the end of the year	**12.69**	**30.47**

Advance from customers	As at 31 March 2022	As at 31 March 2021
Opening balance at the beginning of the year	0.14	-
Add: Received during the year	1.80	0.14
Less: Revenue recognised during the year	(0.01)	-
Closing balance at the end of the year	**1.93**	**0.14**

		For the year ended 31 March 2022	For the year ended 31 March 2021
20	**Other income**		
	Interest income from financial assets measured at amortised cost		
	- on bank deposits	64.56	53.93
	- on security deposits	0.39	0.64
	- on loans to related parties (refer note 32)	6.68	19.63
	Interest on income tax refund	3.60	2.11
	Liabilities / provisions no longer required written back*	83.53	58.38
	Recovery of impairment loss on trade receivables	5.02	-

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Service income	84.61	61.64
Gain on disposal of investments	-	1.40
Gain on termination of lease contract	-	8.48
Miscellaneous income	0.32	0.95
Total	**248.71**	**207.16**

* Includes amount for lending recoveries which have already been settled with lending partners.

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21 Employee benefits expense	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, allowance and bonus	742.86	463.31
Gratuity expense (refer note 27)	13.77	11.69
Leave encashment expense	8.24	5.05
Contribution to provident and other funds	13.45	9.93
Employee stock options expense (refer note 28)	259.35	31.16
Staff welfare expenses	3.95	0.21
Total	**1,041.62**	**521.35**

22 Finance costs	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense on financial liabilities at amortised cost		
- overdraft	62.28	39.01
- borrowings	25.16	24.73
- on lease liability	2.85	1.97
Others	14.62	5.73
Total	**104.91**	**71.44**

23 Depreciation and amortisation expense	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of property, plant and equipment (refer note 4)	15.79	4.24
Depreciation on right of use assets (refer note 39)	4.98	8.86
Total	**20.77**	**13.10**

24 Other expenses	For the year ended 31 March 2022	For the year ended 31 March 2021
Payment gateway cost (refer note 32)	2,004.59	1,399.25
Business promotion*	1,038.24	802.84
Franchisee cost	116.92	121.55
Advertisement	84.24	64.24
B2B commission expense	15.97	23.20
Lease rent	12.95	0.75
Rates and taxes	27.16	8.68
Communication costs	82.27	33.58
Outsource service cost	105.17	44.05
Foreign exchange loss (net)	0.40	0.73
Power and fuel	0.17	0.38
Merchant related costs	74.23	42.15
Repair and maintenance:		
-Plant and machinery	0.07	0.13
-Others	6.42	4.53
Server and related cost	104.45	57.40
Travelling and conveyance	10.63	5.19
Legal and professional fees	183.17	59.09
Lending operational expenses	176.06	67.04
Auditor's remuneration**	4.00	4.26
Insurance expenses	2.61	2.36
Software expenses	14.14	13.69
IMPS expenses	33.47	12.90
Financial guarantee expenses	907.69	583.67
Impairment loss on trade receivables	-	1.16
Bad debts	12.37	6.98
Provision for doubtful advances	2.76	1.01
Provision for loss on ZIP product (refer note 38)	106.91	-
Impairment of investment	9.07	-
Loss on disposal of property, plant and equipment (net)	0.38	0.43
Miscellaneous expenses	29.56	26.22
Total	**5,166.07**	**3,387.46**

*Includes user incentive expenses amounting to INR 656.94 million (31 March 2021: 563.03 million)

**Includes payments to statutory auditors (exclusive of Goods and Service Tax)

For audit	3.20	4.05
For limited review	0.70	-
For reimbursement of expenses	0.10	0.21
	4.00	**4.26**

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25 Earnings per share (EPS)

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

Diluted EPS are calculated by dividing the loss for the year attributable to the equity holders of the Company by weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Basic		
Loss for basic EPS being net loss attributable to owners of the Company (A)	(1,279.71)	(1,076.68)
Weighted average number of equity shares in calculating basic EPS (B) (refer note 1 below)	5,56,15,263	5,01,80,679
Basic loss per equity share (A/B) (INR)	(23.01)	(21.46)
Diluted		
Loss for basic EPS being net loss attributable to owners of the Company (A)	(1,279.71)	(1,076.68)
Weighted average number of equity shares and CCPS in calculating basic and diluted EPS (B) (refer note 1 below)	5,56,15,263	5,01,80,679
Diluted loss per equity share (A/B) (INR)	(23.01)	(21.46)

Notes -

(1) The earnings per share reflects the impact of sub-division of 1 equity share having face value of INR 10 each into 5 equity shares having face value of INR 2 each and the bonus shares issuance in the ratio of 3:1.

(2) There are potential equity shares as at 31 March 2022 and 31 March 2021 in the form of stock options granted to employees. As these are anti dilutive, they are ignored in the calculation of diluted earning/(loss) per share and accordingly the diluted earning/(loss) per share is the same as basic earnings/(loss) per share.

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26 Income tax

The major components of income tax expense/(credit) are :

a) **Income tax expense/(credit) recognised in standalone statement of profit and loss**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current income tax		
Current income tax for the year	-	-
	-	-
Deferred tax		
Relating to origination and reversal of temporary differences		
	-	-
Total income tax expense/(credit)	**-**	**-**

b) **The income tax expense for the year can be reconciled to the loss before tax as follows:**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Loss before tax	(1,279.71)	(1,076.68)
Accounting loss before income tax	**(1,279.71)**	**(1,076.68)**
Tax expense at statutory income tax rate of 26% (31 March 2021: 26%)	(332.72)	(279.94)
Other non-deductible expenses	3.83	0.57
Temporary differences and tax losses on which no deferred tax was recognised	328.89	279.37
Tax expense at the effective income tax rate of Nil (31 March 2021 : Nil)	-	-

(c) **Breakup of deferred tax recognised in the Balance sheet**

Particulars	As at 31 March 2022	As at 31 March 2021
Tax losses carried forward	1,769.21	1,829.72
Property, plant and equipment and other intangible assets	2.49	0.74
Lease liabilities	0.39	-
Trade recievable	-	1.50
Deferred revenue	-	1.30
Impairment loss on Digital financial services	127.37	196.88
Provision for employee benefits	10.15	9.77
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	35.21	26.17
Total	**1,944.82**	**2,066.08**
Total deferred tax assets recognised (A) (refer notes below)	**-**	**0.08**
Deferred tax liabilities		
Non-convertible debentures	-	(0.08)
Total deferred tax liabilities (B)	**-**	**(0.08)**
Net deferred tax assets/(liabilities) (A-B)	**-**	**-**

*The amount of deferred tax assets recognised has been restricted to the amount of deferred tax liability recognised due to lack of reasonable certainty in those periods because a trend of future profitability is not yet clearly discernible.

d) **Detail of deductible temporary differences and unused tax losses for which no deferred tax asset is recognised in the balance sheet:**

Particulars	As at 31 March 2022	As at 31 March 2021
Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised are attributable to the following:		
- unabsorbed depreciation	50.71	39.48
- tax business losses	6,753.94	6,997.91
- other deductible temporary differences	675.40	906.28
	7,480.05	**7,943.67**

Utilization of tax business losses is subject to expiry of 8 years. Unabsorbed depreciation can be carried forward for an indefinite period. Other deductible temporary differences do not have any expiry date.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

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27 Employee benefits

A Defined contribution plans

The Company makes contributions towards Provident Fund to a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the Employee Provident Fund is deposited with the Provident Fund Commissioner which is recognised by Income Tax authorities.

The Company has recognised INR 13.45 million during the year ended 31 March 2022 (31 March 2021: INR 9.93 million) for provident fund and other funds in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

B Defined benefit plans

Gratuity - defined benefit plan

The Company's gratuity scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' basic salary payable for each completed year of service or part thereof in excess of 6 months, subject to a maximum limit of INR 2 million in terms of the provisions of Gratuity Act, 1972. Vesting occurs upon completion of 5 years of service.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each reporting date.

The amount included in the balance sheet arising from the Company's obligation in respect of its gratuity plan is as follows:

Gratuity - defined benefit plan

	As at 31 March 2022	**As at 31 March 2021**
Present value of un-funded defined benefit obligation	26.06	26.87

a) Reconciliation of the net defined benefit liability

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

Reconciliation of present value of defined benefit obligation for Gratuity

	As at 31 March 2022	**As at 31 March 2021**
Balance at the beginning of the year	26.87	19.31
Benefits paid	(1.63)	(1.10)
Current service cost	11.72	10.10
Interest cost	2.05	1.59
Actuarial (gains) losses		
- changes in demographic assumptions	(3.20)	(3.87)
- changes in financial assumptions	(2.08)	5.59
- experience adjustments	(7.67)	(4.75)
Balance at the end of the year	**26.06**	**26.87**

b) Amount recognised in statement of profit and loss:

	For the year ended 31 March 2022	**For the year ended 31 March 2021**
Current service cost	11.72	10.10
Net interest expense	2.05	1.59
Recognised in profit or loss	**13.77**	**11.69**
Remeasurement of the net defined benefit liability		
Actuarial (gain) loss on defined benefit obligation	(12.95)	(3.02)
Recognised in other comprehensive income	**(12.95)**	**(3.02)**

The most recent actuarial valuations of the present value of the defined benefit liability were carried out at 31 March 2022. The present value of the defined benefit liability, and the related current service cost and past service cost, were measured using the projected unit credit method.

c) The principal assumption used for the purpose of actuarial valuation are as follows:

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	As at 31 March 2022	**As at 31 March 2021**
Discount rate	6.13%	6.64%
Expected rate of salary increase	12.00%	15%
Retirement age	58 years	58 years
Attrition rate	39.00%	25.00%
Mortality table	India Assured Life Mortality	India Assured Life Moratility

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

d) The plan typically exposes the Company to actuarial risks such as: interest rate, longetivity risk and salary risk.

Interest rate risk

A decrease in the bond interest rate will increase the plan liability.

Longetivity risk

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

Salary risk

The present value of the defined benefit plan liability is calculated by 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.

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e) Sensitivity analysis

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

Gratuity

For the year ended 31 March 2022	Increase	Decrease
Impact of change in discount rate by 1%	(0.78)	0.83
Impact of change in salary by 1%	0.62	(0.58)
Impact of change in employee turnover rate by 1%	(0.19)	0.19

For the year ended 31 March 2021	Increase	Decrease
Impact of change in discount rate by 1%	(1.06)	1.20
Impact of change in salary by 1%	0.72	(0.69)
Impact of change in employee turnover rate by 1%	(0.33)	0.35

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

f) The table below summarises the maturity profile and duration of the gratuity liability:

Particulars	As at 31 March 2022	As at 31 March 2021
1st following year	6.06	3.93
2nd following year	5.40	4.23
3rd following year	4.49	4.25
4th following year	3.75	4.23
5th following year	3.31	3.85
Sums of years 6 to 10	7.53	11.43
Total	**30.54**	**31.92**

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28 Employee Stock Option Plan – 2014 ("The 2014 Plan")

The Company established the Employees Stock Option Scheme 2014 ("ESOP 2014") which was approved by the shareholders vide their special resolution dated on 5 August 2014. Under the plan, the Company is authorised to issue up to 4,564,260 equity shares of INR 2 each to eligible employees. Employees covered by the plan are granted an option to purchase shares of the Company subject to the requirements of vesting (Refer note 45).

The ESOP 2014 scheme has been amended during the year which was approved by the Board of Directors of the Company at their meeting held on 07 July 2021. Further Amended ESOP 2014 scheme was aligned in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 which was approved in the board meeting held on 07 December, 2021.

Vesting condition:
The vesting condition of options is subject to continued employment.

Vesting period:
The Company has issued above options with graded vesting with vesting period ranging from 1 to 4 years.

Exercise period:
Exercise period would expire at the end of 7 years from the date of vesting of options.

(b) Movements during the year
The following table represents the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

ESOP 2014 Scheme :

	As at 31 March 2022		As at 31 March 2021	
	Number of Options	WAEP	Number of Options	WAEP
Outstanding at the beginning of the year	1,28,818	2,631.03	1,14,803	1,897.60
Options granted during the year	42,507	2,262.46	19,154	7,654.34
Options exercised during the year	(35,725)	1,681.24	-	-
Options forfeited during the year	(16,863)	3,302.89	(5,139)	4,969.35
Options Outstanding at the end of the year	1,18,737	2,689.44	1,28,818	2,631.03
Vested Options Outstanding at the end of the year (Exercisable)	69,775	1,590.04	99,370	1,324.32

The share options outstanding at the end of the year had a weighted average exercise price of INR 2,689.44 (31 March 2021: INR 2,631.03), and a weighted average remaining contractual life of 5.21 years (31 March 2021: 5.41 years).

Amended ESOP 2014 Scheme :

	As at 31 March 2022		As at 31 March 2021	
	Number of Options	WAEP	Number of Options	WAEP
Outstanding at the beginning of the year	-	-	-	-
Options granted during the year	2,08,090	2.00	-	-
Options forfeited during the year	(14,695)	2.00	-	-
Options Outstanding at the end of the year	1,93,395	2.00	-	-
Vested Options Outstanding at the end of the year (Exercisable)	-	-	-	-

The share options outstanding at the end of the year had a weighted average exercise price of INR 2 (31 March 2021: Nil), and a weighted average remaining contractual life of 9.19 years (31 March 2021: Nil).

c) Range of exercise price for share options outstanding at the end of the year:

ESOP 2014 Scheme :

Exercise price (Amount in INR)	As at 31 March 2022	As at 31 March 2021
10	21,045	35,015
40	20,576	-
695	32,483	45,089
2,884	82	82
4,475	9,404	14,026
5,708	2,374	4,840
6,587	6,845	10,480
7,307	19,506	10,007
8,024	6,062	9,279
9,960	362	-

Amended ESOP 2014 Scheme :

Exercise price (Amount in INR)	As at 31 March 2022	As at 31 March 2021
2	1,93,395	-

d) The weighted average fair value of options granted under the ESOP 2014 scheme during the year was INR 10,362.82 per option (31 March 2021: INR 2,972.97 per option). The weighted average fair value of options granted under the Amended ESOP 2014 scheme during the year was INR 910.60 per option (31 March 2021: Nil).

	For the year ended 31 March 2022	For the year ended 31 March 2021
e) Expense arising from equity-settled share-based payment transactions	259.35	31.16

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f) The estimation of fair value on date of grant was made using the Black-Scholes model with the following assumption :

Inputs for measurement of grant date fair values of ESOPs

ESOP 2014 Scheme :

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Exercise price- (in INR)	40 - 9,960	7,307 - 8,024
Fair value at grant date- (in INR)	5,490 - 16,872	1,033 - 4,962
Expected Volatility (Standard Deviation - Annual)	40.7% - 43.9%	37.9% - 42.7%
Risk free rate	5.6% - 6.6%	5.0% - 5.9%
Dividend yield	0.00%	0.00%

Amended ESOP 2014 Scheme :

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Exercise price- (in INR)	2	-
Fair value at grant date- (in INR)	894 - 926	-
Expected Volatility (Standard Deviation - Annual)	41.7% - 44.7%	-
Risk free rate	5.7% - 6.8%	-
Dividend yield	0.00%	-

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29 Fair value measurements

a) Category wise details as to carrying value, fair value and the level of fair value measurement hierarchy of the Company's financial instruments are as follows:

	Level	As at 31 March 2022	As at 31 March 2021
Financial assets			
a) Measured at fair value through other comprehensive income (FVTOCI)			
- Investment in NPCI (refer note 6(a))	Level 3	10.37	7.70
		10.37	7.70
b) Measured at amortised cost			
- Trade receivable (refer note 8)	Level 3	357.71	319.70
- Cash and cash equivalents (refer note 9)	Level 3	411.31	540.43
- Other bank balances (refer note 9)	Level 3	3,072.71	1,415.60
- Loans (refer note 6(b))	Level 3	3.31	6.96
- Others financial assets (refer note 6(c))	Level 3	2,067.63	845.26
		5,912.67	3,127.95
Total financial assets		**5,923.04**	**3,135.65**
Financial liabilities			
a) Not measured at fair value (Other financial liabilities)			
- Borrowings (refer note 12)	Level 3	1,440.50	557.01
- Trade payables (refer note 13)	Level 3	640.17	743.26
- Security deposits (refer note 14)	Level 3	0.59	13.00
- Other financial liabilities (refer note 14)	Level 3	3,537.45	2,679.44
- Lease liabilities (refer note 39)	Level 3	68.01	-
Total financial liabilities		**5,686.72**	**3,992.71**

b) The following methods / assumptions were used to estimate the fair values:

i) The carrying value of bank deposits, trade receivables, cash and cash equivalents, trade payables, security deposits, loans, borrowings and other current financial assets and other current financial liabilities measured at amortised cost approximate their fair value due to the short-term maturities of these instruments.

ii) The fair value of non-current financial assets and financial liabilities measured are determined by discounting future cash flows using current rates of instruments with similar terms and credit risk. The current rates used does not reflect signifcant changes from the discount rates used initially. Therefore, the carrying value of these instruments measured at amortised cost approximate their fair value.

iii) Fair value of Investment in NPCI is based on net asset value.

c) There were no transfers between any levels for Fair value measurements.

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

Financial assets	Valuation techniques	Key inputs	Sensitivity
Investment in equityinstruments of other entities			
National Payment Corporation of India ("NPCI")	Refer note below*	Net asset value	Refer note below**

* The fair values of financial assets included in level 3 have been determined in accordance with generally accepted valuation models.

** Sensitivity to changes in unobservable inputs: The fair value of the financial assets is directly proportional to the estimated book value of the company.
Change in significant unobservable input of discount rate by 100 bps and growth rate by 100 bps in the valuation does not have a significant impact on the carrying value of the assets in the consolidated financial information.

Reconciliation of level 3 fair value measurements	Investment in equity instruments of other entities	
	As at 31 March 2022	As at 31 March 2021
Opening balance	7.70	-
Addition	-	7.70
Gains recognised in OCI	2.67	-
Closing balance	**10.37**	**7.70**

e) The following is the basis of categorising the financial instruments measured at fair value into Level 1 to Level 3:
Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: This level 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).
Level 3: This level 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.

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30 Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt (note 12) offset by cash and bank balance (note 9) and total equity of the company. The Company is not subject to any externally imposed capital requirements.

The Company's board of directors reviews the capital structure of the Company on a periodic basis. As part of this review, the Board of directors considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity.

The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

Gearing ratio

The company monitors capital on the basis of the following gearing ratio:
Net debt (total borrowings net of cash and cash equivalents)
divided by
Total equity (as shown in the balance sheet).
The gearing ratio at end of the reporting year was as follows.

	As at 31 March 2022	As at 31 March 2021
Borrowings	1,440.50	557.01
Cash and cash equivalents	(411.31)	(540.43)
Adjusted Net Debt (A)	1,029.19	16.58
Total equity (B)	2,367.55	1.06
Net debt to equity ratio	**43%**	**1569%**

Debt is defined as long-term and short-term borrowings.

31 Financial risk management objectives and policies

The Company's management monitors and manages key financial risk relating to the operations of the Company by analysing exposures by degree & magnitude of risk. The risks include market risk (including interest rate risk, currency risk and other price risk), credit risk and liquidity risk.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

i) Credit risk management
Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and financial guarantee provided by the Company) and from its financing activities, including deposits with banks and financial institutions, mutual funds and other financial assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

The carrying amounts of financial assets and the maximum amount the Company would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised, represents the maximum credit risk exposure.

Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

Trade receivables
The Company is exposed to credit risk in the event of non-payment by trade partners. Receivable credit risk is managed subject to the Company's established policy, procedures and control relating to trade partners risk management. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables through a lifetime expected credit loss. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

Ageing of receivables is as follows :

	As at 31 March 2022	As at 31 March 2021
Not Due	226.19	197.27
Within the 6 Months	33.76	116.08
6 Months - 1 Years	42.17	12.08
1 - 2 Years	56.20	0.01
2 - 3 Years	0.04	0.03
More than 3 Years	0.10	-
Total	**358.46**	**325.47**

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

Digital financial services
The Company's exposure to credit risk is from the Digital financial services business in which the Company facilitates credit to its users through financing partners. The Company provides financial guarantees on the Digital financial services business to its financing partners to cover the loss on the credit extended to its users. Financial guarantees are capped to the extent agreed with the respective partner.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.
The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual users and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit risk department of the Company's independent Risk Management Unit (RMU). It is their responsibility to review and manage credit risk, including environmental and social risk for all types of users. The RMU consist of experts and credit risk managers that have deep expertise in the domain of financial and credit risk of Digital financial services business and are responsible for managing the risk of Digital financial services portfolio including credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early warning signals to identify the changes in the creditworthiness of its Digital financial services users. User limits are established by the use of a credit risk classification system, which assigns each Digital financial services user a risk rating. Risk ratings are subject to regular revision. The credit quality review process enables the periodic assessment of the potential loss to which the Company is exposed thereby allowing it to take corrective actions.

The Company has, based on current available information and based on the policy approved by the Board of Directors, determined the provision for impairment of financial assets.

Concentration of credit risk
Concentrations arise when a number of users are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across various products/states/customer base with a cap on maximum limit of exposure for an individual/Company. Accordingly, the Company does not have concentration risk.

Expected credit loss on financial guarantee contract
The Company has, based on current available information and based on the policy approved by the Board of Directors, calculated impairment loss allowance in the Digital financial services business using the Expected Credit Loss (ECL) model to cover the guarantees provided to its financing partners.

(Amounts in INR millions, unless otherwise stated)

Expected credit loss (ECL) methodology

The Company has assessed the credit risk associated with its financial guarantee contracts for provision of Expected Credit Loss (ECL) as at the reporting dates. The Company makes use of various reasonable supportive forward-looking parameters which are both qualitative as well as quantitative while determining the change in credit risk and the probability of default. The underlying ECL parameters have been detailed out in the note on "Summary of significant accounting policies".

Since, the Company offers Digital financial services and other credit products to a large retail customer base on its digital platform via marketplace model, there is no significant credit risk of any individual customer that may impact the Company adversely, and hence the Company has calculated its ECL allowances on a collective basis.

The Company has developed an ECL Model that takes into consideration the stage of delinquency, Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

I. Probability of Default (PD): represents the likelihood of default over a defined time horizon. The definition of PD is taken as 90 days past due for all loans.
II. Exposure at Default (EAD): represents what is the user's likely borrowing at the time of default.
III. Loss Given Default (LGD): represents expected losses on EAD given the event of default.

Each financial guarantee contract is classified into (a) Stage 1, (b) Stage 2 and (c) Stage 3 (Default or Credit Impaired). Delinquency buckets have been considered as the basis for the staging of all credit exposure under the guarantee contract in the following manner:
a) Stage 1: 0-30 days past due loans
b) Stage 2: More than 30 and up to 90 days past due loans
c) Stage 3: Above 90 days past due loans

Inputs, assumptions and estimation techniques used to determine expected credit loss

The Company ECL provision are made on the basis of the Company historical loss experience and future expected credit loss, after factoring in various macro-economic parameter. In calculating the ECL, given the uncertainty over the potential macro-economic impact, the Company management has considered internal and external information including credit reports and economic forecasts up to the date of approval of these financial results. The selection of variables was made purely based on business sense.

The selected macro- economic variables were used to forecast the forward-looking PD's with macro-economic overlay incorporated. Best, base and worst scenarios were created for all the variables and default rates were estimated for all the scenarios. These default rates were then used with the same LGD and EAD to arrive at the expected credit loss for all three cases. The three cases were then assigned weights and a final probability-weighted expected credit loss estimate was computed.

The Company has also assessed the possible impact of COVID-19 pandemic on each borrower and significant increase in credit risk based on delayed payments metrics observed along with an estimation of potential stress on probability of defaults and loss given default. As a result of uncertainties resulting from COVID-19, the impact of this pandemic may be different from those estimated as on the date of approval of these financial results and the Company will continue to monitor any changes to the future economic conditions.

Analysis of portfolio

Gross exposure at default (EAD) and expected credit loss on financial guarantee contract as at the end of the reporting year:

Particulars	(A) Gross exposure at default (EAD)*	(B) Expected credit loss allowance (ECL)*	(C) Net carrying amount (financial guarantee obligation)*	(D) Impact on profit or loss**
As at 31 March 2022				
Where credit risk has not significantly increased from initial recognition (Stage 1)	1,973.90	64.05	64.05	907.69
Where credit risk has increased significantly but are not credit impaired (Stage 2)	406.29	181.81	181.81	
Where credit risk has increased significantly and are credit impaired (Stage 3)	325.68	244.01	244.01	
Total	**2,705.87**	**489.87**	**489.87**	**907.69**
As at 31 March 2021				
Where credit risk has not significantly increased from initial recognition (Stage 1)	1,596.51	52.07	52.07	583.67
Where credit risk has increased significantly but are not credit impaired (Stage 2)	290.02	98.37	98.37	
Where credit risk has increased significantly and are credit impaired (Stage 3)	275.15	105.27	105.27	
Total	**2,161.68**	**255.71**	**255.71**	**583.67**

* Gross exposure at default, expected credit loss allowance (ECL) and net carrying amount does not include the obligation from financial guarantee contracts not settled as at 31 March 2022 INR Nil (31 March 2021: INR 501.51 million).

** It includes INR 236.23 million for the year ended 31 March 2022 (31 March 2021: INR 72.13 million) which represents liabilities on account of Expected Credit Loss (ECL) model (including management overlays) on obligation arising from financial guarantee contracts for the respective years.

Notes:
1. Gross exposure at default (A) represents the maximum amount the Company has guaranteed under the respective financial guarantee contracts including amount outstanding, accrued interest, future interest due and any expected drawdowns in future from the sanctioned loan limits as on the reporting date.
2. The Expected Credit Loss (B) allowance is computed as a product of PD, LGD and EAD adjusted for time value of money using a rate which is a reasonable approximation of EIR.
3. Net Carrying Amount (C) represents the Expected Credit Loss (ECL) recognized on financial guarantee contracts.
4. Impact on Statement of profit or loss (D) is the loss allowance recognized during the financial year.

Reconciliation of expected credit Loss (ECL) allowance on financial guarantee contracts

Particulars	Financial guarantee obligation where credit risk has not significantly increased from initial recognition (Stage 1)	Financial guarantee obligation where credit risk has increased significantly but are not credit impaired (Stage 2)	Financial guarantee obligation where credit risk has increased significantly and are credit impaired (Stage 3)	Total
ECL allowance as at 1 April 2020	**38.86**	**102.99**	**41.57**	**183.42**
- New credit exposures during the year, net of repayments	43.29	75.13	20.77	139.19
- Contracts settled during the year	(30.29)	(93.22)	(7.07)	(130.58)
- Transfer between stages during the year	(3.64)	12.71	50.86	59.93
- Financial guarantee contract obligations accrued but not settled (Refer note below)	-	-	501.51	501.51
- Movement due to opening EAD and credit risk	3.85	0.76	(0.86)	3.75
ECL allowance as at 31 March 2021	**52.07**	**98.37**	**606.78**	**757.22**
ECL allowance as at 1 April 2021	**52.07**	**98.37**	**606.78**	**757.22**
- New credit exposures during the year, net of repayments	54.93	127.31	282.83	465.07
- Contracts settled during the year	(31.77)	(51.42)	(511.30)	(594.49)
- Transfer between stages during the year	(13.80)	(4.58)	136.97	118.59
- Movement due to opening EAD and credit risk	2.62	12.13	(271.27)	(256.52)
ECL allowance as at 31 March 2022	**64.05**	**181.81**	**244.01**	**489.87**

Cash and cash equivalents, bank deposits and investments in mutual funds

The Company maintaines its cash and cash equivalents, bank deposits and investment in mutual funds with reputed banks and financial institutions. The credit risk on these instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

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Security deposits

The Company monitors the credit rating of the counterparties on regular basis. These instruments carry very minimal credit risk based on the financial position of parties and company 's historical experience of dealing with the parties.

ii) Liquidity risk management

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

Ultimate responsibility for liquidity risk management rests with the board of directors, who has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company has access to financing facilities as described below. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

	As at 31 March 2022	As at 31 March 2021
Bank overdraft and term loan:		
- Amount utilised	1,440.50	531.56
- Amount unutilised	4.57	318.68

Maturities of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:
The contractual maturity is based on the earliest date on which the Company may be required to pay.

Contractual maturities of financial liabilities

31 March 2022	Within 1 year	Between 1 and 5 years	Total
Trade payables	640.17	-	640.17
Lease liabilities	14.83	74.62	89.45
Other financial liabilities	3,047.82	0.35	3,048.17
Financial guarantee obligation	489.87	-	489.87
Borrowings	1,440.50	-	1,440.50
	5,633.19	**74.97**	**5,708.16**

31 March 2021	Within 1 year	Between 1 and 5 years	Total
Trade payables	743.26	-	743.26
Other financial liabilities	1,934.87	0.35	1,935.22
Financial guarantee obligation	757.22	-	757.22
Borrowings	557.01	-	557.01
	3,992.36	**0.35**	**3,992.71**

iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include foreign currency reeivables, deposits, investments in mutual funds. The Company has in place appropriate risk management policies to limit the impact of these risks on its financial performance. The Company ensures optimization of cash through fund planning and robust cash management practices.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The sensitivity disclosed in the below is attributable to bank overdraft facility availed by the company.

Sensitivity	Impact on profit/loss before tax 31 March 2022	31 March 2021
+ 0.5% change in Interest rate (Bank overdraft and term loan)	(7.20)	(2.66)
- 0.5% change in Interest rate (Bank overdraft and term loan)	7.20	2.66

(b) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchase of services are denominated (i.e. USD) and the functional currency of Company (i.e. INR).The sensitivity related to currency risk is disclosed below.

The Company's exposure to foreign currency risk was based on the following amounts as at the reporting dates between USD and INR:

	As at 31 March 2022	As at 31 March 2021
Receivable	0.52	1.97
Payable	(2.89)	(3.27)
Net exposure	**(2.37)**	**(1.30)**

Sensitivity **Receivable**	Impact on profit/(loss) before tax 31 March 2022	31 March 2021
+ 5% change in currency exchange rate	0.03	0.10
- 5% change in currency exchange rate	(0.03)	(0.10)

Payable	Impact on profit/(loss) before tax 31 March 2022	31 March 2021
+ 5% change in currency exchange rate	(0.14)	(0.16)
- 5% change in currency exchange rate	0.14	0.16

(b) Price risk

Investment of funds of the Company in National Payment Corporation of India (NPCI) is categorized as 'low risk' product from liquidity risk perspectives.

Sensitivity	Impact on profit/loss before tax 31 March 2022	31 March 2021
+ 5% change in fair value	0.52	0.39
- 5% change in fair value	(0.52)	(0.39)

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32 Related party transactions
i) Names of related parties and related party relationship:

a) Entity's subsidiaries
ZAAK EPAYMENTS SERVICES PRIVATE LIMITED
MOBIKWIK FINANCE PRIVATE LIMITED
MOBIKWIK CREDIT PRIVATE LIMITED
HARVEST FINTECH PRIVATE LIMITED

b) Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them Significant Influence over the Company and Key Management Personnel (KMP)

Name	Designation
Mr. Bipin Preet Singh	Managing Director & Chief Executive Officer
Ms. Upasana Rupkrishan Taku	Chairperson, Whole-time Director & Chief Operating Officer
Mr. Chandan Joshi	Whole-time Director (w.e.f 23 June 2021)
Mr. Dilip Bidani	Chief Financial Officer (w.e.f 29 June 2021)
Mr. Rohit Shadeja	Company Secretary (till 17 April 2021)
Mr. Rahul Luthra	Company Secretary (w.e.f 17 April 2021)
Ms. Punita Kumar Sinha	Independent Director (w.e.f 7 July 2021)
Ms. Sayali Karanjkar	Independent Director (w.e.f 7 July 2021)
Mr. Navdeep Singh Suri	Independent Director (w.e.f 7 July 2021)
Mr. Raghuram Hiremagalur Venkatesh	Independent Director (w.e.f 7 July 2021)

c) Others
Ms. Utma Taku — Relative of a person having Significant Influence over the Company and Key Management Personnel (KMP)

	For the year ended 31 March 2022	For the year ended 31 March 2021
ii) Transactions with related parties		
(a) Investment in Subsidiary		
- HARVEST FINTECH PRIVATE LIMITED	-	9.07
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED*	124.16	350.27
* Includes amount of INR 50 million on account of loan conversion		
(b) Payment Gateway Cost		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	2,004.00	1,397.26
(c) Revenue from Consumer payments		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	1,388.00	17.03
- HARVEST FINTECH PRIVATE LIMITED	0.41	-
(d) Funds transferred to Subsidiary Company		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	248.00	310.14
- HARVEST FINTECH PRIVATE LIMITED	2.10	-
(e) Funds received from Subsidiary Company		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	197.48	676.62
- HARVEST FINTECH PRIVATE LIMITED	-	1.67
(f) Advance received from Subsidiary Company		
- MOBIKWIK FINANCE PRIVATE LIMITED	58.00	-
'- MOBIKWIK CREDIT PRIVATE LIMITED	57.00	-
(g) Advance repaid to Subsidiary Company		
- MOBIKWIK FINANCE PRIVATE LIMITED	58.00	26.77
'- MOBIKWIK CREDIT PRIVATE LIMITED	57.00	26.65
(h) Service Income		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	84.61	61.64
(i) Reimbursement (Paid by Subsidiary on behalf of Company)		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	71.63	-
- HARVEST FINTECH PRIVATE LIMITED	1.42	-
(j) Reimbursement (Paid by Company on behalf of Subsidiary)		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	51.81	21.52
- MOBIKWIK FINANCE PRIVATE LIMITED	-	0.81
- MOBIKWIK CREDIT PRIVATE LIMITED	-	0.46
(k) Interest income from loan to the Subsidiary Company		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	6.65	19.43
- HARVEST FINTECH PRIVATE LIMITED	0.03	0.20
(l) Interest Cost on loan from the Subsidiary Company		
- MOBIKWIK FINANCE PRIVATE LIMITED	1.33	2.84
'- MOBIKWIK CREDIT PRIVATE LIMITED	1.33	2.83
(m) Remuneration to Key Management Personnel (KMP)		
Short-term employee benefits	104.99	28.42
Post-employment gratuity	8.17	0.76
Other long term employee benefit	1.81	0.36
Share based payments	87.99	0.13
Director's sitting fees and remuneration	9.09	-
(n) Legal and professional		
- Utma Taku	1.64	-

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iii) Outstanding balances with related parties	As at 31 March 2022	As at 31 March 2021
(a) Salary Payable		
- Mr. Bipin Preet Singh	11.05	20.86
- Ms. Upasana Rupkrishan Taku	11.05	21.62
- Mr. Rohit Shadeja	0.01	0.59
- Mr. Rahul Luthra	0.39	-
- Mr. Dilip Bidani	0.71	-
- Mr. Chandan Joshi	7.44	-
(b) Payable to Merchants		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	238.78	7.89
(c) Receivable from Payment Gateway Companies		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	383.45	263.05
- HARVEST FINTECH PRIVATE LIMITED	0.97	-
(d) Recoverable (expenses incurred by Company on behalf of):-		
- MOBIKWIK FINANCE PRIVATE LIMITED	-	0.81
- MOBIKWIK CREDIT PRIVATE LIMITED	-	0.46
(e) Loan to Subsidiary		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	1.18	6.96
- HARVEST FINTECH PRIVATE LIMITED	2.13	-
(f) Loans and Advances (Forex cards)		
- Mr. Bipin Preet Singh	0.03	0.03
- Ms. Upasana Taku	1.66	1.61
(g) Trade payables		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	29.42	-
- HARVEST FINTECH PRIVATE LIMITED	1.64	-
(h) Other financial assets		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	18.88	61.64
(i) Trade Receivables		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	65.65	-
(j) Investments in Subsidiaries		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	474.57	350.41
- MOBIKWIK FINANCE PRIVATE LIMITED	25.00	25.00
- MOBIKWIK CREDIT PRIVATE LIMITED	25.00	25.00
- HARVEST FINTECH PRIVATE LIMITED	70.49	70.49
Less: Impairment allowance in value of investments in HARVEST FINTECH PRIVATE LIMITED	(70.49)	(61.42)
(k) Payable for expenses		
- Utma Taku	1.64	-
(l) Payable to Independent directors		
Ms. Punita Kumar Sinha	0.57	-
Ms. Sayali Karanjkar	0.65	-
Mr. Raghuram Hiremagalur Venkatesh	0.43	-

(iv) Terms and Conditions
All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business.

(v) Disclosure required under Sec 186(4) of the Companies Act 2013
Full particulars of loans given, investment made, guarantee given, security provided together with purpose in terms of Section 186(4) of the Companies Act,2013.

Investment Made

Particulars	No of shares held	As at 31 March 2022	As at 31 March 2021
ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	116,236 equity shares of INR 1/- each	474.57	350.41
MOBIKWIK FINANCE PRIVATE LIMITED	2,500,000 equity shares of INR 10/- each	25.00	25.00
MOBIKWIK CREDIT PRIVATE LIMITED	2,500,000 equity shares of INR 10/- each	25.00	25.00
HARVEST FINTECH PRIVATE LIMITED	813,439 equity shares of INR 10/- each	70.49	70.49

Loans Given

Particulars	Purpose	As at 31 March 2022	As at 31 March 2021
ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	Working Capital	1.18	6.96
HARVEST FINTECH PRIVATE LIMITED	Working Capital	2.13	-

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33 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Claims against the Company not acknowledged as debts:		
Income tax matters for financial year 2016-17*	-	583.00
Income tax matters	4.14	4.14
Amount paid under protest relating to the above matter	1.83	0.83

* During the year ended 31 March 2022, the Company had received an assessment order dated 15 June 2021 imposing a demand of INR 583.00 million on account of additions made under section 68 of the Income Tax Act, 1961 for the financial year 2016-17. The said demand has been made by the assessing officer, in respect of documents sought for the identity of the investor, their creditworthiness and genuineness of the funding received by the Company during the said financial year. Basis the facts of the matter and the advice obtained from tax counsel, the Company filed a writ petition with High Court and the said order has been set aside by the High Court on 7 July 2021 .

(b) The Company does not have any long term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.

(c) The Company does not have any amounts which were required to be transferred to the Investor Education and Protection Fund.

34 Impact of COVID-19

The Company has considered possible effects that may result from pandemic relating to COVID-19 on the carrying amount of property, plant and equipment, investments, receivables and other current assets. In estimating the provision for loss on loans guaranteed by the Company, it has considered internal and external sources of information including economic forecasts and industry reports up to the date of approval of these standalone financial statements. In developing the assumptions relating to the possible future uncertainties in the economic conditions due to pandemic, the Company, as at the date of approval of these financial statements has used available sources of information. The Company has performed analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered.

35 During the year ended 31 March 2018 and 31 March 2017, out of proceeds of INR 707.50 million and INR 472.52 million respectively received by Company by way of preferential allotment of preference shares, the Company had not kept INR 451.73 million and INR 100 million from respective years proceeds in a separate bank account and utilised these amounts for payments towards business purposes before allotment of shares to the investors. The management believes that by allotting shares to respective investors within the timeframe of 60 days, the overall intent and spirit of Section 42 of the Companies Act, 2013 was duly complied with. Further, on 19 April 2021, the Company had filed an application before the Registrar of Companies, National Capital Territory of Delhi for compounding of these non-intentional non-compliances under section 441 of the Companies Act, 2013, read with section 42 & 450 of the Companies Act, 2013. As per the order dated 13 August 2021 the same has been compounded.

36 In February 2019, the Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company noted that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. Accordingly, based on the available facts and information, the Company has complied with the Supreme Court ruling for Provident Fund contribution from the date of Supreme Court Order. Effective April 2019, the Company made certain changes in compensation structure of employees to avoid any possible ambiguity in respect of definition of basic wages for the purpose of the EPF Act. Further, the Company has paid the recorded liability for the month of March 2019 during the year ended 31 March 2021.

37 The Company received a Show Cause Notice (“SCN”), dated 16 September 2021, from the RBI for not complying with the net-worth requirement mandated in Paragraph 13 (c) of the Bharat Bill Payment System (BBPS) guidelines. It responded to the SCN clarifying its position that the it had requested for an extension till 30 September 2021 to meet the requirement and was granted the same by the RBI on 17 May 2021. On 15 November 2021, a RBI personal hearing was held in which the Company explained the reason of shortfall in net worth, including fallout and unanticipated delays in closure of transactions with investors pursuant to Covid-19. However, on 7 December 2021, RBI imposed a penalty of INR 10 million on the Company. The Company has recorded this penalty under the head "Rates and taxes" within "Other expenses" in the statement of profit and loss for the year ended 31 March 2022 and has duly deposited the same on 03 January 2022.

38 The Company is authorized to function as a Bharat Bill Payment System Operating Unit (“BBPOU”) vide license dated 24 January 2019 to allow bill payments of various kinds including but not limited to FASTag recharge. During the year ended 31 March 2022, the Company noted suspicious transactions with respect to the recharge of various FASTags through MobiKwik ZIP. A total of 617 FASTags issued by a certain Payments Bank (“PB”) in the State of Assam, India were recharged for a total of INR 107.3 Million.

On investigation, the Company found that the FASTag account in case of the PB was NOT a sub-wallet to the main wallet which thereby enabled fraudsters to transfer the FASTag recharge amount into the main wallet/bank account/other linked bank accounts which is in violation of the RBI Master Directions on Prepaid Payment Instruments (“PPI”), 2021 (“Master Directions”).

On 08 December 2021, the Company filed an FIR before the Officer In charge - BIEO (Bureau of Investigation of Economic Offences) Guwahati, Assam against masterminds/culprits who orchestrated this FASTag misuse under Section 120B, 406, 420 of the Indian Penal Code, 1860. Pending litigation and recovery proceedings, the Company has expensed off INR 106.91 million in the statement of profit and loss for the year ended 31 March 2022.

39 Right-of-use assets - Leases

The Company’s leased assets primarily consist of lease of office space.

Company as a lessee

Below are the carrying amounts of right-of-use assets recognised and the movements during the year

Cost

Particulars	Office space	Total
As at 1 April 2020	**64.16**	**64.16**
Termination/ End of lease contract	(64.16)	(64.16)
As at 31 March 2021 (A)	**-**	**-**
Additions	71.51	71.51
As at 31 March 2022 (A)	**71.51**	**71.51**

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Accumulated depreciation

Particulars	**Office space**	**Total**
As at 1 April 2020	**20.66**	**20.66**
Charge for the year	8.86	8.86
Termination/ End of lease contract	(29.52)	(29.52)
As at 31 March 2021 (B)	**-**	**-**
Charge for the year	4.98	4.98
As at 31 March 2022 (B)	**4.98**	**4.98**
Net carrying amount (A) - (B)		
As at 31 March 2022	**66.53**	**66.53**
As at 31 March 2021	**-**	**-**

Amounts recognised in profit or loss

Particulars	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Depreciation expense on right-of-use assets	4.98	8.86
Interest expense on lease liability	2.85	1.97
Expense relating to short-term leases	12.95	0.75

The following is the movement in lease liabilities during the year

	As at 31 March 2022	**As at 31 March 2021**
Opening balance	-	50.62
Additions	68.87	-
Amounts recognised in statement of profit and loss as interest expense	2.85	1.97
Payment of lease liabilities	(3.71)	(10.84)
Derecognition	-	(41.75)
Closing Balance	**68.01**	**-**

The following is the break-up of current and non-current lease liabilities

	As at 31 March 2022	**As at 31 March 2021**
Current	8.47	-
Non- Current	59.54	-

Amounts recognised in statement of cash flows

Particulars	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Total cash outflow for leases	3.71	10.84

Notes:

(1) When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate at Ind AS transition date. The weighted-average pre-tax rate applied is 10% p.a.

(2) The maturity analysis of lease liabilities is presented in Note 31.

40 Disclosures as per the Micro, Small and Medium Enterprises Development (MSMED) Act,2006

The dues to micro and small enterprises as required under MSMED Act, 2006, based on the information available with the Company, is given below:

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
1. Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	55.13	6.77
- Principal amount due to micro and small enterprises	55.13	6.77
- Interest due on above	-	-
2. Amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
3. Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
4. Amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
5. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

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41 Information reported to the Company's Chief Executive Officer (CEO) (the Chief Operating Decision Maker (CODM)) for the purposes of resource allocation and assessment of segment performance is focused on the degree of homogeneity of products, services and material businesses. Segment's performance is evaluated at consolidated level based on segment revenue, segment results and adjusted earnings before interest, taxes, depreciation and amortisation (adjusted EBITDA).

For management purposes, the Company is organised into business segments based on its services and has three reportable segments, as follows:
Segment A - Consumer Payments
Segment B - Digital financial services (esrtwhile known as BNPL)
Segment C - Payment Gateway

The financial information for these reportable segments has been made, in compliance to para 4 of Ind AS 108 (Operating Segments), in the consolidated financial statements of the Company.

42 The Company has incurred losses and has negative cash flows from operations in the current and previous years. The Company has net worth of INR 2,367.55 million and a positive working capital position (i.e. its current assets exceed its current liabilities) of INR 286.20 million, including cash and cash equivalents of INR 411.31 million as at 31 March 2022. Further, based on the current business plans and projections prepared by the management, the Company expects to achieve growth in its operations in the coming years with continuous improvement in its operational efficiency. Management has made an assessment of the Company's ability to continue as a going concern and believes that the Company will continue as a going concern for the forseeable future and meet all its liabilities as they fall due for payment considering, amongst other things, expected growth in operations which will generate net cash inflows, existing cash and cash equivalents and debt funding received by the Company subsequent to year-end.

Accordingly, the standalone financial statements have been prepared on a going concern basis and do not include any adjustments regarding the recoverability and classification of the recorded asset amounts or to amounts and classification of liabilities that may be necessary, should the Company be unable to continue as a going concern.

43 Ratios -

Ratio/Measure	Methodology	As at 31 March 2022	As at 31 March 2021	Variance
(a) Current Ratio	Current assets/ Current liabilities	1.05	0.76	38%
(b) Debt-Equity Ratio	(Non current borrowings+Current borrowings)/ Total equity	0.61	527.04	-100%
(c) Debt Service Coverage Ratio	EBITDA/(Interest expense+Borrowings)	(0.72)	(1.60)	55%
(d) Return on Equity or Return on Investment Ratio	(Loss) for the year/Total equity	(0.54)	(1,018.75)	100%
(e) Trade Receivables turnover ratio	Revenue from operations/Average trade receivables	14.23	11.03	29%
(f) Trade payables turnover ratio	Other expenses/Average trade payables	7.47	3.47	115%
(g) Net capital turnover ratio	Revenue from operations/Capital employed	1.28	4.86	-74%
(h) Net profit ratio	(Loss) for the year/Revenue from operations	(0.26)	(0.40)	34%
(i) Return on Capital employed	Earnings before Interest and Taxes (EBIT)/Capital employed	(29.25)	(180.13)	84%

Notes

Average Trade receivables = (Opening trade receivables + Closing trade receivables)/2
Average Trade payables = (Opening trade payables + Closing trade payables)/2
EBIT = (Losses)/Earnings Before Interest and Taxes
Capital employed = Total Equity + Borrowings (Non-current and Current)

a) The Current ratio increased from 0.76 as at 31 March 2021 to 1.05 at on 31 March 2022 mainly due to increase in cash & bank balances and other financial assets.

b) The Debt equity ratio decreased from 527.04 as at 31 March 2021 to 0.61 as at 31 March 2022 mainly due to increase in total equity as a result of increase in securities premium reserve on account of new fundings received by the Company during the year ended 31 March 2022

c) The Debt service coverage ratio increased from (1.60) as at 31 March 2021 to (0.72) as at 31 March 2022 mainly due to relative increase in EBITDA while the total equity turned positive as at 31 March 2022.

d) The Retun on equity ratio increased from (1,018.75) as at 31 March 2021 to (0.54) as at 31 March 2022 mainly due to increase in total equity as a result of increase in securities premium reserve on account of new fundings received by the Company during the year ended 31 March 2022.

e) The Trade receivable turnover ratio increased from 11.03 as at 31 March 2021 to 14.23 as at 31 March 2022 mainly due to increase in the average trade receivables which was partially offset by increase in the revenue from operations.

f) The Trade payable turnover ratio increased from 3.47 as at 31 March 2021 to 7.47 as at 31 March 2022 mainly due to increase in other expenses which was partially offset by the increase in average trade payables.

g) The Net capital turnover ratio decreased from 4.86 as at 31 March 2021 to 1.28 as at 31 March 2022 mainly due to substantial increase in capital employed which was partially offset by the increase in the revenue from operations.

h) The Net profit ratio increased from (0.40) as at 31 March 2021 to (0.26) as at 31 March 2022 mainly due to increase in revenue from operations.

i) The Return on capital employed ratio increased from (180.13) as on 31 March 2021 to (29.25) as at 31 March 2022 mainly due to increase in capital employed which was partially offset by increase in loss before interest and taxes.

44 The Board of Directors and shareholders of the Company at their meeting held on 20 June 2021 and 22 June 2021 respectively, have approved stock split of one equity share having face value of INR 10 each into five equity shares having face value of INR 2 each. Further, in additon to the aforesaid, capitalisation of securities premium of the Company for issuance of 3:1 bonus shares on fully paid equity shares having face value of INR 2 per share have also been approved.

Number of equity shares (as at 21 June 2021)	10,41,196
Number of Equity shares post stock split (1 equity share into 5 equity shares) (as at 21 June 2021)	52,05,980
Number of Equity shares with bonus shares (3 bonus shares for each equity share) (as at 22 June 2021)	2,08,23,920

Note: The impact of above mentioned stock split and issue of bonus shares have been considered retrospectively for the purpose of calculation of basic and diluted earnings per share for all periods presented.

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45 The ESOP pool of 228,213 fully paid-up Equity Shares in the Company of face value of INR 10 each has been adjusted and increased to 4,564,260 fully paid-up Equity Shares in the Company of face value of INR 2 each to give effect of stock split and bonus issue of equity shares of the Company as mentioned above in note 44.

46 During the year ended 31 March 2022, the Company has converted the Cumulative Compulsory Convertible Preference Shares (CCCPS) into Equity shares as mentioned below -

Particulars	Number of CCPS before conversion	Converted to number of equity shares
Conversion prior to share splits and bonus issue	36,201	36,201
Conversion post share splits and bonus issue	17,01,513	3,47,62,949
Total	**17,37,714**	**3,47,99,150**

47 During the year ended 31 March 2022, the Company has modified the classification of amount recoverable from related parties from 'Other current assets' to 'Other current financial assets' and amount payable to operators and aggregators from 'Trade payables' to 'Other current financial liabilities' to reflect more appropriately the nature of such balances. Comparative amounts in the notes to the standaone financial statements were reclassifed for consistency. As a result, INR 61.64 million as at 31 March 2021 was reclassified from 'Other current assets ' to 'Other current financial assets ' and INR 39.36 million as at 31 March 2021 was reclassified from 'Trade Payables' to 'Other current financial liabilities'.

48 Other notes

a. No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
b. There are no transactions to report on Crypto Currency or Virtual Currency.
c. The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
d. The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companie.s Act, 1956.
e. There are no transaction which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961
f. There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
g. There are no funds which have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
   i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
   ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

49 Exceptional Items
During the year ended 31 March 2022, the Company has incurred share issue expenses amounting to INR 77.42 million in connection with its proposed public offer and offer for sale of equity shares. Out of the total expenses incurred, the Company has expensed off INR 61.12 million in statement of profit and loss during the year, on account of expected delays in Initial Public Offer (IPO) filling. The balance amount of INR 16.30 million is shown as recoverable, under the head "Other current financial assets" as "Share Issue Expenses" from selling shareholders as per the shareholder's agreement.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 116231W/W-100024

Gajendra Sharma
Partner
Membership No.: 064440
UDIN: 22064440APLSSV6602

Place: Gurugram
Date: 21 August 2022

For and on behalf of the Board of Directors of
ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Bipin Preet Singh
Managing Director
& Chief Executive Officer
DIN:02019594

Upasana Rupkrishan Taku
Chairperson,
Whole-time Director
& Chief Operating Officer
DIN:02979387

Dilip Bidani
Chief Financial Officer

Rahul Luthra
Company Secretary

Place: Gurugram
Date: 21 August 2022

Independent Auditor's Report

To the Members of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditor on separate financial statements of such subsidiaries as were audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditor referred to in "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's directors' report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/audit reports of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Director's Responsibilities for the Consolidated Financials Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibility for the Audit of the Consolidated Financials Statements

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

We did not audit the financial statements of 4 subsidiaries , whose financial statements reflect total assets (before consolidation adjustments) of INR 1,434.73 million as at 31 March 2022, total revenues (before consolidation adjustments) of INR 3,792.00 million and net cash flows (before consolidation adjustments) amounting to INR 3.28 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditor on separate financial statements of such subsidiaries, as were audited by other auditor, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and one of its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 36 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2022.

d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India have represented to us and the other auditor of such subsidiary companies that, to the best of it's knowledge and belief, as disclosed in the Note 51 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies incorporated in India have represented to us and the other auditor of such subsidiary companies that, to the best of it's knowledge and belief, other than as disclosed in the Note 32 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.

e. The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.

C. In our opinion and according to the information and explanations given to us, the remuneration paid/payable during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us. All the subdiary companies are private limited companies, accordingly the requirements as stipulated by the provisions of section 197(16) of the Act were not applicable to its subsidiary companies incorporated in India.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.:116231W/W-100024

Gajendra Sharma
Partner
Membership No.: 064440
ICAI UDIN: 22064440APLSTN9978

Place: Gurugram
Date: 21 August 2022

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) for the year ended 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.:116231W/W-100024

Gajendra Sharma
Partner
Membership No.: 064440
ICAI UDIN: 22064440APLSTN9978

Place: Gurugram
Date: 21 August 2022

Annexure B to the Independent Auditor's Report on the Consolidated Financial Statements of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of sub-section 3 of Section 143 of the Act.

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and such company incorporated in India under the Act which is its subsidiary company, as of that date.

In our opinion and based on the consideration of reports of the other auditor on internal financial controls with reference to financial statements of subsidiary company, as was audited by the other auditor, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by such company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Director's Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant subsidiary company in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of this matter.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.:116231W/W-100024

Gajendra Sharma
Partner
Membership No.: 064440
ICAI UDIN: 22064440APLSTN9978

Place: Gurugram
Date: 21 August 2022

ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Consolidated Balance Sheet as at 31 March 2022
(Amounts in INR millions, unless otherwise stated)

	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	4	26.45	9.39
Right-of-use asset	42	66.53	-
Financial assets			
(i) Investments	7(a)	10.37	7.70
(ii) Other financial assets	7(c)	41.79	83.59
Deferred tax assets (net)	27	31.15	26.43
Non-current tax assets (net)	19	230.14	150.06
Other non-current assets	8	1,360.93	418.62
Total non-current assets		**1,767.36**	**695.79**
Current assets			
Financial assets			
(i) Trade receivables	9	294.39	376.04
(ii) Cash and cash equivalents	10	477.49	603.33
(iii) Bank balances other than (ii) above	10	3,364.05	1,439.96
(iv) Other financial assets	7(c)	2,266.65	992.91
Other current assets	8	191.36	123.36
		6,593.94	**3,535.60**
Total assets		**8,361.30**	**4,231.39**
Equity and liabilities			
Equity			
Equity share capital	11(a)	114.38	10.05
Instruments entirely equity in nature	11(b)	-	144.27
Other equity	12	2,051.04	(354.45)
Total equity		**2,165.42**	**(200.13)**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	42	59.54	-
(ii) Other financial liabilities	15	0.35	0.35
Provisions	16	20.28	23.14
Total non-current liabilities		**80.17**	**23.49**
Current liabilities			
Financial liabilities			
(i) Borrowings	13	1,509.14	605.93
(ii) Lease liabilities	42	8.47	-
(iii) Trade payables	14		
(a) Total outstanding dues of micro enterprise and small enterprises		55.13	6.77
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		692.81	805.73
(iv) Other financial liabilities	15	3,725.04	2,842.46
Contract liabilities	17	38.63	77.26
Other current liabilities	18	67.43	57.21
Provisions	16	19.06	12.67
Total current liabilities		**6,115.71**	**4,408.03**
Total liabilities		**6,195.88**	**4,431.52**
Total equity and liabilities		**8,361.30**	**4,231.39**
Summary of significant accounting policies	2		

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 116231W/W-100024

For and on behalf of the Board of Directors of
ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Gajendra Sharma
Partner
Membership No.: 064440
UDIN:22064440APLSTN9978

Place: Gurugram
Date : 21 August 2022

Bipin Preet Singh
Managing Director
& Chief Executive Officer
DIN:02019594

Upasana Rupkrishan Taku
Chairperson,
Whole-time Director
& Chief Operating Officer
DIN:02979387

Dilip Bidani
Chief Financial Officer

Rahul Luthra
Company Secretary

Place: Gurugram
Date : 21 August 2022

ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Consolidated Statement of Profit and Loss for the year ended 31 March 2022
(Amounts in INR millions, unless otherwise stated)

	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	20	5,265.65	2,885.71
Other income	21	166.54	136.85
Total income		**5,432.19**	**3,022.56**
Expenses			
Employee benefits expense	22	1,072.46	530.31
Other expenses	25	5,452.67	3,510.39
Total expenses		**6,525.13**	**4,040.70**
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**(1,092.94)**	**(1,018.14)**
Finance costs	23	109.13	71.35
Depreciation and amortisation expense	24	20.99	13.14
Loss before exceptional items and tax		**(1,223.06)**	**(1,102.63)**
Exceptional items	52	61.12	-
Loss before tax		**(1,284.18)**	**(1,102.63)**
Current tax	27	2.16	2.89
Deferred tax	27	(4.72)	7.48
Total tax expense/(credit)		**(2.56)**	**10.37**
Loss for the year		**(1,281.62)**	**(1,113.00)**
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of net defined benefit liability	28	13.24	3.02
Equity instruments at FVOCI - net change in fair value	7(a)	2.67	-
Other comprehensive income for the year		**15.91**	**3.02**
Total comprehensive loss for the year		**(1,265.71)**	**(1,109.98)**
Loss for the year attributable to:			
-Owners of the Company		(1,281.62)	(1,113.00)
		(1,281.62)	**(1,113.00)**
Other comprehensive income for the year attributable to:			
-Owners of the Company		15.91	3.02
		15.91	**3.02**
Total comprehensive loss for the year attributable to:			
-Owners of the Company		**(1,265.71)**	**(1,109.98)**
Earnings per share:	26		
- Loss per share (Basic and Diluted)		(23.04)	(22.18)
Summary of significant accounting policies	2		

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 116231W/W-100024

Gajendra Sharma
Partner
Membership No.: 064440
UDIN:22064440APLSTN9978

Place: Gurugram
Date : 21 August 2022

For and on behalf of the Board of Directors of
ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Bipin Preet Singh
Managing Director
& Chief Executive Officer
DIN:02019594

Upasana Rupkrishan Taku
Chairperson,
Whole-time Director
& Chief Operating Officer
DIN:02979387

Dilip Bidani
Chief Financial Officer

Rahul Luthra
Company Secretary

Place: Gurugram
Date : 21 August 2022

ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Consolidated Statement of Cash Flows for the year ended 31 March 2022
(Amounts in INR millions, unless otherwise stated)

Particulars	**Notes**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Cash flow from operating activities			
Loss before tax		(1,284.18)	(1,102.63)
Adjustments to reconcile loss before tax to net cash flows:			
Depreciation of property, plant and equipment	24	16.01	4.28
Depreciation of right of use asset	24	4.98	8.86
Bad debts	25	12.37	6.98
Interest income	21	(69.71)	(59.09)
Exceptional items	52	61.12	-
Provision for doubtful advances	25	2.76	1.01
Loss on sale/disposal of property, plant and equipment (net)	25	0.38	0.43
Gain on disposal of investments	21	-	(1.40)
Gain on termination of lease contract	21	-	(8.48)
Share-based payment expense	22	260.04	31.16
Finance costs	23	109.13	71.35
Financial guarantee expense	25	907.69	583.67
Provision against legal proceedings (refer note 41)	25	106.91	-
Impairment loss on trade receivables	25	-	1.15
Reversal of impairment loss on trade receivables	21	(5.02)	-
Operating Profit/(loss) before working capital changes		**122.48**	**(462.71)**
Changes in			
Trade receivables		86.67	(209.59)
Other financial assets		(1,379.13)	(459.85)
Other current assets		(1,010.31)	(353.38)
Other bank balances (Escrow and Nodal accounts)		(1,012.87)	570.19
Other financial liabilities		(11.26)	134.75
Contract liabilities		(38.63)	13.17
Trade payables		92.44	376.93
Other liabilities		10.22	25.65
Provisions		16.77	14.13
Cash used in operations		**(3,123.62)**	**(350.71)**
Income tax (paid)/refund, net		(82.24)	5.65
Net cash used in operating activities		**(3,205.86)**	**(345.06)**
Cash flow from investing activities			
Purchase of property, plant and equipment		(33.45)	(6.09)
Proceeds from sale of mutual funds		-	38.12
Investment in unquoted shares of National Payment Corporation of India (NPCI)		-	(7.70)
Interest received on bank deposits		48.20	60.09
Investments in bank deposits not considered in cash and cash equivalents		(5,974.49)	-
Redemption of bank deposits not considered in cash and cash equivalents		5,112.02	20.50
Net cash generated (used in)/ from investing activities		**(847.72)**	**104.92**
Cash flow from financing activities			
Proceeds from issues of equity shares		1,059.99	-
Proceeds from issues of preference shares	11	2,154.44	998.30
Proceeds from borrowings		363.00	-
Repayment of borrowings		(67.92)	(75.00)
Repayment of non-convertible debenture		(25.45)	(114.55)
Payment of lease liabilities		(3.71)	(10.84)
Share issue expenses	52	(77.42)	-
Interest and other borrowing cost		(108.77)	(72.19)
Net cash generated from financing activities		**3,294.16**	**725.72**
Net (decrease)/ increase in cash and cash equivalents		**(759.42)**	**485.58**
Cash and cash equivalents at the beginning of the year	10	22.85	(462.73)
Cash and cash equivalents at the end of the year (note 10)		**(736.57)**	**22.85**

ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Consolidated Statement of Cash Flows for the year ended 31 March 2022
(Amounts in INR millions, unless otherwise stated)

Notes

1. Changes in liabilities arising from financing activities

	As at 31 March 2022	As at 31 March 2021
Non convertible debentures		
Opening balance	**25.45**	**139.88**
Amortisation of interest and other charges on borrowings	0.12	10.83
Repayments during the year - Principal	(25.45)	(114.55)
Repayments during the year - Interest	(0.12)	(10.71)
Closing balance	**-**	**25.45**
Borrowings (excluding bank overdraft)		
Opening balance	**-**	**75.00**
Proceeds during the year	363.00	-
Repayments during the year	(67.92)	(75.00)
Closing balance	**295.08**	**-**

Lease liabilities (note 42)

2. The above consolidated statement of cash flow from operating activities has been prepared under the "Indirect method" as set out in IND AS-7 "Statement of cash flows".

Summary of significant accounting policies 2

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 116231W/W-100024

For and on behalf of the Board of Directors of
ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Gajendra Sharma
Partner
Membership No.: 064440
UDIN:22064440APLSTN9978

Place: Gurugram
Date : 21 August 2022

Bipin Preet Singh
Managing Director
& Chief Executive Officer
DIN:02019594

Upasana Rupkrishan Taku
Chairperson,
Whole-time Director
& Chief Operating Officer
DIN:02979387

Dilip Bidani
Chief Financial Officer

Rahul Luthra
Company Secretary

Place: Gurugram
Date : 21 August 2022

ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Consolidated Statement of Changes in Equity for the year ended 31 March 2022
(Amounts in INR millions, unless otherwise stated)

(a) Equity share capital (refer note 11(a) , 46 and 48)

Equity shares of INR 10 each issued, subscribed and fully paid up	Amount
As at 1 April 2020	**10.05**
Equity share capital issued during the year	-
As at 31 March 2021	**10.05**
As at 1 April 2021	**10.05**
Conversion of CCCPS to equity shares during the year (refer note 48)	0.36
Equity share capital issued during the year (refer note 11)*	0.00
Shares split during the year (refer note 46)	(10.41)
As at 31 March 2022	**-**

* Includes issue of one equity share of INR 10 , rounded off to "0" on conversion to INR million.

Equity shares of INR 2 each issued, subscribed and fully paid up	Amount
As at 1 April 2021	**-**
Shares split during the year (refer note 46)	10.41
Issue of bonus shares during the year (refer note 46)	31.24
Conversion of CCCPS to equity shares during the year (refer note 48)	69.53
Issue of equity shares on exercise of share based awards during the year	1.43
Equity share capital issued during the year (refer note 11)	1.77
As at 31 March 2022	**114.38**

(b) Instruments entirely equity in nature

(i) Cumulative compulsory convertible preference shares (CCCPS) of INR 10 each issued, subscribed and fully paid up (refer note 11(b))

Particulars	Amount
As at 1 April 2020	**1.57**
Preference share capital issued during the year	-
As at 31 March 2021	**1.57**
As at 1 April 2021	**1.57**
Preference share capital issued during the year	-
Conversion of CCCPS to equity shares during the year (refer note 48)	(1.57)
As at 31 March 2022	**-**

(ii) Cumulative compulsory convertible preference shares (CCCPS) of INR 100 each issued, subscribed and fully paid up (refer note 11(b) and 48)

Particulars	Amount
As at 1 April 2020	**131.68**
Preference share capital issued during the year	11.02
As at 31 March 2021	**142.70**
As at 1 April 2021	**142.70**
Preference share capital issued during the year (refer note 11)	15.37
Conversion of CCCPS to equity shares during the year (refer note 11)	(158.07)
As at 31 March 2022	**-**

(c) Other equity (refer note 12 , 46 and 48)

Particulars	Money received against share warrants	Share application money pending allotment	Reserve and surplus			Other comprehensive income	Total other equity
			Securities premium	Employee share options reserve	Retained earnings		
As at 1 April 2020	**9.75**	**-**	**6,826.32**	**261.54**	**(7,549.43)**	**-**	**(451.82)**
Total comprehensive loss for the year ended 31 March 2021							
Loss for the year ended	-	-	-	-	(1,113.00)	-	(1,113.00)
Remeasurement of net defined benefit liability	-	-	-	-	3.02	-	3.02
Total comprehensive loss	-	-	-	-	**(1,109.98)**	**-**	**(1,109.98)**
Transactions with owners, recorded directly in equity							
Employee share based payment expense	-	-	-	31.16	-	-	31.16
Share application money received	-	36.51	-	-	-	-	36.51
Securities premium on CCCPS shares issued, (refer note 12)	-	-	1,139.68	-	-	-	1,139.68
Balance as at 31 March 2021	**9.75**	**36.51**	**7,966.00**	**292.70**	**(8,659.41)**	**-**	**(354.45)**
As at 1 April 2021	**9.75**	**36.51**	**7,966.00**	**292.70**	**(8,659.41)**	**-**	**(354.45)**
Total comprehensive loss for the year ended 31 March 2022							
Loss for the year ended	-	-	-	-	(1,281.62)	-	(1,281.62)
Remeasurement of net defined benefit liability	-	-	-	-	13.24	-	13.24
Equity instruments at FVOCI - net change in fair value	-	-	-	-	-	2.67	2.67
Total comprehensive loss	**-**	**-**	**-**	**-**	**(1,268.38)**	**2.67**	**(1,265.71)**
Transactions with owners, recorded directly in equity							
Employee share based payment expense	-	-	-	260.04	-	-	260.04
Share warrant adjusted (refer note 11(f))	(9.75)	-	-	-	-	-	(9.75)
Share application money adjusted	-	(36.51)	-	-	-	-	(36.51)
Issue of equity shares on exercise of share based awards during the year	-	-	178.52	(119.98)	-	-	58.54
Securities premium on CCCPS shares issued (refer note 12)	-	-	3,340.35	-	-	-	3,340.35
Issue of bonus shares during the year (refer note 46)	-	-	(31.24)	-	-	-	(31.24)
Conversion of CCCPS to equity shares during the year (refer note 48)	-	-	89.77	-	-	-	89.77
Balance as at 31 March 2022*	-	**0.00**	**11,543.40**	**432.76**	**(9,927.79)**	**2.67**	**2,051.04**

* Represents share application money pending for allotment of INR 3038 , rounded off to "0" on conversion to INR million.

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 116231W/W-100024

For and on behalf of the Board of Directors of
ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Gajendra Sharma
Partner
Membership No.: 064440
UDIN:22064440APLSTN9978

Place: Gurugram
Date : 21 August 2022

Bipin Preet Singh
Managing Director
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Upasana Rupkrishan Taku
Chairperson,
Whole-time Director
& Chief Operating Officer
DIN:02979387

Dilip Bidani
Chief Financial Officer

Rahul Luthra
Company Secretary

Place: Gurugram
Date : 21 August 2022

ONE MOBIKWIK SYSTEMS LIMITED
(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the consolidated financial statements for the year ended 31 March 2022
(Amounts in INR millions, unless otherwise stated)

1. Corporate Information

ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) ("the Holding Company" or "the Company") was incorporated on 20 March 2008 under the Companies Act, 1956. The registered office and corporate office of the Holding Company are situated in Gurugram, Haryana. The principal place of business of the Group is in India.

The principal activities of the Group (i.e., the Holding Company and its subsidiaries) consist of issuing and operating prepaid payment instrument (Wallet Payment System) and providing payment gateway services. The Holding Company was authorised by Reserve Bank of India for issuance and operation of mobile based pre-payment instruments subject to terms and conditions detailed in the certificate of authorisation dated 18 July 2013 for five years, which was subsequently extended to 30 September 2023 vide renewal certificate dated 30 September 2020. The users use their MobiKwik wallet for transferring money, for paying their utility bills (prepaid recharge, post-paid mobile, landline, electricity, TV, etc.) and for shopping online on e-commerce websites. The Holding Company has also rolled out financial services platform facilitating various loans product in association with financing partners. The registered office of the Holding Company is situated at 5th Floor, Huda City Centre Metro Station, Sector 29, Gurugram, Haryana.

These Consolidated Financial Statements were authorised for issue in accordance with a resolution passed by Board of Directors on 21 August 2022.

2. Significant accounting policies

2.1 Statement of compliance

The Consolidated Balance Sheet of the Company as at 31 March 2022 and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended 31 March 2022 and a summary of the significant accounting policies and other explanatory information (together referred to as 'Consolidated Financial Statements) has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act').

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Basis of preparation and presentation

The Consolidated Financial Statements have been prepared on the historical cost basis as explained in the accounting policies below, except for the following:

- certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

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, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the head of finance.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values,

ONE MOBIKWIK SYSTEMS LIMITED
(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the consolidated financial statements for the year ended 31 March 2022
(Amounts in INR millions, unless otherwise stated)

then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the board of directors.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

All amounts disclosed in the Consolidated Financial Statements and notes have been rounded off to the nearest INR millions as per the requirement of Schedule III, unless otherwise stated.

The preparation of these Consolidated Financial Statements requires the use of certain critical accounting judgements and estimates. It also requires the management to exercise judgement in the process of applying the Group's accounting policies. The areas where estimates are significant to the Consolidated Financial Statements, or areas involving a higher degree of judgement or complexity, are disclosed in Note 3.

2.3 Basis of consolidation

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Consolidated Financial Statements include the financial information of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) and its subsidiaries as set out below.

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Name of the Company	Country of Incorporation	% of Holding	
		31 March 2022	31 March 2021
ZAAK EPAYMENT SERVICES PRIVATE LIMITED	India	100	100
MOBIKWIK FINANCE PRIVATE LIMITED	India	100	100
MOBIKWIK CREDIT PRIVATE LIMITED	India	100	100
HARVEST FINTECH PRIVATE LIMITED	India	100	100

2.4 Summary of significant accounting policies

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, to all the periods presented in these Consolidated Financial Statements.

a) Current versus non-current classification

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

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle
(ii) Held primarily for the purpose of trading
(iii) Expected to be realised within twelve months after the reporting period, or
(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

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

The 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.

b) Revenue from contract with customers

The Group derives revenue primarily from following services:

- Commission income from sale of recharge, bill payments and merchant payments
- Fees for money transfer service from user's wallet to bank account
- Revenue from share in interest income, processing fee and servicing of loans (Fintech)
- Revenue from technology platform services
- Payment gateway services
- Income from advertisement/sale of space

The Group recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied upon transfer of control of service to a customer.

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Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring good or service to a customer excluding taxes or duties collected on behalf on Government. An entity estimates the transaction price at contract inception, including any variable consideration, and updates the estimate each reporting period for any changes in circumstances.

Variable consideration such as discounts, volume based incentives, any payments made to a customer (unless the payment is for a distinct good or service received from the customer) is estimated using the expected value method or most likely amount as appropriate in a given circumstance. An entity 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 provides incentives to its users in various forms including cashbacks and supercash. Cashbacks and supercash given to users where the Group recovers a convenience fee are classified as reduction of revenue. However, when these incentives offered to the users are higher than the income earned from the users, the excess (i.e., the incentive given to a user less income earned from the users) on an individual transaction basis is classified under business promotion expenses.

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

The Group's contracts with customers may include multiple performance obligations. For such arrangements, the Group allocate revenues to each performance obligation based on its relative standalone selling price. The Group generally determine standalone selling prices based on the prices charged to customers or using expected cost-plus margin.

Commission income from sale of recharge, bill payments and merchant payments:

The Group facilitates recharge of talk time, utility bill payments and merchant payments and earns commission for the respective services. Commission income is recognized when the control of services is transferred to the customer i.e. when the services have been provided by the Group.

Such commission is generally determined as a percentage of monetary value of transactions processed or gross merchandise value. The Group typically contracts with merchants, financial institutions, or affiliates of those parties. Contracts stipulate the types of services and articulate how fees will be incurred and calculated. Commission income are recognized each day based on the value of transaction at the time the transactions are processed.

Amount received by the Group pending settlement are disclosed as payable to the merchants under other financial liabilities.

Fees for money transfer service from user's wallet to bank account:

Commission on money transfer represents the amount earned from the users in the form of commission on the withdrawal of money by the users from their wallets and transfer the same to the bank accounts of their choice using the IMPS facility. Commission on money transfer is recognised on satisfaction of the associated performance obligation i.e. on transfer of money, and basis the standard agreement entered with the respective users.

Commission on payment gateway services:

The Group facilitates payment gateway services and earns commission from merchants and recognises such revenue when the control of services is transferred to the customer i.e. when the services have been provided by the Group. Such commission is generally determined as a percentage of transaction value processed by the Group.

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Revenue from share in interest income, processing fee, servicing of loans and delayed payment penalty fees:

Share in interest income is earned on the loans to users by respective lending partners. This income is shared by the Group as per terms of agreement with service providers and accounted on accrual basis. Processing fees is recognised on satisfaction of associated performance obligation i.e. on sourcing of customers for lending partners and when amount of loan or credit is transferred to the user's wallet based on standard agreements entered with the respective lending partners. Servicing fee related to loan facilitation services, collection, monitoring etc is recognised over the tenure of loan. Penalty fees for customer defaults i.e. delayed payment of instalment of loan product, is recognised as revenue on receipt of payment from customer.

Revenue from technology platform services:

The Group has contracts with customers to provide technology platform services, in the form of service of design, development, operation and maintenance of technology-based products, one-time integration, setup and technology fee, etc. either independently or bundled with merchants, transaction processing and loan processing services. The Group typically contracts with financial institutions and merchant aggregators. Contracts stipulate the types of services and articulate how fees will be incurred and calculated. Service fee for design and development of technology-based products are recognised over the period of satisfaction of relative performance obligation i.e. development of product.

The services of one-time integration, setup, and technology fee, etc. are generally billed to the customers upfront. However, the underlying obligation to keep up and run the platform continues for the entire period of the contract with customer, and the pattern of benefits to the customer from such services rendered is generally even, throughout the period of contract. Revenue against such upfront technology platform service fee is recognized on a straight-line basis over a period (i.e. over the contractual term).

Income from advertisement/sale of space:

Revenue from sale of advertisement space is recognised, on satisfaction of associated performance obligation i.e. as and when the relevant advertisement is displayed on the application.

Contract balance

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section l) Financial instruments.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). The Group recognises contract liability for consideration received in respect of unsatisfied performance obligations and reports these amounts as "Deferred revenue" or "Advance from customers" in the balance sheet. Provisions for customer incentives are also reported as contract liabilities.

c) Leases

The Group's leased assets primarily consist of leases for office space. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

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

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes periods covered by extension options when it is reasonably certain that they will be exercised and includes periods covered by termination options when it is reasonably certain that they will not be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflect that the Group exercise a purchase option. The Group applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the accounting policy below on "Impairment of non-financial assets".

The lease liability is initially measured at amortized cost at the present value of the future lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the Group's incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset (or in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero) if the Group changes its assessment if whether it will exercise an extension or a termination or a purchase option.

The interest cost on lease liability (computed using effective interest method), is expensed in the statement of profit and loss.

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract in accordance with Ind AS 116 and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group has elected to account for all COVID-19-related rent concession that meets all of the following conditions in the same way as they would if they were not lease modification:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.

(b) any reduction in lease payments affects only payments originally due on or before the 31 March 2022.

(c) there is no substantive change to other terms and conditions of the lease.

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

d) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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e) Foreign currency transactions and translations

The functional currency of the Group is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using mean exchange rate prevailing on the last day of the reporting period. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Treatment of exchange differences

Exchange differences on monetary items are recognised in the Profit or Loss in the period in which they arise.

f) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity, compensated absences and other incentives to employees.

Post-employment and termination benefit costs

Payments to defined contribution benefit plans (i.e. provident fund and employee state insurance scheme) are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprises actuarial gains and losses which is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

Short-term and other long-term employee benefits

A liability is recognised for short-term employee benefits accruing to employees in respect of salaries, annual leave and sick leave, performance incentives etc. in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit.

The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The 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.

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Actuarial gain/loss are immediately taken to the 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 twelve months after the reporting date.

g) Share-based payments

Employees of the Group also receive remuneration in the form of share-based payment transactions under Group's Employee stock option plan (ESOP)-2014.

Equity-settled transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service conditions at the vesting date.

h) Taxation

Income tax expense comprises represents the sum of the tax currently tax payable and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have enacted or substantially enacted by the end of the reporting period.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:
- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred 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 losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

i) Property, plant and equipment

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates then separately based on their specific useful lives.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. Cost includes, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation and amortisation

Depreciation is provided on the written down value method. The estimated useful life of each asset as prescribed under Schedule II of the Companies Act, 2013 and based on technical assessment of internal experts (after considering the expected usage of the asset, expected physical wear and tear, technical and commercial obsolescence and understanding of past practices and general industry experience) are as depicted below:

Assets category	**Estimated useful life**
Computers	3 Years
Furniture & fixtures	10 Years
Office equipment	5 Years
Server & Network Equipment	6 Years

Deprecation on addition to the property, plant and equipment is provided on pro rata basis from the date the assets are acquired/ installed. Deprecation on sale/ deduction of plant, property and equipment assets is provided for upto the date of sale and deduction.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss

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For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April 2019 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

j) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives determined based on technical assessment of internal experts. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Assets category	Estimated useful life
Computer software	5 Years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of 1 April 2019 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

k) 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. Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

Financial assets (unless it is a trade receivable without a significant financing component) and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial instruments

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

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

A financial asset that meet the following conditions are subsequently measured at amortised cost (except for financial asset that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments financial assets that meet the amortised cost criteria or the FVTOCI criteria may irrevocably be but are designated as at FVTPL are measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement of financial instruments

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt instruments at FVTOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity instruments at FVTOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments, trade receivables, other contractual rights to receive cash or other financial asset and financial guarantees not designated as at FVTPL. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

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For measurement of loss allowance in case of financial guarantee contracts, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Group applies a three-stage approach to measure ECL on financial guarantee contracts. The underlying receivables of debtors migrate through the following three stages based on the change in credit quality since initial recognition.

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognized.

Exposures with days past due (DPD) less than or equal to 30 days are classified as stage 1.

Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized. Exposures with DPD equal to 31 days but less than or equal to 89 days are classified as stage 2. At each reporting date, the Group assesses whether there has been a significant increase in credit risk for underlying receivables of debtors since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition.

Stage 3: Lifetime ECL – credit impaired

Receivable of debtor is assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For receivable of debtors that have become credit impaired, a lifetime ECL is recognized on principal outstanding as at period end.

Exposures with DPD equal to or more than 90 days are classified as stage 3.

The definition of default for the purpose of determining ECLs has been aligned to the Reserve Bank of India definition of default, which considers indicators that the debtor is unlikely to pay and is no later than when the exposure is more than 90 days past due.

The measurement of all expected credit losses for financial guarantee contracts held at the reporting date are based on historical experience, current conditions, and reasonable and supportable forecasts. The measurement of ECL involves increased complexity and judgement, including estimation of PDs, LGD, a range of unbiased future economic scenarios, estimation of expected lives and estimation of EAD and assessing significant increases in credit risk.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

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(ii) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in a separate component of equity wherein fair value changes are accumulated, and does not reduce the carrying amount of the financial asset in the balance sheet.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party or when the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

A financial liability is any liability that is:

(a) a contractual obligation:

(i) to deliver cash or another financial asset to another entity; or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

(b) a contract that will or may be settled in the entity's own equity instruments and is:

(i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or

(ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Other financial liabilities are subsequently measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of a qualifying asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

• the amount of the loss allowance determined in accordance with Ind AS 109 (see section of impairment of financial assets above); and

• the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

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Although the fee income from financial guarantee contracts is recognised in accordance with the principles of Ind AS 115, the financial guarantee contract is in the scope of Ind AS 109 and the fee income from it is not revenue from contracts with customers. The Group presents the fee income from financial guarantees as part of revenue from share in interest income.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Interest income

For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

l) Provisions and Contingent liabilities

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing The amount recognised as a provision is the best estimate of the consideration expenditure required to settle the present obligation at the reporting date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent liabilities

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

The Group does not recognise a contingent liability but discloses its existence in the Consolidated Financial Statements.

m) Impairment of non – financials assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units. Each cash-generating unit represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or cash-generating units. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they

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are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

n) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group has identified Consumer payments, Fintech and Payment Gateway as its operating segments. Consumer payment segment includes merchant fee collected from a merchant when a user purchases goods or services from merchant and pays via MobiKwik Wallet. Further, it also includes convenience fees collected from users in certain categories. Fintech segment includes our Digital Financial Services offerings - MobiKwik Zip (which is our flagship 15-day Digital Financial Services product), Zip EMI (which is a longer tenure credit product) and other credit products. It also includes revenue from fintech products and platforms services specifically designed to drive our credit business and amounts received from online promotions on such platforms. Zip product includes revenue in the form of a) Merchant fee collected from a merchant when a user pays with Zip on a merchant, b) one time Zip activation fee collected from a user and c) late fees collected from those users who repay their Zip due amount after the due date. Payment gateway segment includes merchant fee collected from e-Commerce merchants (websites/apps) for enabling them to collect payments from their users using multiple payment options including debit and credit cards, wallets, unified payments interface (UPI) and net banking.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group as a whole. Segment revenue and segment expenses have been identified to segments based on their relationship to the operating activities of the segment. Assets and liabilities are used interchangeably between segments and hence not allocated to any segment.

Revenue and expenses which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under unallocated revenue or expenses.

o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

p) Measurement of EBITDA

As permitted by the Guidance Note on Division II – Ind AS Schedule III to the Companies Act, 2013, the Group has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Consolidated Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, exceptional items

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and tax expense. Finance costs comprise interest expense on: borrowings, bank overdraft, lease liability and late payment of statutory dues.

3. Significant accounting judgements, estimates and assumptions

The preparation of Consolidated Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Therefore, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is 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.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Consolidated Financial Statements:

a) Revenue from contracts with customers

The Group applied judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers, such as identifying performance obligations, wherein, the Group provides multiple services as part of the arrangement. The Group allocated the portion of the transaction price to services basis on its relative standalone prices.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

b) Determining lease term

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has some property lease arrangements with its vendors that include option to terminate the contract by either party at any time by giving advance notice or by the Group as per its discretion. The Group applied judgment in evaluating whether it is reasonably certain to exercise the termination option. It considered all the factors that create economic incentive for the Group to continue with lease or terminate including alternatives available for the office lease, use of underlying property, leasehold improvements made and accordingly determined lease term.

Estimates and assumptions

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

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a) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability the Group considers whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management assumptions are 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 together with future tax planning strategies.

The Group has tax business losses and unabsorbed depreciation carried forward amounting to INR 6,803.13 million (31 March 2021: INR 7,190.79 million). The Group does not expect sufficient future taxable profit against which such tax losses can be utilised. On this basis, the Group has not recognised deferred tax assets on these carried forward tax losses. Refer Note 27 for further details.

b) Defined benefit plans (gratuity benefit)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate are current best estimates of the expected mortality rates of plan members, both during and after employment. Future salary increases and gratuity increases are based on expected future inflation rates, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Refer Note 28 for further details.

d) Useful life of assets of Property, Plant and Equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed at each financial year end. Refer Note 4 for further details.

e) Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as stand-alone credit rating). Refer Note 42 for further details.

f) Calculation of loss allowance

When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

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Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Also refer to note 32.

g) Fair value of equity-settled share-based transaction

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The Group measures the fair value of equity-settled transactions with employees at the grant date using Black-Scholes model. The assumptions for estimating fair value for share-based payment transactions are disclosed in Note 29.

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4 Property, plant and equipment

	Computers	Office equipment	Furniture and fixtures	Server & Network Equipment	Total
Cost					
As at 1 April 2020	**6.22**	**2.02**	**0.12**	**5.64**	**14.00**
Additions	6.09	-	-	-	6.09
Disposals*	(0.28)	(0.61)	0.00	-	(0.89)
As at 31 March 2021	**12.03**	**1.41**	**0.12**	**5.64**	**19.20**
Additions	32.84	0.17	0.14	0.30	33.45
Disposals	(0.80)	(0.06)	(0.06)	-	(0.92)
As at 31 March 2022	**44.07**	**1.52**	**0.20**	**5.94**	**51.73**
Accumulated depreciation					
As at 1 April 2020	**2.83**	**0.92**	**0.03**	**2.22**	**6.00**
Charge for the year	2.43	0.46	0.03	1.35	4.27
Disposals	(0.06)	(0.40)	-	-	(0.46)
As at 31 March 2021	**5.20**	**0.98**	**0.06**	**3.57**	**9.81**
Charge for the year	14.91	0.20	0.02	0.88	16.01
Disposals	(0.45)	(0.05)	(0.04)	-	(0.54)
As at 31 March 2022	**19.66**	**1.13**	**0.04**	**4.45**	**25.28**
Carrying amount					
As at 31 March 2021	**6.83**	**0.43**	**0.06**	**2.07**	**9.39**
As at 31 March 2022	**24.41**	**0.39**	**0.16**	**1.49**	**26.45**

* Includes disposal of furniture & fixtures of INR 1,435 rounded off to "0" on conversion to INR million.

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5 Other intangible assets

	Software	Total
Cost		
As at 1 April 2020	**0.32**	**0.32**
Additions	-	-
As at 31 March 2021	**0.32**	**0.32**
Additions	-	-
As at 31 March 2022	**0.32**	**0.32**
Accumulated amortisation		
As at 1 April 2020	**0.32**	**0.32**
Amortisation for the year	-	-
As at 31 March 2021	**0.32**	**0.32**
Amortisation for the year	-	-
As at 31 March 2022	**0.32**	**0.32**
Carrying amount		
As at 31 March 2021	-	-
As at 31 March 2022	-	-

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6 Goodwill

	Total
Cost	
As at 31 March 2021	**48.63**
As at 31 March 2022	**48.63**
Accumulated amortisation and impairment	
As at 31 March 2021	**48.63**
As at 31 March 2022	**48.63**
Carrying amount	
As at 31 March 2021	**-**
As at 31 March 2022	**-**

Note:

1 During the year ended 31 March 2019, the Group had acquired Harvest Fintech Private Limited resulting into goodwill of INR 48.63 million. Goodwill is tested for impairment annually at each reporting date i.e. 31 March. Management determines the recoverable amount of goodwill based on value in use calculations of expected benefits over foreseeable future.

As at 31 March 2019, management has estimated cash flows projections over a period of five years, based on next year financial budgets approved by management, with extrapolation for the remaining period, and an average of the range of assumptions as mentioned below. The key assumptions used in the estimation of value in use:

Discount rate (pre-tax) - 23.89%
Discount rate (post-tax) - 19.00%
Terminal value growth rate - 1.00%
Revenue growth rate - 13.10% to 29.63%
EBITDA margin (5 years) - 70.73%

The above pre-tax discount rate is based on the Weighted Average Cost of Capital (WACC) of a comparable market participant, which is adjusted for specific risks. These estimates are likely to differ from future actual results of operations and cash flows.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate, revenue growth rate and EBITDA margins were determined based on management's estimate.

Based on the above, no impairment was identified as at 31 March 2019 as the recoverable value exceeded the carrying value. No reasonably possible change in any of the above key assumptions would cause the carrying amount of these units to exceed their recoverable amount.

As at 31 March 2020, due to certain changes in business and economic conditions, management believes that the expected benefits will take much longer to accrue than anticipated as on 31 March 2019. The recoverable amount was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use. The carrying amount was determined to be higher than its recoverable amount, accordingly, an impairment loss of INR 48.63 was recognised during the year ended 31 March 2020.

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		As at 31 March 2022	As at 31 March 2021
7(a)	**Investment**		
	Non-current		
	Unquoted investments (fully paid)		
	Investment in other equity instruments at Fair value through Other comprehensive income (FVTOCI)		
	National Payment Corporation of India ("NPCI") (6,132 (31 March 2021 : 6,132) equity shares of INR 1,256/- each) (refer note 1 below)	10.37	7.70
		10.37	**7.70**
	Aggregate amount of quoted investments	-	-
	Aggregate amount of un-quoted investments	10.37	7.70

Notes:
1. The investment in other equity instruments are not held for trading. Instead, these are held for medium to long-term strategic purposes. Accordingly, the Group has elected to designate this investment in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in this investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investment for long-term purposes and realising their performance potential in the long run. Refer note 30 for further details.

		As at 31 March 2022	As at 31 March 2021
7(b)	**Loans (measured at amortised cost)**		
	Unsecured, credit impaired		
	Loan (Refer note 1 below)	1.01	1.01
	Less: Provision for doubtful balances	(1.01)	(1.01)
	Total loans	-	-

Notes:
1. It represents loan given to Pivotchain Technologies Private Limited (related party till 31 March 2020) which carries interest rate of 15 % p.a and repayable on demand.
2. The fair value of loans carried at amortized cost is disclosed in note 30

		As at 31 March 2022	As at 31 March 2021
7(c)	**Other financial assets (measured at amortised cost)**		
	Non-current		
	Unsecured, considered good unless stated otherwise		
	Security deposits	29.04	22.09
	Bank deposits with remaining maturity for more than twelve months (refer note 10)	12.75	61.50
		41.79	**83.59**
	Current		
	Unsecured, considered good unless stated otherwise		
	Amount recoverable from payment gateway banks	615.80	486.27
	Amount recoverable from users and business partners	1,557.83	474.25
	Interest accrued on deposits	35.35	14.23
	Share issue expenses (Refer note 52)	16.30	-
	Security deposits	2.05	2.10
	Other recoverables	39.32	16.06
		2,266.65	**992.91**
	Unsecured, considered doubtful		
	Amount recoverable from payment gateway banks	2.31	2.31
	Receivable from users (Refer note 1 below)	95.38	95.38
	Less: Allowance for doubtful balances	(97.69)	(97.69)
		-	-
		2,266.65	**992.91**
	Total other financial assets	**2,308.44**	**1,076.50**

Notes:
1. Represents amounts receivable from users on account of a fraud in IMPS transactions in year ended 31 March 2018. Pending collection of these amounts, the amounts have been fully provided for in the books of account. The Group is in the process of recovering the amounts. The total amount of transfer through the above mode was INR 200.24 million, out of which INR 104.86 million has been recovered.

		As at 31 March 2022	As at 31 March 2021
8	**Other assets**		
	Non-current		
	Unsecured, considered good unless otherwise stated		
	Advance to suppliers (Refer note 1 below)	1,354.91	414.99
	Amount paid under protest (Refer note 36)	1.83	0.83
	Prepaid expenses	2.79	1.40
	Balances with government authorities	1.40	1.40
	Total	**1,360.93**	**418.62**
	Current		
	Unsecured, considered good unless otherwise stated		
	Advance to vendors (Aggregators)	93.62	67.82
	Advance to suppliers	25.75	23.42
	Advance to employees	7.58	2.33
	Balances with government authorities		
	GST credit	19.64	7.34
	GST credit not due	24.69	10.27
	Prepaid expenses	18.89	10.66
	Advance paid to customers	1.19	1.52
	Current		
	Unsecured, considered doubtful		
	Advance to vendors (Aggregators)	2.05	2.05
	Advance to supplier	2.76	-
	Advances to employees	0.03	0.03
	Balances with government authorities	7.51	7.51
	Less: Provision for doubtful advances	(12.35)	(9.59)
	Total	**191.36**	**123.36**

Notes:

1. It represents an advance made as a part of an advertising and media usage agreement with the suppliers. This will be adjusted with the value of services availed by the Holding Company from such suppliers in the future.

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9 Trade receivables

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good unless stated otherwise		
Trade receivables	295.14	381.81
Less: Allowance for doubtful debts	(0.75)	(5.77)
Total	**294.39**	**376.04**

Notes:

a) Trade receivables are non-interest bearing and the average credit period is between 30 to 60 days.

b) The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix under simplified approach. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due. Based on internal assessment which is driven by the historical experience and current facts available in relation to default and delays in collection thereof, the credit risk for these trade receivables is considered low.

c) The Group writes off a trade receivable when there is information indicating that the customer is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the customer has been placed under liquidation or has entered into bankruptcy proceedings.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer segments.

Ageing	**Expected credit loss - Default Risk Rate (%)** As at 31 March 2022	As at 31 March 2021
Within the credit period	0.00%	0.00%
1-30 days past due	0.00%	0.00%
31-60 days past due	0.04%	0.01%
61-90 days past due	0.36%	0.46%
91-180 days past due	2.16%	9.95%
181-365 days past due	5.22%	21.26%
1 - 2 years past due	61.06%	100.00%
2 - 3 years past due	100.00%	100.00%
Over 3 years	100.00%	100.00%

Ageing	**Expected credit loss - Delay Risk Rates(%)** As at 31 March 2022	As at 31 March 2021
Within the credit period	0.00%	0.00%
1-30 days past due	0.06%	0.12%
31-60 days past due	0.19%	0.40%
61-90 days past due	0.36%	0.76%
91-180 days past due	0.73%	1.38%
181-365 days past due	1.78%	2.86%
1 - 2 years past due	6.58%	0.00%
2 - 3 years past due	0.00%	0.00%
Over 3 years	0.00%	0.00%

295.14
-84.16

Movement in the expected credit loss allowance	As at 31 March 2022	As at 31 March 2021
Balance at beginning of the year	5.77	4.62
Movement in expected credit loss allowance on trade receivables	(5.02)	1.15
Balance at end of the year	**0.75**	**5.77**

Trade receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	167.00	29.63	42.17	56.20	0.04	0.10	295.14

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables – considered good	253.62	116.06	12.09	0.01	0.03	-	381.81

10 Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Cash on hand*	0.00	0.00
Balance with bank		
- On current accounts	477.49	603.33
Total cash and cash equivalents	**477.49**	**603.33**
Notes		
Total cash and cash equivalents	477.49	603.33
Less: Bank overdraft (refer note 13)	(1,214.06)	(580.48)
Cash balance for the purposes of consolidated statement of cash flows	**(736.57)**	**22.85**
Bank balances other than cash and cash equivalents		
Deposits with		
- Remaining maturity for less than twelve months**	1,142.08	230.86
- Remaining maturity for more than twelve months**	12.75	61.50
	1,154.83	**292.36**
Less: amount disclosed under non current financial assets	(12.75)	(61.50)
	1,142.08	**230.86**
Balances with banks:		
In Nodal account***	448.52	87.79
In Escrow account****	1,773.45	1,121.31
Total	**3,364.05**	**1,439.96**

* Includes cash on hand of INR 280, rounded off to "0" on conversion to INR million
** These deposits includes lien marked bank deposits of INR 683.41 million (31 March 2021 : INR 174.59 million).
***The Group uses the Nodal account to receive money when wallet is used as payment gateway for settlement of the transactions with the merchants and also to receive money when payment gateway is used for payments for settlement of the transactions with the merchants.
****The amount in escrow account includes a balance in account of INR 850 million bearing interest rate of 4% p.a (31 March 2021 : INR 500 Million bearing interest rate of 4.15% p.a).

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11 Equity share capital

11(a) Equity share capital

	Equity Shares (Face Value = INR 2/-)**		Equity Shares (Face Value = INR 10/-) **		Class A - Equity Shares (Face Value = INR 10/-) **	
Authorised equity share capital	**Number of shares**	**Amount**	**Number of shares**	**Amount**	**Number of shares**	**Amount***
As at 1 April 2020	-	-	11,06,741	11.07	20	0.00
Increase/decrease during the year	-	-	-	-	-	-
As at 31 March 2021	**-**	**-**	**11,06,741**	**11.07**	**20**	**0.00**
As at 1 April 2021	-	-	11,06,741	11.07	20	0.00
Increase/decrease during the year	8,00,00,000	160.00	(11,06,741)	(11.07)	(20)	0.00
As at 31 March 2022	**8,00,00,000**	**160.00**	**-**	**-**	**-**	**-**

* Represent Class A equity shares of INR 200, rounded off to "0" on conversion to INR million
** During the year ended 31 March 2022, the Holding Company have approved stock splits of one equity share having face value of INR 10 each into five equity shares having face value of INR 2 each and also approved issuance of bonus shares (refer note 46).

Issued equity share capital (subscribed and fully paid up)	**Number of shares**	**Amount**	**Number of shares**	**Amount**	**Number of shares**	**Amount***
As at 1 April 2020	-	-	10,04,974	10.05	20	0.00
Increase/decrease during the year	-	-	-	-	-	-
As at 31 March 2021	**-**	**-**	**10,04,974**	**10.05**	**20**	**0.00**
As at 1 April 2021	-	-	10,04,974	10.05	20	0.00
Conversion of CCCPS to equity shares during the year	3,47,62,949	69.53	36,201	0.36	-	-
Conversion of equity shares**	-	-	20	0.00	(20)	0.00
Equity share capital issued during the year***	8,83,159	1.77	1	0.00	-	-
Shares split during the year****	52,05,980	10.41	(10,41,196)	(10.41)	-	-
Issue of bonus shares during the year****	1,56,17,940	31.24	-	-	-	-
Issue of equity shares on exercise of share based awards during the year	7,14,493	1.43	-	-	-	-
As at 31 March 2022	**5,71,84,521**	**114.38**	-	-	-	-

* Represent Class A equity shares of INR 200, rounded off to "0" on conversion to INR million.
** During the year ended 31 March 2022, in the board minutes dated 20 June 2021, the Company have approved the conversion of Class A equity shares having face value of INR 10 each into equity share of face value of INR 10 each.
*** Represents equity shares of INR 10 issued during the year ended 31 March 2022, rounded off to "0" on conversion to INR million.
**** During the year ended 31 March 2022, the Company have approved stock splits of one equity share having face value of INR 10 each into five equity shares having face value of INR 2 each and also approved issuance of bonus shares (refer note 44).

11(b) Instruments entirely equity in nature

Authorised preference share capital

	Cumulative compulsory convertible preference shares (CCCPS) (Face value INR 100 per share)		**Cumulative compulsory convertible preference share (CCCPS)** (Face value INR 10 per share)	
	Number of shares	**Amount**	**Number of shares**	**Amount**
As at 1 April 2020	15,92,863	159.29	1,56,899	1.57
Increase/decrease during the year	2,23,729	22.37	-	-
As at 31 March 2021	**18,16,592**	**181.66**	**1,56,899**	**1.57**
As at 1 April 2021	18,16,592	181.66	1,56,899	1.57
Increase/decrease during the year	-	-	-	-
As at 31 March 2022	**18,16,592**	**181.66**	**1,56,899**	**1.57**

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Issued cumulative compulsory convertible preference shares (CCCPS) (subscribed and fully paid up)

	As at 1 April 2020		Increase during the year		As at 31 March 2021		As at 1 April 2021		Issued during the year		Conversion during the year (refer note 48)		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Total of Face Value INR 10 Per Share -														
Series A CCCPS	1,09,779	1.10	-	-	1,09,779	1.10	1,09,779	1.10	-	-	(1,09,779)	(1.10)	-	-
Series B2 CCCPS	47,120	0.47	-	-	47,120	0.47	47,120	0.47	-	-	(47,120)	(0.47)	-	-
Total	**1,56,899**	**1.57**	**-**	**-**	**1,56,899**	**1.57**	**1,56,899**	**1.57**	**-**	**-**	**(1,56,899)**	**(1.57)**	**-**	**-**
Total of Face Value INR 100 Per Share -														
Series A1 CCCPS	1,72,536	17.25	-	-	1,72,536	17.25	1,72,536	17.25	-	-	(1,72,536)	(17.25)	-	-
Series A2 CCCPS	23,615	2.36	-	-	23,615	2.36	23,615	2.36	-	-	(23,615)	(2.36)	-	-
Series A3 CCCPS	17,806	1.78	-	-	17,806	1.78	17,806	1.78	-	-	(17,806)	(1.78)	-	-
Series B1 CCCPS	1,75,922	17.59	-	-	1,75,922	17.59	1,75,922	17.59	-	-	(1,75,922)	(17.59)	-	-
Series B3 CCCPS	52,834	5.28	-	-	52,834	5.28	52,834	5.28	-	-	(52,834)	(5.28)	-	-
Series B4 CCCPS	89,844	8.98	-	-	89,844	8.98	89,844	8.98	-	-	(89,844)	(8.98)	-	-
Series C1 CCCPS	84,469	8.45	-	-	84,469	8.45	84,469	8.45	-	-	(84,469)	(8.45)	-	-
Series C2 CCCPS	1,81,007	18.10	-	-	1,81,007	18.10	1,81,007	18.10	-	-	(1,81,007)	(18.10)	-	-
Series C3 CCCPS	1,20,665	12.07	-	-	1,20,665	12.07	1,20,665	12.07	-	-	(1,20,665)	(12.07)	-	-
Series C5 CCCPS	7,204	0.72	-	-	7,204	0.72	7,204	0.72	-	-	(7,204)	(0.72)	-	-
Series C6 CCCPS	5,067	0.51	-	-	5,067	0.51	5,067	0.51	-	-	(5,067)	(0.51)	-	-
Series C7 CCCPS	17,429	1.74	-	-	17,429	1.74	17,429	1.74	13,663	1.37	(31,092)	(3.11)	-	-
Series C9 CCCPS	5,810	0.58	-	-	5,810	0.58	5,810	0.58	-	-	(5,810)	(0.58)	-	-
Series D CCCPS	2,71,050	27.11	-	-	2,71,050	27.11	2,71,050	27.11	-	-	(2,71,050)	(27.11)	-	-
Series E1 CCCPS	20,040	2.00	-	-	20,040	2.00	20,040	2.00	-	-	(20,040)	(2.00)	-	-
Series E2 CCCPS	9,109	0.91	-	-	9,109	0.91	9,109	0.91	-	-	(9,109)	(0.91)	-	-
Series E3 CCCPS	48,057	4.80	22,944	2.29	71,001	7.09	71,001	7.09	-	-	(71,001)	(7.09)	-	-
Series E4 CCCPS	3,643	0.36	-	-	3,643	0.36	3,643	0.36	-	-	(3,643)	(0.36)	-	-
Series E5 CCCPS	6,972	0.70	-	-	6,972	0.70	6,972	0.70	-	-	(6,972)	(0.70)	-	-
Series E6 CCCPS	3,914	0.39	-	-	3,914	0.39	3,914	0.39	-	-	(3,914)	(0.39)	-	-
Series E7 CCCPS	-	-	41,375	4.14	41,375	4.14	41,375	4.14	-	-	(41,375)	(4.14)	-	-
Series E8 CCCPS	-	-	9,970	1.00	9,970	1.00	9,970	1.00	-	-	(9,970)	(1.00)	-	-
General CCCPS	-	-	35,887	3.59	35,887	3.59	35,887	3.59	56,818	5.68	(92,705)	(9.27)	-	-
Series G CCCPS	-	-	-	-	-	-	-	-	83,165	8.32	(83,165)	(8.32)	-	-
Total	**13,16,993**	**131.68**	**1,10,176**	**11.02**	**14,27,169**	**142.70**	**14,27,169**	**142.70**	**1,53,646**	**15.37**	**(15,80,815)**	**(158.07)**	**-**	**-**
Total	**14,73,892**	**133.25**	**1,10,176**	**11.02**	**15,84,068**	**144.27**	**15,84,068**	**144.27**	**1,53,646**	**15.37**	**(17,37,714)**	**(159.64)**	**-**	**-**

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11(c) Terms/ rights attached to shares

(i) Terms/ rights attached to equity shares:

Voting
Each holder of equity share is entitled to one vote per share held.

Dividend
The Holding Company will declare and pay dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting, except in the case where interim dividend is distributed. The Holding Company has not declared or paid any dividend since its incorporation.

Liquidation
In the event of liquidation of the Holding Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Holding Company, after distribution of all preferential amounts. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

(ii) Terms/rights attached to equity shares- Class A

Voting
To the extent that, and at all times when, applicable laws do not permit the holders of the series A CCCPS or the Series A1 CCCPS to exercise voting rights on the series A CCCPS or the Series A1 CCCPS in the manner contemplated, the class A equity shares shall carry such number of votes as may be necessary to permit each holder of the Series A CCCPS or Series A1 CCCPS to vote, on all matters submitted to the vote of the shareholders of Holding Company, in such manner and such proportion as each such holder of the Series A CCCPS or Series A1 CCCPS would have been entitled to, had each such holder of the Series A CCCPS or Series A1 CCCPS elected to convert its Series A CCCPS or Series A1 CCCPS into Equity shares based on the then applicable Series A Conversion Price or Series A1 Conversion Price. At all other times and in all other events, including the event that a holder of Class A Equity Shares does not hold any Series A CCCPS or Series A1 CCCPS, then the Class A Equity Shares held by such Shareholder shall carry one(1) vote each.

Dividend
The Holding Company will declare and pay dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting, except in the case where interim dividend is distributed. The Holding Company has not declared or paid any dividend since its incorporation.

Liquidation
In the event of liquidation of the Holding Company, the holders of Class A equity shares will be entitled to receive remaining assets of the Holding Company after distribution of all preferential amounts. The distribution will be in proportion to the number of Class A equity shares held by the shareholders.

(iii) Terms/rights attached to Cumulative Compulsorily Convertible Preference Shares (CCCPS)

Terms/rights attached to Cumulative Compulsory Convertible Preference Shares (CCCPS) towards Series A, A1, A2, A3, B1, B2, B3, B4, C1, C2, C3, C5, C6, C7, C9, D, E1, E2, E3, E4, E5, E6, E7, E8 ,General and General G CCPS

Voting
The Preference shareholders of series A, A1, A2, A3, B1, B2, B3, B4, C1, C2, C3, C5, C6, C7, C9, D, E1, E2, E3, E4, E5, E6, E7, E8, General and General G CCCPS are entitled to receive notice of and vote on all matters that are submitted to the vote of Shareholders of the Company. However preference shareholder of series B2 shall have only those voting rights as are provided to preference shareholders under the Act and the right to vote on the Affirmative Vote Matters. The holder is entitled to the number of votes equal to the number of whole or fractional shares into which they could be converted.

Dividend
The Preference share of series A and A1 carry cumulative dividend rights at 0.0001% and series A2, A3, B1 , B2 ,B3, B4, C1, C2, C5, C7, C6, C9, D, E1, E2, E3, E4, E5, E6, E7, E8, General and General G CCCPS carry cumulative dividend rights at 0.001%.

Conversion
As per the terms of shareholders agreement dated 21 April 2016, 15 August 2016, Supplemental Deed dated 22 December 2016, Amendment Agreement dated 6 March 2017 and Share Cum Warrant Subscription Agreement dated 11 February 2017 the CCCPS may be converted into Equity Shares at any time at the option of the holder of the CCCPS. Subject to compliance with applicable Laws, each CCCPS shall automatically be converted into equity shares, at the applicable Conversion Price then in effect, upon the earlier of (i) one day prior to the expiry of 20 years from the closing date; or (ii) in connection with a IPO (or any subsequent IPO), prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable Laws.
These CCCPS shall be converted into Equity Shares at the conversion price to be determined based on the formulae specified in the said shareholder's agreement dated dated 21 April 2016, 15 August 2016, Supplemental Deed dated 22 December 2016, Amendment Agreement dated 6 March 2017 and Share Cum Warrant Subscription Agreement dated 11 February 2017 respectively.
During the year ended 31 March 2022, all of the CCCPS has been converted into equity. (Refer note 11(b))

Liquidation
In the event of liquidation, the preference shareholders are eligible for preference of payment over any class of equity shareholders and there shall be pari-passu charge by all series of preference shareholders.

(iv) Terms/rights attached to Share Warrants towards Series C7

Terms of issue and exercise of the Warrants
Each Warrant entitles Bennett Coleman & Company Limited ("BCCL") to subscribe to and be allotted such number of Shares and/or Series C7 CCCPS, at its sole discretion, calculated as specified in the said Share Cum Warrant Subscription Agreement dated 11 February 2017. BCCL, at its sole discretion, shall be entitled to (i) exercise all or some of the Warrants; and (ii) upon such exercise, subscribe to either the Shares or Series C7 CCCPS in accordance with the proviso to Article 2.3.1(b) and as per the procedure laid down in the Agreement.

Conversion
BCCL may exercise its rights under all or some of the Series C7 CCCPS (in whole or in part) and convert the Series C7 CCCPS into Shares as per the procedure detailed in the agreement.

11(d) The Holding Company had not issued any bonus shares or bought back any shares during the five years immediately preceeding the reporting date, except that the Company has issued 15,617,940 equity shares of INR 2 each as bonus (3 bonus shares for each equity share), which was approved by the the Board of Directors and shareholders of the Company on 22 June 2021. (Refer note 46).

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11(e) Details of shareholders holding

Details of shareholders holding more than 5% equity shares in the Company

	As at 31 March 2022*		As at 31 March 2021*	
	Number	**% Holding**	**Number**	**% Holding**
Equity shares of INR 10 each fully paid				
Bipin Preet Singh	-	-	5,85,000	58.21%
Upasana Rupkrishan Taku	-	-	4,15,000	41.29%
Class A - Equity shares of INR 10 each fully paid				
Sequoia Capital India Investment Holdings III	-	-	10	50.00%
Sequoia Capital India Investments IV	-	-	10	50.00%
Equity shares of INR 2 each fully paid				
Bipin Preet Singh	1,14,30,478	19.99%	-	-
Upasana Rupkrishan Taku	80,91,995	14.15%	-	-
Bajaj Finance Limited	79,79,440	13.95%	-	-
Sequoia Capital India Investments Iv	77,49,321	13.55%	-	-
Net 1 Applied Technologies Netherlands B.V.	62,15,620	10.87%	-	-
			-	-

Details of shareholders holding more than 5% preference shares in the Company

		As at 31 March 2022*		As at 31 March 2021	
		Number	**% Holding**	**Number**	**% Holding**
Sequoia Capital India Investment Holdings III	Series A CCCPS	-	-	1,09,779	100%
Sequoia Capital India Investments IV	Series A1 CCCPS	-	-	1,72,536	100%
Sequoia Capital India Investments IV	Series A2 CCCPS	-	-	23,615	100%
Sequoia Capital India Investments IV	Series A3 CCCPS	-	-	17,806	100%
Sequoia Capital India Investments IV	Series B1 CCCPS	-	-	87,864	50%
TreeLine Asia Master Fund	Series B1 CCCPS	-	-	88,058	50%
American Express Travel Related Services Co.	Series B2 CCCPS	-	-	47,120	100%
Cisco Systems (USA) PTE Ltd	Series B3 CCCPS	-	-	52,834	100%
Sequoia Capital India Investments IV	Series B4 CCCPS	-	-	62,341	69%
TreeLine Asia Master Fund	Series B4 CCCPS	-	-	27,503	31%
Sequoia Capital India Investments IV	Series C1 CCCPS	-	-	12,067	14%
TreeLine Asia Master Fund	Series C1 CCCPS	-	-	12,067	14%
GMO Global Payment Fund Investment Partnership	Series C1 CCCPS	-	-	24,134	29%
Cloud Ranger Limited	Series C1 CCCPS	-	-	36,201	43%
Net1 Applied Technologies	Series C2 CCCPS	-	-	1,81,007	100%
Cisco Systems (USA) Pte. Ltd.	Series C5 CCCPS	-	-	7,204	100%
Net1 Applied Technologies	Series C3 CCCPS	-	-	1,20,665	100%
American Express Travel Related Services Co.	Series C6 CCCPS	-	-	5,067	100%
Bennett, Coleman and Company Limited	Series C7 CCCPS	-	-	17,429	100%
GMO Global Payment Fund Investment Partnership	Series C9 CCCPS	-	-	5,810	100%
Bajaj Finance Limited	Series D CCCPS	-	-	2,71,050	100%
GMO Global Payment Fund Investment Partnership	Series E1 CCCPS	-	-	1,822	9%
Sequoia Capital India Investments IV	Series E1 CCCPS	-	-	18,218	91%
Net1 Applied Technologies Netherlands B.V.	Series E2 CCCPS	-	-	9,109	100%
Bajaj Finance Limited	Series E3 CCCPS	-	-	68,269	96%
Trifecta Capital VDF Management LLP	Series E4 CCCPS	-	-	3,643	100%
New Delhi Television Limited	Series E5 CCCPS	-	-	6,972	100%
Nicolas Jarrosson	Series E6 CCCPS	-	-	3,914	100%
Hindustan Media Ventures Ltd	Series E7 CCCPS	-	-	41,375	100%
Pratithi Investment Trust	Series E8 CCCPS	-	-	9,970	100%
Elizabeth Mathew	General CCCCPS	-	-	12,048	34%
Mauryan First	General CCCCPS	-	-	7,229	20%
Orios Select Fund I	General CCCCPS	-	-	6,025	17%
Vineet Kulbandhu Sharma	General CCCCPS	-	-	5,871	16%
		-		**15,76,622**	

* During the year ended 31 March 2022, the Holding Company have approved stock splits of one equity share having face value of INR 10 each into five equity shares having face value of INR 2 each and also approved issuance of bonus shares (refer Note 46).

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11(f) Other

a) Shares issued for consideration other than cash

i) The Holding Company issued CCCPS for INR 100 each to Bajaj Finance Limited at a premium mentioned below in lieu of extinguishment of outstanding trade payables.

For the year ended 31 March 2022		For the year ended 31 March 2021	
Number of shares	**Premium per share**	**Number of shares**	**Premium per share**
3,932	8,134	22,944	8,134
7,538	9,930	-	-
3,919	12,350	-	-

b) Share reserved for issue under contracts/ commitments for the sale of shares

(i) The Company has reserved the following number of equity shares for creating a pool of employee stock options for the benefit of eligible employees on such terms and conditions as determined by the investors and the Board of Directors (Refer note 29). For details of shares reserved for issue on conversion of CCCPS, please refer note 10(c)(iii) regarding terms of conversion/redemption of cumulative convertible preference shares.

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Number of shares	45,64,260	2,28,213
Face value of shares	2	10
Percentage of capital	7.98%	8.81%

(ii) Pursuant to the advertisement agreement and share cum warrant subscription agreement between the Holding Company and Bennett, Coleman and Company Limited (BCCL) the Holding company shall allot such number of series C7 CCCPS to BCCL against the exercise of warrants by BCCL and against the amounts payable to BCCL by the Holding Company under line of credit in accordance with the conversions basis agreed in the aforesaid agreements. During the year ended 31 March 2022, the warrant has been converted into 13,663 CCCPS for INR 100 each.

c) Shares reserved for issue under options

Information relating to the Group's employee option plans (ESOP), including details of options issued, exercised and lapsed during the year and options outstanding at the end of the reporting year, is set out in note 29.

11(g) Shareholding of promoters

Shares held by promoters at the end of the year

	As at 31 March 2022*	**As at 31 March 2021**
Number of Shares		
Bipin Preet Singh	1,14,30,478	5,85,000
Upasana Rupkrishan Taku	80,91,995	4,15,000
% of total shares		
Bipin Preet Singh	19.99%	58.21%
Upasana Rupkrishan Taku	14.15%	41.29%
% Change during the year		
Bipin Preet Singh	-38.22%	0.00%
Upasana Rupkrishan Taku	-27.14%	0.00%

* During the year ended 31 March 2022, the Holding Company have approved stock splits of one equity share having face value of INR 10 each into five equity shares having face value of INR 2 each and also approved issuance of bonus shares (refer Note 46).

12 Other equity

	As at 31 March 2022	**As at 31 March 2021**
Securities premium	11,543.40	7,966.00
Money received against share warrants	-	9.75
Other comprehensive income	2.67	-
Share application money pending allotment*	0.00	36.51
Employee share options reserve	432.76	292.70
Retained earnings	(9,927.79)	(8,659.41)
Total other equity	**2,051.04**	**(354.45)**

* Represents share application money pending for allotment INR 3038 , rounded off to "0" on conversion to INR million.

a) Securities premium:- Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.
b) Money received against share warrants : Refer note 11(c)(iv) above.
c) Other comprehensive income:- This represents the gain on fair value of investment in NPCI which have been classified to be valued under OCI.
d) Share application money pending allotment :- It represents the amount received for which the share allotment is yet to be made or any excess amount received over and above the allotment amount.
e) Employee share options outstanding account:- Employee share option outstanding account is used to record the impact of employee stock option scheme. Refer note 29 for further detail of this plan.
f) Retained earnings:- Retained earnings are the accumulated loss made by the Company till date.

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		As at 31 March 2022	As at 31 March 2021
13	**Borrowings**		
	Non-current		
	Secured, at amortised cost		
	Non-convertible debentures (refer note 1 below)	-	25.45
	Less: Current maturity of non-convertible debentures	-	(25.45)
		-	-
	Current		
	Unsecured, at amortised cost		
	Term loan from financial institution (refer note 3 below)	95.08	-
		95.08	-
	Secured, at amortised cost		
	From banks :		
	Bank overdraft (refer note 2 below)	1,214.06	580.48
	Term loan (refer note 2 below)	200.00	-
	Current maturity of non-convertible debentures	-	25.45
		1,414.06	**605.93**
	Total	**1,509.14**	**605.93**

Notes:

1. The Holding Company had raised INR 300 million from Trifecta Venture Debt Fund - I through issue of 300 Series-A debentures (Non-convertible) having face value of INR 1 million at the interest rate of 14.25% p.a. (EIR 14.38% p.a.) during the year ended 31 March 2019. These debentures are secured by first pari passu charge created on present and future fixed and current assets of the Holding Company. These debentures are repayable over 30 installments starting from November 2018. This loan have been paid off on 1 May 2021.

2. In case of Holding Company, the bank overdrafts and short term loan is secured by way of first pari passu charge on all the present and future current assets (excluding the escrow balances), property plant and equipments and carries interest rate of 9.89% p.a. for bank overdraft and 9.44% for short term loan from AXIS Bank. The short term loan is repayable on demand.

The bank overdrafts is secured by way of first pari passu charge on all the present and future current assets (excluding the escrow balances) carries interest rate of 9.35% p.a. for ICICI Bank.

In case of Subsidiary Company (ZAAK EPAYMENTS SERVICES PRIVATE LIMITED), the Bank overdrafts availed from ICICI Bank Limited is secured by way of charge on the stock, book debts, fixed deposits, other receivables and personal guarantee of directors and carries interest rate of 9.32% p.a. .

The unutilized sanction limits for bank overdrafts and term loans:

Bank Name	Nature of Facility	Amount 31 March 2022	Amount 31 March 2021
AXIS Bank	Bank overdrafts	2.07	118.68
AXIS Bank	Short term loan	-	200.00
ICICI Bank	Bank overdrafts	3.86	1.08

3. The Holding Company had raised INR 163 million from DMI Finance Private Limited during the year ended 31 March 2022 as a Line of Credit at the interest rate of 16.00% p.a. and having a validity of 1 year.

4. The information required by the banks and financial institutions as per sanction letter for details on current assets under lien against the borrowings has been provided by the Group. The information which have been submitted by the Group to banks and financial institutions were in agreement with the books of accounts.

		As at 31 March 2022	As at 31 March 2021
14	**Trade payables**		
	- Total outstanding dues of micro enterprises and small enterprises (Refer note 43)	55.13	6.77
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	692.81	805.73
		747.94	**812.50**

Trade payables aging schedule

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					
	Not due	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed dues - MSME	49.13	5.60	0.10	0.01	0.29	55.13
Undisputed dues - Others	578.19	49.77	7.14	13.19	23.40	671.69
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	2.51	9.07	9.54	21.12

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment					
	Not due	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed dues - MSME	-	5.95	0.10	0.72	-	6.77
Undisputed dues - Others	260.14	376.83	23.45	80.64	41.42	782.48
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	0.88	10.29	12.08	-	23.25

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	As at 31 March 2022	As at 31 March 2021
15 Other financial liabilities		
Non-current		
Security deposits	0.35	0.35
	0.35	**0.35**
Current		
Interest accrued on borrowings	0.67	0.31
Advance from financing partner	1,213.17	597.66
Security deposits	0.24	12.65
Advances from wallet users (user's balance)	1,225.63	1,010.58
Financial guarantee obligation*	489.87	757.22
Payable to merchants	615.06	277.93
Payable to operators and aggregators (refer note 49)	44.03	39.36
Others	136.37	146.75
	3,725.04	**2,842.46**
Total	**3,725.39**	**2,842.81**

* For disclosure on inputs, assumptions and estimation techniques used in measurement of impairment loss on financial guarantee obligation, refer note 32

	As at 31 March 2022	As at 31 March 2021
16 Provisions		
Non-current		
Provision for employee benefits		
Provision for gratuity*	20.28	23.14
Total	**20.28**	**23.14**
Current		
Provision for employee benefits		
Provision for gratuity*	5.88	3.81
Provision for leave encashment	13.18	8.86
Total	**19.06**	**12.67**

*For details of movement in provision for gratuity, refer note 28.

	As at 31 March 2022	As at 31 March 2021
17 Contract liabilities		
Current		
Deferred revenue	24.01	46.65
Customer incentives	12.69	30.47
Advance from customers	1.93	0.14
Total	**38.63**	**77.26**

	As at 31 March 2022	As at 31 March 2021
18 Other liabilities		
Current		
Statutory remittances	67.43	55.46
Others	-	1.75
Total	**67.43**	**57.21**

	As at 31 March 2022	As at 31 March 2021
19 Non-current tax asset (net)		
Advance tax and tax deducted at source	233.78	152.95
Income tax payable	(3.64)	(2.89)
Total	**230.14**	**150.06**

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		For the year ended 31 March 2022	For the year ended 31 March 2021
20	**Revenue from operations**		
	A. Payment Services		
	(1). Consumer payments	2,501.91	2,094.35
	(2). Payment gateway	1,787.17	193.23
		4,289.08	**2,287.58**
	B. Digital Financial Services	**976.57**	**598.13**
	Total revenue from operations	**5,265.65**	**2,885.71**

The Group derives its revenue from contracts with customers for the transfer of services over time and at a point in time on the Group's available services product. The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108 (see note 33).

A. Payment services include revenue from consumer payment and payment gateway:

(1). Consumer payment includes merchant fee collected from a merchant and convenience fees collected from users under certain categories of services.
(2). Payment gateway includes merchant fee collected from e-commerce merchants (websites/apps).

B. Digital financial services include MobiKwik Zip (which is flagship 15-day product), Zip EMI (which is a longer tenure credit product) and other credit products. It also includes revenue from insurtech, wealthtech and fintech products, platform services specifically designed to drive credit business and amounts received from online promotions on such platforms. Zip product includes revenue in the form of a) merchant fee collected from a merchant, b) one time Zip activation fee collected from a user, and c) late fees collected from those users who repay their Zip due amount after the due date.
For segment related information, refer note 33.

20.1	**Disaggregation of revenue based on timing of recognition of revenue:**		
a	Services transferred at point in time	5,231.07	2,878.70
b	Services transferred over time	34.58	7.01
	Total revenue from contract with customers	**5,265.65**	**2,885.71**
20.2	**Reconciliation of revenue recognised in statement of profit and loss with contracted price:**		
	Revenue as per contracted price	5,287.46	2,893.14
	Less: Variable consideration (including consideration payable to customer)	(21.81)	(7.43)
		5,265.65	**2,885.71**

20.3 Transaction price allocated to the remaining performance obligations:
The following table includes revenue expected to be recognised in the future related to performance obligation that are unsatisfied (or partially unsatisfied) at the reporting date:

Sale of services	38.63	77.26
	38.63	**77.26**

Note: All the remaining performance obligation are expected to be recognised within one year

20.4 Contract balances
The following table provides information about contract liabilities from contract with customers

	As at 31 March 2022	As at 31 March 2021
Contract liabilities (refer note 17)	38.63	77.26

Significant changes in the contract liabilities balances during the year are as follows:

Deferred revenue	As at 31 March 2022	As at 31 March 2021
Opening balance at the beginning of the year	**46.65**	**5.00**
Add: Amount received from customers during the year	-	45.33
Less: Revenue recognised during the year	(22.64)	(3.68)
Closing balance at the end of the year	**24.01**	**46.65**

Customer incentive	As at 31 March 2022	As at 31 March 2021
Opening balance at the beginning of the year	**30.47**	**59.09**
Add: Created during the year	12.69	30.47
Less: Utilised during the year	(30.47)	(59.09)
Closing balance at the end of the year	**12.69**	**30.47**

Advance from customer	As at 31 March 2022	As at 31 March 2021
Opening balance at the beginning of the year	0.14	-
Add: Received during the year	1.80	0.14
Less: Revenue recognised during the year	(0.01)	-
Closing balance at the end of the year	**1.93**	**0.14**

		For the year ended 31 March 2022	For the year ended 31 March 2021
21	**Other income**		
	Interest income from financial assets measured at amortised cost		
	- on bank deposits	69.32	58.45
	- on security deposits	0.39	0.64
	Interest on income tax refund	4.92	3.45
	Liabilities / provisions no longer required written back*	86.57	63.48
	Gain on disposal of investments	-	1.40

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Reversal of impairment loss on trade receivables	5.02	-
Gain on termination of lease contract	-	8.48
Miscellaneous income	0.32	0.95
Total	**166.54**	**136.85**

* Includes amount for recoveries which have already been settled with lending partners.

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22 Employee benefits expense	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Salaries, allowance and bonus	771.77	471.95
Gratuity expense (refer note 28)	14.07	11.77
Leave encashment expense	8.58	5.23
Contribution to provident and other funds	13.87	9.98
Employee stock options expense (refer note 29)	260.04	31.16
Staff welfare expenses	4.13	0.22
Total	**1,072.46**	**530.31**

23 Finance costs	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Interest expense on financial liabilities at amortised cost		
- on overdraft	67.28	43.46
- on other borrowings	22.51	19.07
- on lease liability	2.85	1.97
Interest expense on delayed payment of statutory dues	0.14	0.18
Others	16.35	6.67
Total	**109.13**	**71.35**

24 Depreciation and amortisation expense	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Depreciation of property, plant and equipment (refer note 4)	16.01	4.28
Depreciation on right of use assets (refer note 42)	4.98	8.86
Total	**20.99**	**13.14**

25 Other expenses	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Payment gateway cost (Refer note 35)	2,276.75	1,511.60
Business promotion*	1,045.90	803.18
Franchisee cost	116.92	121.55
Advertisement	84.24	64.24
B2B commission expense	15.97	23.20
Lease rent	12.95	0.75
Rates and taxes	31.46	12.52
Communication costs	82.40	33.62
Outsource service cost	105.17	44.05
Foreign exchange loss (net)	0.40	0.73
Power and fuel	0.17	0.38
Merchant related costs	74.23	42.15
Repair and maintenance:		
-Plant and machinery	0.07	0.13
-Others	6.43	4.54
Server and related cost	105.11	57.68
Travelling and conveyance	12.34	5.72
Legal and professional fees	190.57	62.80
Lending operational expenses	176.07	67.04
Auditor's remuneration**	4.00	4.26
Insurance expenses	2.61	2.36
Software expenses	15.39	15.30
IMPS Expenses	33.47	12.90
Financial guarantee expenses	907.69	583.67
Impairment loss on trade receivables	-	1.15
Provision for doubtful advances	2.76	1.01
Provision against legal proceedings (refer note 41)	106.91	-
Bad debts	12.37	6.98
Loss on disposal of property, plant & equipment (net)	0.38	0.43
Miscellaneous expenses	29.94	26.45
Total	**5,452.67**	**3,510.39**

*Includes user incentive expenses amounting to INR 656.94 million (31 March 2021: 563.03 million)

**Includes payments to statutory auditors (exclusive of Goods and Service Tax)

For audit	3.20	4.05
For limited review	0.70	-
For reimbursement of expenses	0.10	0.21
	4.00	**4.26**

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26 Earnings per share (EPS)

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

Diluted EPS are calculated by dividing the loss for the year attributable to the equity holders of the Company by weighted average number of equity shares and CCPS outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. The following reflects the income and share data used in the basic and diluted EPS computations:

Basic	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Loss for basic EPS being net loss attributable to owners of the Company (A)	(1,281.62)	(1,113.00)
Weighted average number of equity shares and CCPS in calculating basic EPS (B) (refer note 1 below)	5,56,15,263	5,01,80,679
Basic loss per equity share (A/B) (INR)	(23.04)	(22.18)
Diluted		
Loss for basic EPS being net loss attributable to owners of the Company (A)	(1,281.62)	(1,113.00)
Weighted average number of equity shares and CCPS in calculating basic and diluted EPS (B) (refer note 1 below)	5,56,15,263	5,01,80,679
Diluted loss per equity share (A/B) (INR)	(23.04)	(22.18)

(1) The earnings per share reflects the impact of sub-division of 1 equity share having face value of INR 10 each into 5 equity shares having face value of INR 2 each and the bonus shares issuance in the ratio of 3:1 (refer note 46).

(2) There are potential equity shares as on 31 March 2022 and 31 March 2021 in the form of stock options granted to employees. As these are anti dilutive, they are ignored in the calculation of diluted earning/(loss) per share and accordingly the diluted earning/(loss) per share is the same as basic earnings/(loss) per share.

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27 Income tax

The major components of income tax expense/(credit) are :

a) Income tax expense/(credit) recognised in consolidated statement of Profit and Loss:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax		
Current income tax for the year	2.16	2.89
	2.16	2.89
Deferred tax		
Relating to origination and reversal of temporary differences	(4.72)	7.48
	(4.72)	7.48
Total income tax (credit)/expense	**(2.56)**	**10.37**

b) The income tax expense for the year can be reconciled to the loss before tax as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Loss before tax	(1,284.18)	(1,102.63)
Accounting loss before income tax	**(1,284.18)**	**(1,102.63)**
Tax expense using the Company's tax rate of 26.00% (31 March 2021: 26.00%)	(333.89)	(286.68)
Effect of tax rates in other subsidiaries	13.64	1.01
Other non-deductible expenses	4.19	0.76
Temporary differences and tax losses on which no deferred tax was recognised	313.50	295.28
Tax expense at the effective income tax rate of (0.21%) (31 March 2021: (0.94%))	**(2.56)**	**10.37**

c) Breakup of deferred tax recognised in the Consolidated Balance sheet

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax asset		
Tax business losses and unabsorbed business losses	1,799.46	1,868.33
Property, plant and equipment and other intangible assets	2.49	0.74
Lease liabilities	0.39	-
Trade recievable	0.20	1.50
Deferred revenue	-	1.30
Impairment loss on Digital Financial Services	127.37	196.88
Provision for employee benefits	10.15	9.77
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	35.21	26.17
Total	**1,975.27**	**2,104.69**
Total deferred tax assets recognised (A) (refer note below)	**31.15**	**26.51**
Deferred tax liabilities		
Non-convertible debentures	-	0.08
Total deferred tax liabilities (B)	**-**	**0.08**
Net deferred tax assets/(liabilities) (A-B)	**31.15**	**26.43**

Note: The amount of deferred tax assets recognised (except pertaining to subsidiary entity "ZAAK EPAYMENT SERVICES PRIVATE LIMITED") has been restricted to the amount of deferred tax liability recognised due to lack of reasonable certainty in those years because a trend of future profitability is not yet clearly discernible.

d) Detail of deductible temporary differences and unused tax losses for which no deferred tax asset is recognised in the Consolidated Balance Sheet:

Particulars	As at 31 March 2022	As at 31 March 2021
Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised are attributable to the following:		
- tax business losses	6,745.58	7,144.06
- unabsorbed depreciation	57.55	46.73
- other deductible temporary differences	676.15	906.28
	7,479.28	**8,097.07**

Utilization of tax business losses is subject to expiry of 8 years. Unabsorbed depreciation can be carried forward for an indefinite period. Other deductible temporary differences do not have any expiry date.

The group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

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28 Employee benefits

A Defined contribution plans

The Group makes contributions towards Provident Fund to a defined contribution retirement benefit plan for qualifying employees. The Group's contribution to the Employee Provident Fund is deposited with the Provident Fund Commissioner which is recognised by Income Tax authorities.

The Group has recognised INR 13.87 million during the year ended 31 March 2022 (31 March 2021: INR 9.98 million) for provident fund and other funds in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

B Defined benefit plans

Gratuity - defined benefit plan

The Group's gratuity scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' basic salary payable for each completed year of service or part thereof in excess of 6 months, subject to a maximum limit of INR 2.00 million in terms of the provisions of Gratuity Act, 1972. Vesting occurs upon completion of 5 years of service.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each reporting date.

The amount included in the consolidated financial statement arising from the Group's obligation in respect of its gratuity plan is as follows:

Gratuity - defined benefit plan

	As at 31 March 2022	As at 31 March 2021
Present value of un-funded defined benefit obligation	26.16	26.94

a) Reconciliation of the net defined benefit liability.

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

Reconciliation of present value of defined benefit obligation for Gratuity

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	26.94	19.31
Benefits paid	(1.63)	(1.11)
Current service cost	12.01	10.18
Interest cost	2.06	1.59
Actuarial (gains) losses		
- changes in demographic assumptions	(3.27)	(3.87)
- changes in financial assumptions	(2.09)	5.59
- experience adjustments	(7.86)	(4.75)
Balance at the end of the year	**26.16**	**26.94**

b) Amount recognised in Consolidated Statement of Profit and Loss :

	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	12.01	10.18
Net interest expense	2.06	1.59
Recognised in profit or loss	**14.07**	**11.77**
Remeasurement of the net defined benefit liability		
Actuarial (gain) loss on defined benefit obligation	(13.22)	(3.02)
Recognised in other comprehensive income	**(13.22)**	**(3.02)**

The most recent actuarial valuations of the present value of the defined benefit liability were carried out at 31 March 2022. The present value of the defined benefit liability, and the related current service cost and past service cost, were measured using the projected unit credit method.

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c) The principal assumption used for the purpose of actuarial valuation are as follows:
Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	As at 31 March 2022	As at 31 March 2021
Discount rate	6.13%-6.90%	5.88% - 6.64%
Expected rate of salary increase	12 - 15%	15.00%
Retirement age	58 years	58 years
Attrition rate	39.00%	25.00%
Mortality table	India Assured Life Mortality	India Assured Life Mortality

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

d) The plan typically exposes the Group to actuarial risks such as: interest rate, longevity risk and salary risk.

Interest rate risk
A decrease in the bond interest rate will increase the plan liability.

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

Salary risk
The present value of the defined benefit plan liability is calculated by 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.

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

For the year ended 31 March 2022	**Increase**	**Decrease**
Impact of change in discount rate by 1%	(0.79)	0.84
Impact of change in salary by 1%	0.63	(0.59)
Impact of change in employee turnover rate by 1%	(0.19)	0.19

For the year ended 31 March 2021	**Increase**	**Decrease**
Impact of change in discount rate by 1%	(1.06)	1.20
Impact of change in salary by 1%	0.72	(0.69)
Impact of change in employee turnover rate by 1%	(0.33)	0.35

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

f) The table below summarises the maturity profile and duration of the gratuity liability based on undiscounted expected future cashflows:

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
1st following year	6.06	3.93
2nd following year	5.40	4.23
3rd following year	4.49	4.25
4th following year	3.75	4.23
5th following year	3.34	3.88
Sums of years 6 to 10	7.63	11.50
Total	**30.67**	**32.02**

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29 Employee Stock Option Plan – 2014 ("The 2014 Plan")

(a) The Holding Company established the Employees Stock Option Scheme 2014 ("ESOP 2014") which was approved by the shareholders vide their special resolution dated on 5 August 2014. Under the plan, the Holding Company is authorised to issue up to 4,564,260 equity shares of INR 2 each to eligible employees. Employees covered by the plan are granted an option to purchase shares of the Holding Company subject to the requirements of vesting (refer note 47).

The ESOP 2014 scheme has been amended during the year which was approved by the Board of Directors of the Holding Company at their meeting held on 07 July 2021. Further Amended ESOP 2014 scheme was aligned in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 which was approved in the board meeting held on 07 December, 2021.

Also, ZAAK EPAYMENTS SERVICES PRIVATE LIMITED (hereinafter referred as "subsidiary company") established the ESOP Scheme 2020 ("Zaakpay ESOP Scheme 2020") which was approved by the shareholders vide their special resolution dated on 31 December 2020. The Board of Directors and the shareholders of the Subsidiary Company in their meeting(s) held on 08 October 2021 and 15 October 2021 respectively have resolved to increase the Pool from existing 1,256 Stock Options exercisable into 1256 Equity Shares of Rs.10/- each to 12,560 Stock Options exercisable into 12,560 Equity Shares of Re.1/- each (ESOP Pool). Employees covered by the plan are granted an option to purchase shares of the Company subject to the requirements of vesting.

Vesting condition:
In case of Holding Company, the vesting condition of options is subject to continued employment and in case of subsidiary company, the vesting condition is subject to continued employment and satisfaction of specified performance criteria.

Vesting period:
The Holding Company has issued above options with graded vesting with vesting period ranging from 1 to 4 years. The Subsidiary Company has issued options with graded vesting with vesting period ranging from 3 to 4 years.

Exercise period:
Exercise period would expire at the end of 7 - 10 years from the date of vesting of options.

(b) Movements during the year
The following table represents the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year for Holding Company:

ESOP 2014 Scheme :

	As at 31 March 2022		As at 31 March 2021	
	Number of Options	**WAEP**	**Number of options**	**WAEP**
Outstanding at the beginning of the year	1,28,818	2,631.03	1,14,803	1,897.60
Options granted during the year	42,507	2,262.46	19,154	7,654.34
Options exercised during the year	(35,725)	1,681.24	-	-
Options forfeited during the year	(16,863)	3,302.89	(5,139)	4,969.35
Options outstanding at the end of the year	1,18,737	2,689.44	1,28,818	2,631.03
Vested options outstanding at the end of the year (Exercisable)	69,775	1,590.04	99,370	1,324.32

The share options outstanding at the end of the year had a weighted average exercise price of INR 2,689.44 (31 March 2021: INR 2,631.03), and a weighted average remaining contractual life of 5.21 years (31 March 2021: 5.41 years).

Amended ESOP 2014 Scheme :

	As at 31 March 2022		As at 31 March 2021	
	Number of Options	**WAEP**	**Number of Options**	**WAEP**
Outstanding at the beginning of the year	-	-	-	-
Options granted during the year	2,08,090	2.00	-	-
Options forfeited during the year	(14,695)	2.00	-	-
Options Outstanding at the end of the year	1,93,395	2.00	-	-
Vested Options Outstanding at the end of the year (Exercisable)	-	-	-	-

The share options outstanding at the end of the year had a weighted average exercise price of INR 2 (31 March 2021: Nil), and a weighted average remaining contractual life of 9.19 years (31 March 2021: Nil).

The following table represents the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year for Subsidiary Company:

Zaakpay Employee Share Options Scheme

	As at 31 March 2022		As at 31 March 2021	
	Number of Options	**WAEP**	**Number of Options**	**WAEP**
Outstanding at the beginning of the year	-	-	-	-
Options granted during the year	1,031	2,20,344	-	-
Options forfeited during the year	(648)	3,58,375	-	-
Options outstanding at the end of the year	383	5,054	-	-
Vested options outstanding at the end of the year (Exercisable)	-	-	-	-

The share options outstanding at the end of the year had a weighted average exercise price of INR 5,054 (31 March 2021: Nil), and a weighted average remaining contractual life of 12.90 years (31 March 2021: Nil).

c) Range of exercise price for share options outstanding at the end of the year:

ESOP 2014 Scheme :

Exercise price (Amount in INR)	**As at 31 March 2022**	**As at 31 March 2021**
10	21,045	35,015
40	20,576	-
695	32,483	45,089
2,884	82	82
4,475	9,404	14,026
5,708	2,374	4,840
6,587	6,845	10,480
7,307	19,506	10,007
8,024	6,062	9,279
9,960	362	-

Amended ESOP 2014 Scheme :

Exercise price (Amount in INR)	**As at 31 March 2022**	**As at 31 March 2021**
2	1,93,395	-

Zaakpay Employee Share Options Scheme

Exercise price (Amount in INR)	**As at 31 March 2022**	**As at 31 March 2021**
1	329	-
35,838	54	-

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d) The weighted average fair value of options granted under the ESOP 2014 scheme during the year was INR 10,362.82 per option (31 March 2021: INR 2,972.97 per option). The weighted average fair value of options granted under the Amended ESOP 2014 scheme during the year was INR 910.60 per option (31 March 2021: Nil) and INR 131,822 per option (31 March 2021: Nil) in case of subsidiary company

	For the year ended 31 March 2022	For the year ended 31 March 2021
e) Expense arising from equity-settled share-based payment transactions	260.04	31.16

f) The estimation of fair value on date of grant was made using the Black-Scholes model in Holding Company with the following assumption :

Inputs for measurement of grant date fair values of ESOPs

ESOP 2014 Scheme :

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Exercise price- (in INR)	40 - 9,960	7,307 - 8,024
Fair value at grant date- (in INR)	5,490 - 16,872	1,033 - 4,962
Expected Volatility (Standard Deviation - Annual)	40.7% - 43.9%	37.9% - 42.7%
Risk free rate	5.6% - 6.6%	5.0% - 5.9%
Dividend yield	0.00%	0.00%

Amended ESOP 2014 Scheme :

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Exercise price- (in INR)	2	-
Fair value at grant date- (in INR)	894 - 926	-
Expected Volatility (Standard Deviation - Annual)	41.7% - 44.7%	-
Risk free rate	5.7% - 6.8%	-
Dividend yield	0.00%	-

The estimation of fair value on date of grant was made using the Monte Carlo Simulations (MCS) Method in the Subsidiary Company with the following assumption :

Zaakpay Employee Share Options Scheme
Inputs for measurement of grant date fair values of ESOPs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Exercise price- (in INR)	1 - 358,375	-
Fair value at grant date- (in INR)	8,963 - 161,481	-
Expected Volatility (Standard Deviation - Annual)	51.96%	-
Risk free rate	6.57%	-
Dividend yield	0.00%	-

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30 Fair value measurements

a) Category wise details as to carrying value, fair value and the level of fair value measurement hierarchy of the Group's financial instruments are as follows:

	Level	As at 31 March 2022	As at 31 March 2021
Financial assets			
a) Measured at fair value through other comprehensive income (FVTOCI)			
- Investment in NPCI (refer note 7(a))	Level 3	10.37	7.70
		10.37	7.70
b) Measured at amortised cost			
- Trade receivable (refer note 9)	Level 3	294.39	376.04
- Cash and cash equivalents (refer note 10)	Level 3	477.49	603.33
- Other bank balances (refer note 10)	Level 3	3,364.05	1,439.96
- Others financial assets (refer note 7(c))	Level 3	2,308.44	1,076.50
		6,444.37	3,495.83
Total financial assets		**6,454.74**	**3,503.53**
Financial liabilities			
a) Not measured at fair value (Other financial liabilities)			
- Borrowings (refer note 13)	Level 3	1,509.14	605.93
- Lease liabilities (refer note 42)	Level 3	68.01	-
- Trade payables (refer note 14)	Level 3	747.94	812.50
- Security deposits (refer note 15)	Level 3	0.59	13.00
- Other financial liabilities (refer note 15)	Level 3	3,724.80	2,829.81
Total financial liabilities		**6,050.48**	**4,261.24**

b) The following methods / assumptions were used to estimate the fair values:

i) The carrying value of bank deposits, trade receivables, cash and cash equivalents, trade payables, security deposits, loans, borrowings and other current financial assets and other current financial liabilities measured at amortised cost approximate their fair value due to the short-term maturities of these instruments.

ii) The fair value of non-current financial assets and financial liabilities measured are determined by discounting future cash flows using current rates of instruments with similar terms and credit risk. The current rates used does not reflect significant changes from the discount rates used initially. Therefore, the carrying value of these instruments measured at amortised cost approximate their fair value.

iii) Fair value of Investment in NPCI is based on net asset value.

c) There were no transfers between any levels for fair value

d) Following table describes the valuation techniques used

Financial assets	**Valuation techniques**	**Key inputs**	**Sensitivity**
Investment in equityinstruments of other entities National Payment Corporation of India ("NPCI")	Refer note below*	Net asset value	Refer note below**

* The fair values of financial assets included in level 3 have been determined in accordance with generally accepted valuation models.

** Sensitivity to changes in unobservable inputs: The fair value of the financial assets is directly proportional to the estimated book value of the company.
Change in significant unobservable input of discount rate by 100 bps and growth rate by 100 bps in the valuation does not have a significant impact on the carrying value of the assets in the consolidated financial information.

Reconciliation of level 3 fair value measurements

	Investment in equity instruments of other entities	
	As at 31 March 2022	As at 31 March 2021
Opening balance	7.70	-
Additions	-	7.70
Gains recognised in OCI	2.67	-
Closing balance	**10.37**	**7.70**

e) The following is the basis of categorising the financial instruments measured at fair value into Level 1 to Level 3:
Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: This level 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).
Level 3: This level 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.

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31 Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of net debt (note 13) offset by cash and bank balance (note 10) and total equity of the Group. The Group is not subject to any externally imposed capital requirements.

The Holding Company's board of directors reviews the capital structure of the Group on a periodic basis. As part of this review, the Board of directors considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity.

The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

Gearing ratio

The Group monitors capital on the basis of the following gearing ratio:
Net debt (total borrowings net of cash and cash equivalents)
divided by
Total equity (as shown in the statement of assets and liabilities).
The gearing ratio at end of the reporting year was as follows.

	As at 31 March 2022	As at 31 March 2021
Borrowings	1,509.14	605.93
Cash and cash equivalents	(477.49)	(603.33)
Adjusted Net Debt (A)	1,031.65	2.60
Total equity (B)	2,165.42	(200.13)
Net debt to equity ratio	**48%**	**-1%**

Debt is defined as long-term and short-term borrowings.

32 Financial risk management objectives and policies

The Group management monitors and manages key financial risk relating to the operations of the Group by analysing exposures by degree & magnitude of risk. The risks include market risk (including interest rate risk, currency risk and other price risk), credit risk and liquidity risk.

The Holding Company’s board of directors has overall responsibility for the establishment and oversight of the Group’s risk management framework. The Group’s risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities.

i) Credit risk management

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and financial guarantee provided by the Group) and from its financing activities, including deposits with banks and financial institutions, mutual funds and other financial assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

The carrying amounts of financial assets and the maximum amount the Group would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised, represents the maximum credit risk exposure.

Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

Trade receivables

The Group is exposed to credit risk in the event of non-payment by trade partners. Receivable credit risk is managed subject to the Group's established policy, procedures and control relating to trade partners risk management. The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables through a lifetime expected credit loss. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

Ageing of receivables is as follows :

	As at 31 March 2022	As at 31 March 2021
Not Due	167.00	253.62
Less than 6 months	29.63	116.06
6 months - 1 year	42.17	12.09
1-2 years	56.20	0.01
2-3 years	0.04	0.03
More than 3 years	0.10	-
Total	**295.14**	**381.81**

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security.

Digital Financial Services

The Group’s exposure to credit risk is from the Digital Financial Services business in which the group facilitates credit to its users through financing partners. The Group provides financial guarantees on the Digital Financial Services business to its financing partners to cover the loss on the credit extended to its users. Financial guarantees are capped to the extent agreed with the respective partner.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual users and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit risk department of the Group’s independent Risk Management Unit (RMU). It is their responsibility to review and manage credit risk, including environmental and social risk for all types of users. The RMU consist of experts and credit risk managers that have deep expertise in the domain of financial and credit risk of Digital Financial Services and are responsible for managing the risk of Digital Financial Services portfolio including credit risk systems, policies, models and reporting.

The Group has established a credit quality review process to provide early warning signals to identify the changes in the creditworthiness of its Digital Financial Services users. User limits are established by the use of a credit risk classification system, which assigns each Digital Financial Services user a risk rating. Risk ratings are subject to regular revision. The credit quality review process enables the periodic assessment of the potential loss to which the Group is exposed thereby allowing it to take corrective actions.

The Group has, based on current available information and based on the policy approved by the Board of Directors, determined the provision for impairment of financial assets.

Concentration of credit risk

Concentrations arise when a number of users are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Group’s policies and procedures include specific guidelines to focus on spreading its Digital Financial Services portfolio across various products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Group does not have concentration risk.

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Expected credit loss on financial guarantee contract

The Group has, based on current available information and based on the policy approved by the Board of Directors, calculated impairment loss allowance in the Digital Financial Services business using the Expected Credit Loss (ECL) model to cover the guarantees provided to its financing partners.

Expected credit loss (ECL) methodology

The Group has assessed the credit risk associated with its financial guarantee contracts for provision of Expected Credit Loss (ECL) as at the reporting dates. The Group makes use of various reasonable supportive forward-looking parameters which are both qualitative as well as quantitative while determining the change in credit risk and the probability of default. The underlying ECL parameters have been detailed out in the note on **"Summary of significant accounting policies".**

Since, the Group offers digital financial services and other offerings to a large retail customer base on its digital platform via marketplace model, there is no significant credit risk of any individual customer that may impact the Group adversely, and hence the Group has calculated its ECL allowances on a collective basis.

The Group has developed an ECL Model that takes into consideration the stage of delinquency, Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

I. Probability of Default (PD): represents the likelihood of default over a defined time horizon. The definition of PD is taken as 90 days past due for all loans.
II. Exposure at Default (EAD): represents what is the user's likely borrowing at the time of default.
III. Loss Given Default (LGD): represents expected losses on EAD given the event of default.

Each financial guarantee contract is classified into (a) Stage 1, (b) Stage 2 and (c) Stage 3 (Default or Credit Impaired). Delinquency buckets have been considered as the basis for the staging of all credit exposure under the guarantee contract in the following manner:
a) Stage 1: 0-30 days past due loans
b) Stage 2: More than 30 and up to 90 days past due loans
c) Stage 3: Above 90 days past due loans

Inputs, assumptions and estimation techniques used to determine expected credit loss

The Group's ECL provision are made on the basis of the Group's historical loss experience and future expected credit loss, after factoring in various macro-economic parameter. In calculating the ECL, given the uncertainty over the potential macro-economic impact, the Group's management has considered internal and external information including credit reports and economic forecasts up to the date of approval of these financial results. The selection of variables was made purely based on business sense.

The selected macro- economic variables were used to forecast the forward-looking PD's with macro-economic overlay incorporated. Best, base and worst scenarios were created for all the variables and default rates were estimated for all the scenarios. These default rates were then used with the same LGD and EAD to arrive at the expected credit loss for all three cases. The three cases were then assigned weights and a final probability-weighted expected credit loss estimate was computed.

The Group has also assessed the possible impact of COVID-19 pandemic on each borrower and significant increase in credit risk based on delayed payments metrics observed along with an estimation of potential stress on probability of defaults and loss given default. As a result of uncertainties resulting from COVID-19, the impact of this pandemic may be different from those estimated as on the date of approval of these financial results and the Group will continue to monitor any changes to the future economic conditions.

Analysis of portfolio

Gross exposure at default (EAD) and expected credit loss on financial guarantee contract as at the end of the reporting year:

Particulars	**(A) Gross exposure at default (EAD)***	**(B) Expected credit loss allowance (ECL)***	**(C) Net carrying amount (financial guarantee obligation)***	**(D) Impact on profit or loss****
As at 31 March 2022				
Where credit risk has not significantly increased from initial recognition (Stage 1)	1,973.90	64.05	64.05	907.69
Where credit risk has increased significantly but are not credit impaired (Stage 2)	406.29	181.81	181.81	
Where credit risk has increased significantly and are credit impaired (Stage 3)	325.68	244.01	244.01	
Total	**2,705.87**	**489.87**	**489.87**	**907.69**
As at 31 March 2021				
Where credit risk has not significantly increased from initial recognition (Stage 1)	1,596.51	52.07	52.07	583.67
Where credit risk has increased significantly but are not credit impaired (Stage 2)	290.02	98.37	98.37	
Where credit risk has increased significantly and are credit impaired (Stage 3)	275.15	105.27	105.27	
Total	**2,161.68**	**255.71**	**255.71**	**583.67**

* Gross exposure at default, expected credit loss allowance (ECL) and net carrying amount does not include the obligation from financial guarantee contracts not settled as at 31 March 2022 INR Nil (31 March 2021: INR 501.51 million).

** It includes INR 673.53 million for the year ended 31 March 2022 (31 March 2021: INR 511.13 million) which represents actual obligation arising from financial guarantee contracts for the respective years.

Notes:
1. Gross exposure at default (A) represents the maximum amount the Group has guaranteed under the respective financial guarantee contracts including amount outstanding, accrued interest, future interest due and any expected drawdowns in future from the sanctioned loan limits as on the reporting date.
2. The Expected Credit Loss (B) allowance is computed as a product of PD, LGD and EAD adjusted for time value of money using a rate which is a reasonable approximation of EIR.
3. Net Carrying Amount (C) represents the Expected Credit Loss (ECL) recognized on financial guarantee contracts.
4. Impact on Statement of profit or loss (D) is the loss allowance recognized during the financial year.

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Reconciliation of expected credit Loss (ECL) allowance on financial guarantee contracts

Particulars	Financial guarantee obligation where credit risk has not significantly increased from initial recognition (Stage 1)	Financial guarantee obligation where credit risk has increased significantly but are not credit impaired (Stage 2)	Financial guarantee obligation where credit risk has increased significantly and are credit impaired (Stage 3)	Total
ECL allowance as at 1 April 2020	**38.86**	**102.99**	**41.57**	**183.41**
- New credit exposures during the year, net of repayments	43.29	75.13	20.77	139.20
- Contracts settled during the year	(30.29)	(93.22)	(7.07)	(130.58)
- Transfer between stages during the year	(3.64)	12.71	50.86	59.93
- Financial guarantee contract obligations accrued but not settled (Refer note below)	-	-	501.51	501.51
- Movement due to opening EAD and credit risk	3.85	0.76	(0.86)	3.75
ECL allowance as at 31 March 2021	**52.07**	**98.37**	**606.78**	**757.22**
ECL allowance as at 1 April 2021	**52.07**	**98.37**	**606.78**	**757.22**
- New credit exposures during the year, net of repayments	54.93	127.31	282.83	465.07
- Contracts settled during the year	(31.77)	(51.42)	(511.30)	(594.49)
- Transfer between stages during the year	(13.80)	(4.58)	136.97	118.59
- Movement due to opening EAD and credit risk	2.62	12.13	(271.27)	(256.52)
ECL allowance as at 31 March 2022	**64.05**	**181.81**	**244.01**	**489.87**

Cash and cash equivalents, bank deposits and investments in mutual funds
The Group maintains its cash and cash equivalents, bank deposits and investment in mutual funds with reputed banks and financial institutions. The credit risk on these instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Security deposits
The Group monitors the credit rating of the counterparties on regular basis. These instruments carry very minimal credit risk based on the financial position of parties and Group's historical experience of dealing with the parties.

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

Ultimate responsibility for liquidity risk management rests with the board of directors, who has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group has access to financing facilities as described below. The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

	As at 31 March 2022	As at 31 March 2021
Bank overdraft and term loan facility:		
- Amount utilised	1,509.14	580.48
- Amount unutilised	5.93	319.76

Maturities of financial liabilities
The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:
The contractual maturity is based on the earliest date on which the Group may be required to pay.

Contractual maturities of financial liabilities

As at 31 March 2022	**Within 1 year**	**Between 1 and 5 years**	**Total**
Trade payables	747.94	-	747.94
Lease liabilities	14.83	74.62	89.45
Other financial liabilities	3,235.17	0.35	3,235.52
Financial guarantee obligation	489.87	-	489.87
Borrowings	1,509.14	-	1,509.14
	5,996.95	**74.97**	**6,071.92**

As at 31 March 2021	**Within 1 year**	**Between 1 and 5 years**	**Total**
Trade payables	812.50	-	812.50
Other financial liabilities	2,085.24	0.35	2,085.59
Financial guarantee obligation	757.22	-	757.22
Borrowings	605.93	-	605.93
	4,260.89	**0.35**	**4,261.24**

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iii) Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include foreign currency receivables, deposits, investments in mutual funds. The Group has in place appropriate risk management policies to limit the impact of these risks on its financial performance. The Group ensures optimization of cash through fund planning and robust cash management practices.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The sensitivity disclosed in the below is attributable to bank overdraft facility availed by the group. Other borrowings of the Group have fixed interest rate.

Sensitivity	**Impact on profit/loss before tax**	
	31 March 2022	**31 March 2021**
+ 0.5% change in interest rate (Bank overdraft & term loan)	(7.55)	(2.90)
- 0.5% change in interest rate (Bank overdraft & term loan)	7.55	2.90

(b) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchase of services are denominated (i.e. USD) and the respective functional currencies of Group companies (i.e. INR).The sensitivity related to currency risk is disclosed below.

The Group's exposure to foreign currency risk was based on the following amounts as at the reporting dates between USD and INR:

	As at 31 March 2022	**As at 31 March 2021**
Receivable	0.54	1.97
Payable	(2.89)	(3.27)
Net exposure	**(2.35)**	**(1.30)**

Sensitivity	**Impact on profit/(loss) before tax**	
Receivable	**31 March 2022**	**31 March 2021**
+ 5% change in currency exchange rate	0.03	0.10
- 5% change in currency exchange rate	(0.03)	(0.10)

Payable	**31 March 2022**	**31 March 2021**
+ 5% change in currency exchange rate	(0.14)	(0.16)
- 5% change in currency exchange rate	0.14	0.16

(c) Price risk
Investment of funds of the Company in National Payment Corporation of India (NPCI) is categorized as 'low risk' product from liquidity risk perspectives.

Sensitivity	**Impact on loss before tax**	
	31 March 2022	**31 March 2021**
+ 5% change in fair value	0.52	0.39
- 5% change in fair value	(0.52)	(0.39)

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33 Segment reporting

Information reported to the Group's Chief Executive Officer (CEO) (the Chief Operating Decision Maker (CODM)) for the purposes of resource allocation and assessment of segment performance is focused on the degree of homogeneity of products, services and material businesses. Segment's performance is evaluated based on segment revenue, segment results and adjusted earnings before interest, taxes, depreciation and amortisation (adjusted EBITDA). The Group's reportable segments under Ind AS 108 are therefore as follows:

For management purposes, the Group is organised into business segments based on its services and has three reportable segments, as follows:

Segment A - Consumer Payments
Segment B - Digital Financial Services (erstwhile known as BNPL)
Segment C - Payment Gateway

Consumer Payment segment includes merchant fee collected from a merchant when a user purchases goods or services on a merchant platform and pays via MobiKwik Wallet. Further, it also includes convenience fees collected from users under certain categories of services.

Digital Financial Services includes MobiKwik Zip (which is our flagship 15 day product), Zip EMI (which is a longer tenure credit product) and other credit products. It also includes revenue from insurtech, wealthtech and fintech products, platform services specifically designed to drive our credit business and amounts received from online promotions on such platforms. Zip product includes revenue in the form of a) merchant fee collected from a merchant when a user pays with Zip on a merchant platform, b) one time Zip activation fee collected from a user, and c) late fees collected from those users who repay their Zip due amount after the due date.

Payment Gateway segment includes merchant fee collected from e-commerce merchants (websites/apps) for enabling them to collect payments from their users using multiple payment options including debit and credit cards, wallets, unified payments interface (UPI) and net banking. It also includes revenue where MobiKwik wallet has been used as mode of payment.

Segment revenue, segment expenses and segment results include transfers between operating segments. Those transfers are eliminated in the Total column in the table below. The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment results representing Revenue less direct variable costs of the respective segments, and Adjusted EBITDA representing EBITDA of each segment adjusted for share based payment expense and goodwill impairment, are measures reported to the Group's CODM for the purpose of resource allocation and assessment of segment performance.

Segment revenues, Segment results and Adjusted EBITDA
The following is an analysis of the Group's revenue and results by reportable segment:

Particulars	Consumer Payments***		Digital Financial Services		Payment Gateway		Unallocable		Eliminations		Total	
	for the year ended 31 March 2022	for the year ended 31 March 2021	for the year ended 31 March 2022	for the year ended 31 March 2021	for the year ended 31 March 2022	for the year ended 31 March 2021	for the year ended 31 March 2022	for the year ended 31 March 2021	for the year ended 31 March 2022	for the year ended 31 March 2021	for the year ended 31 March 2022	for the year ended 31 March 2021
Revenue from operations	2,501.91	2,094.35	976.57	598.13	1,787.17	193.23	-	-	-	-	5,265.65	2,885.71
Inter-segment revenue	1,388.40	17.03	-	-	2,004.00	1,397.27	-	-	3,392.40	1,414.30	-	-
Segment revenue	**3,890.31**	**2,111.38**	**976.57**	**598.13**	**3,791.17**	**1,590.50**	**-**	**-**	**3,392.40**	**1,414.30**	**5,265.65**	**2,885.71**
Other income	30.14	106.36	83.53	1.76	4.36	5.66	142.45	110.00	93.94	86.93	**166.54**	**136.85**
Segment results*	**1,256.78**	**254.35**	**28.19**	**6.16**	**133.13**	**70.63**	**142.45**	**110.00**	**93.93**	**86.93**	**1,466.62**	**354.21**
EBITDA**	**(367.03)**	**(602.73)**	**(778.62)**	**(438.46)**	**(5.06)**	**(8.22)**	**132.45**	**110.00**	**74.67**	**78.73**	**(1,092.94)**	**(1,018.14)**
Add: Share based payments	208.95	22.83	38.81	6.69	13.45	1.80	-	-	1.16	0.16	**260.04**	**31.16**
Add: Provision against legal proceedings (refer note 41)	-	-	106.91	-	-	-	-	-	-	-	**106.91**	**-**
Adjusted EBITDA	**(158.08)**	**(579.90)**	**(632.90)**	**(431.77)**	**8.39**	**(6.42)**	**132.45**	**110.00**	**75.83**	**78.89**	**(725.99)**	**(986.98)**
Reconciliation of EBIDTA with loss for the year											**(1,092.94)**	**(1,018.14)**
Finance costs											109.13	71.35
Depreciation and amortisation expenses											20.99	13.14
Loss before exceptional items and tax											**(1,223.06)**	**(1,102.63)**
Exceptional item expense											61.12	-
Loss before tax											**(1,284.18)**	**(1,102.63)**
Tax expense											(2.56)	10.37
Loss for the year											**(1,281.62)**	**(1,113.00)**

*** Segment results is defined as the revenue minus the direct variable cost of the segment**
Consumer Payments segment: Total revenue - Direct cost - User incentive expenses. Direct cost is the cost of adding money in the wallet which is paid to the payment gateway processors.
Digital Financial Services: Total revenue - Direct Cost - Financial guarantee expenses. Direct Cost is the cost of capital paid to the financing partners.
Payment Gateway segment: Total revenue - Direct cost. Direct cost is payment processing cost paid to acquiring bank partners.

**** EBITDA represents earnings before interest expense, depreciation and amortisation, and tax expense.**

***** For the year ended 31 March 2022, Consumer Payment segment revenue includes INR 1.29 Million earned from the corporate intermediation services of Insurance Agency (acting as a insurance corporate agent).**

Assets and liabilities are used interchangeably between segments and these have not been allocated to the reportable segments.
Major Customers:
None of the customers account for more than 10% or more of the Group's revenues.

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34 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the Entity	Net Assets i.e. Total Asset minus Total Liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of Consolidated Net Assets	Amount INR million	As a % of consolidated profit or loss	Amount INR million	As a % of consolidated OCI	Amount INR million	As a % of consolidated Total OCI	Amount INR million
Parent								
ONE MOBIKWIK SYSTEMS LIMITED								
Balance as at 31 March 2022	109%	2,367.55						
Balance as at 31 March 2021	-1%	1.06						
For the year ended 31 March 2022			100%	(1,279.70)	98%	15.62	100%	(1,264.08)
For the year ended 31 March 2021			97%	(1,076.68)	100%	3.02	97%	(1,073.66)
Subsidiaries - Indian								
ZAAK EPAYMENT SERVICES PRIVATE LIMTIED								
Balance as at 31 March 2022	12%	256.27						
Balance as at 31 March 2021	-71%	142.12						
For the year ended 31 March 2022			1%	(10.99)	2%	0.29	1%	(10.70)
For the year ended 31 March 2021			3%	(36.52)	0%	-	3%	(36.52)
HARVEST FINTECH PRIVATE LIMITED								
Balance as at 31 March 2022	0%	5.24						
Balance as at 31 March 2021	-4%	7.92						
For the year ended 31 March 2022			0%	(2.68)	0%	-	0%	(2.68)
For the year ended 31 March 2021			0%	(3.85)	0%	-	0%	(3.85)
MOBIKWIK CREDIT PRIVATE LIMITED								
Balance as at 31 March 2022	1%	30.12						
Balance as at 31 March 2021	-14%	28.79						
For the year ended 31 March 2022			0%	1.33	0%	-	0%	1.33
For the year ended 31 March 2021			0%	2.06	0%	-	0%	2.06
MOBIKWIK FINANCE PRIVATE LIMITED								
Balance as at 31 March 2022	1%	30.77						
Balance as at 31 March 2021	-15%	29.44						
For the year ended 31 March 2022			0%	1.33	0%	-	0%	1.33
For the year ended 31 March 2021			0%	1.99	0%	-	0%	1.99
Adjustment arising out of consolidation								
Balance as at 31 March 2022	-24%	(524.52)						
Balance as at 31 March 2021	205%	(409.46)						
For the year ended 31 March 2022			-1%	9.11	0%	-	-1%	9.11
For the year ended 31 March 2021			0%	-	0%	-	0%	-
Total								
Balance as at 31 March 2022		2,165.42						
Balance as at 31 March 2021		(200.13)						
For the year ended 31 March 2022				(1,281.62)		15.91		(1,265.71)
For the year ended 31 March 2021				(1,113.00)		3.02		(1,109.98)

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35 Related party transactions

i) Names of related parties and related party relationship with whom transactions have taken place:

a) Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them Significant Influence over the Company and Key Management Personnel (KMP)

Name	Designation
Mr. Bipin Preet Singh	Managing Director & Chief Executive Officer
Ms. Upasana Rupkrishan Taku	Chairperson, Whole-time Director & Chief Operating Officer
Mr. Chandan Joshi	Whole-time Director (w.e.f 23 June 2021)
Mr. Dilip Bidani	Chief Financial Officer (w.e.f 29 June 2021)
Mr. Rohit Shadeja	Company Secretary (till 17 April 2021)
Mr. Rahul Luthra	Company Secretary (w.e.f 17 April 2021)
Ms. Punita Kumar Sinha	Independent Director (w.e.f 7 July 2021)
Ms. Sayali Karanjkar	Independent Director (w.e.f 7 July 2021)
Mr. Navdeep Singh Suri	Independent Director (w.e.f 7 July 2021)
Mr. Raghuram Hiremagalur Venkatesh	Independent Director (w.e.f 7 July 2021)

b) Others

Ms. Utma Taku	Relative of a person having Significant Influence over the Company and Key Management Personnel (KMP)

ii) Transactions with related parties	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Remuneration to Key Management Personnel (KMP)		
Short-term employee benefits	104.99	28.42
Post-employment gratuity	8.17	0.76
Other long term employee benefits	1.81	0.36
Share based payments	87.99	0.13
Director's sitting fees and remuneration	9.09	-
(b) Legal and professional		
- Utma Taku	1.64	-

iii) Outstanding balances with related parties	As at 31 March 2022	As at 31 March 2021
(a) Salary Payable		
- Mr. Bipin Preet Singh	11.05	20.86
- Ms. Upasana Rupkrishan Taku	11.05	21.62
- Mr. Rohit Shadeja	0.01	0.59
- Mr. Rahul Luthra	0.39	-
- Mr. Dilip Bidani	0.71	-
- Mr. Chandan Joshi	7.44	-
(b) Loans and Advances (Forex cards)		
- Mr. Bipin Preet Singh	0.03	0.03
- Ms. Upasana Taku	1.66	1.61
(c) Payable to Independent directors		
Ms. Punita Kumar Sinha	0.57	-
Ms. Sayali Karanjkar	0.65	-
Mr. Raghuram Hiremagalur Venkatesh	0.43	-
(d) Payable for expenses		
- Utma Taku	1.64	-

(iv) Terms and Conditions
All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business.

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36 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Claims against the Group not acknowledged as debts:		
Income tax matters for financial year 2016-17*	-	583.00
Other income tax matters	4.14	4.14
Amount paid under protest relating to the above matter	1.83	0.83

* During the year ended 31 March 2022, the Holding Company had received an assessment order dated 15 June 2021 imposing a demand of INR 583.00 million on account of additions made under section 68 of the Income Tax Act, 1961 for the financial year 2016-17. The said demand has been made by the assessing officer, in respect of documents sought for the identity of the investor, their creditworthiness and genuineness of the funding received by the Holding Company during the said financial year. Basis the facts of the matter and the advice obtained from tax counsel, the Holding Company filed a writ petition with High Court and the said order has been set aside by the High Court on 7 July 2021 .

(b) The Group does not have any long term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.
(c) The Group does not have any amounts which were required to be transferred to the Investor Education and Protection Fund.

37 Impact of COVID-19

The Group has considered possible effects that may result from pandemic relating to COVID-19 on the carrying amount of property, plant and equipment, investments, receivables and other current assets. In estimating the provision for loss on loans guaranteed by the Group, it has considered internal and external sources of information including economic forecasts and industry reports up to the date of approval of these financial statements. In developing the assumptions relating to the possible future uncertainties in the economic conditions due to pandemic, the Group, as at the date of approval of these financial statements has used available sources of information. The Group has performed analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered.

38 During the year ended 31 March 2018 and 31 March 2017, out of proceeds of INR 707.50 million and INR 472.52 million respectively received by Company by way of preferential allotment of preference shares, the Company had not kept INR 451.73 million and INR 100 million from respective years proceeds in a separate bank account and utilised these amounts for payments towards business purposes before allotment of shares to the investors. The management believes that by allotting shares to respective investors within the timeframe of 60 days, the overall intent and spirit of Section 42 of the Companies Act, 2013 was duly complied with. Further, on 19 April 2021, the Company had filed an application before the Registrar of Companies, National Capital Territory of Delhi for compounding of these non-intentional non-compliances under section 441 of the Companies Act, 2013, read with section 42 & 450 of the Companies Act, 2013. As per the order dated 13 August 2021 the same has been compounded.

39 In February 2019, the Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company noted that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. Accordingly, based on the available facts and information, the Company has complied with the Supreme Court ruling for Provident Fund contribution from the date of Supreme Court Order. Effective April 2019, the Company made certain changes in compensation structure of employees to avoid any possible ambiguity in respect of definition of basic wages for the purpose of the EPF Act. Further, the Company has paid the recorded liability for the month of March 2019 during the year ended 31 March 2021.

40 The Holding Company received a Show Cause Notice (“SCN”), dated 16 September 2021, from the RBI for not complying with the net-worth requirement mandated in Paragraph 13 (c) of the Bharat Bill Payment System (BBPS) guidelines. It responded to the SCN clarifying its position that the it had requested for an extension till 30 September 2021 to meet the requirement and was granted the same by the RBI on 17 May 2021. On 15 November 2021, a RBI personal hearing was held in which the Holding Company explained the reason of shortfall in net worth, including fallout and unanticipated delays in closure of transactions with investors pursuant to Covid-19. However, on 7 December 2021, RBI imposed a penalty of INR 10 million on the Holding Company. The Holding Company has recorded this penalty under the head "Rates and taxes" within "Other expenses" in the statement of profit and loss for the year ended 31 March 2022 and has duly deposited the same on 03 January 2022.

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41 The Holding Company is authorized to function as a Bharat Bill Payment System Operating Unit ("BBPOU") vide license dated 24 January 2019 to allow bill payments of various kinds including but not limited to FASTag recharge. During the year ended 31 March 2022, the Holding Company noted suspicious transactions with respect to the recharge of various FASTags through MobiKwik ZIP. A total of 617 FASTags issued by a certain Payments Bank ("PB") in the State of Assam, India were recharged for a total of INR 107.3 Million.

On investigation, the Holding Company found that the FASTag account in case of the PB was NOT a sub-wallet to the main wallet which thereby enabled fraudsters to transfer the FASTag recharge amount into the main wallet/bank account/other linked bank accounts which is in violation of the RBI Master Directions on Prepaid Payment Instruments ("PPI"), 2021 ("Master Directions").

On 08 December 2021, the Holding Company filed an FIR before the Officer In charge - BIEO (Bureau of Investigation of Economic Offences) Guwahati, Assam against masterminds/culprits who orchestrated this FASTag misuse under Section 120B, 406, 420 of the Indian Penal Code, 1860. Pending litigation and recovery proceedings, the Holding Company has expensed off INR 106.91 million in the statement of profit and loss for the year ended 31 March 2022.

42 Right-of-use assets - Leases

The Group's leased assets primarily consist of lease of office space.

Group as a lessee

Below are the carrying amounts of right-of-use assets recognised and the movements during the year

Particulars	**Office space**	**Total**
As at 1 April 2020	**64.16**	**64.16**
Termination/ End of lease contract	(64.16)	(64.16)
As at 31 March 2021 (A)	**-**	**-**
Additions	71.51	71.51
As at 31 March 2022 (A)	**71.51**	**71.51**

Accumulated depreciation

Particulars	**Office space**	**Total**
As at 1 April 2020	20.66	20.66
Charge for the year	8.86	8.86
Termination/ End of lease contract	(29.52)	(29.52)
As at 31 March 2021 (B)	**-**	**-**
Charge for the year	4.98	4.98
As at 31 March 2022 (B)	**4.98**	**4.98**

Net carrying amount (A) - (B)		
As at 31 March 2022	**66.53**	**66.53**
As at 31 March 2021	-	-

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Amounts recognised in Consolidated Statement of Profit and Loss

Particulars	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Depreciation expense on right-of-use assets	4.98	8.86
Interest expense on lease liability	2.85	1.97
Expense/(Income) relating to short-term leases	12.95	0.75

The following is the movement in lease liabilities during the year:

	As at 31 March 2022	**As at 31 March 2021**
Opening balance	-	**50.62**
Additions	68.87	-
Amounts recognised in statement of profit and loss as interest expense	2.85	1.97
Payment of lease liabilities	(3.71)	(10.84)
Derecognition	-	(41.75)
Closing balance	**68.01**	**-**

The following is the break-up of current and non-current lease liabilities:

	As at 31 March 2022	**As at 31 March 2021**
Current	8.47	-
Non-current	59.54	-

Amounts recognised in Consolidated Statement of Cash Flows

Particulars	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Total cash outflow for leases	3.71	10.84

Notes:

(1) When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at Ind AS transition date. The weighted-average pre-tax rate applied is 10% p.a.

(2) The maturity analysis of lease liabilities is presented in Note 32

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43 Disclosures as per the Micro, Small and Medium Enterprises Development (MSMED) Act,2006

The dues to micro and small enterprises as required under MSMED Act, 2006, based on the information available with the Group, is given below

Particulars	As at 31 March 2022	As at 31 March 2021
1. Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	55.13	6.77
- Principal amount due to micro and small enterprises	55.13	6.77
- Interest due on above	-	-
2. Amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
3. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
4. Amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
5. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

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44 The Group has incurred losses and has negative cash flows from operations in the current and previous years. The Group has net worth of INR 2,165.42 million and a positive working capital position (i.e. its current assets exceed its current liabilities) of INR 478.23 million, including cash and cash equivalents of INR 477.49 million as at 31 March 2022. Further, based on the current business plans and projections prepared by the management, the Group expects to achieve growth in its operations in the coming years with continuous improvement in its operational efficiency. Management has made an assessment of the Group's ability to continue as a going concern and believes that the Group will continue as a going concern for the forseeable future and meet all its liabilities as they fall due for payment considering, amongst other things, expected growth in operations which will generate net cash inflows, existing cash and cash equivalents and debt funding received by the Group subsequent to year-end.

Accordingly, the consolidated financial statements have been prepared on a going concern basis and do not include any adjustments regarding the recoverability and classification of the recorded asset amounts or to amounts and classification of liabilities that may be necessary, should the Group be unable to continue as a going concern.

45 Ratios

Ratio/Measure	Methodology	31 March 2022	31 March 2021	Variance
(a) Current Ratio	Current assets/ Current liabilities	1.08	0.80	34%
(b) Debt-Equity Ratio	(Non current borrowings+Current borrowings)/ Total equity	0.70	(3.03)	123%
(c) Debt Service Coverage Ratio	EBITDA/(Interest expense+Borrowings)	(0.68)	(1.52)	55%
(d) Return on Equity or Return on Investment Ratio	(Loss) for the year/Total equity	(0.59)	5.56	-111%
(e) Trade Receivables turnover ratio	Revenue from operations/Average trade receivables	15.71	10.62	48%
(f) Trade payables turnover ratio	Other expenses/Average trade payables	6.99	4.89	43%
(g) Net capital turnover ratio	Revenue from operations/Capital employed	1.43	7.11	-80%
(h) Net profit ratio	(Loss) for the year/Revenue from operations	(0.24)	(0.39)	37%
(i) Return on Capital employed	Earnings before Interest and Taxes (EBIT)/Capital employed	(30.31)	(254.14)	88%

Notes

Average Trade receivables = (Opening trade receivables + Closing trade receivables)/2
Average Trade payables = (Opening trade payables + Closing trade payables)/2
EBIT = (Losses)/Earnings Before Interest and Taxes
Capital employed = Total Equity + Borrowings (Non-current and Current)

The reason for variances in ratios more than 25% are explained as below :-

a) The Current ratio increased from 0.80 as at 31 March 2021 to 1.08 as at 31 March 2022 mainly due to increase in cash & bank balances and other financial assets.

b) The Debt-Equity ratio increased from (3.03) as at 31 March 2021 to 0.70 as at 31 March 2022 mainly due to increase in total equity as a result of increase in securities premium reserve on account of new fundings received by the Company during the year ended 31 March 2022

c) The Debt service coverage ratio increased from (1.52) as at 31 March 2021 to (0.68) as at 31 March 2022 mainly due to relative increase in EBITDA while which was partially offset by increase in borrowings.

d) The Return on Equity ratio decreased from 5.56 as at 31 March 2021 to (0.59) as on 31 March 2022 mainly due to relative increase in equity which was partially offset by EBITDA.

e) The Trade receivables turnover ratio increased from 10.62 as at 31 March 2021 to 15.71 as at 31 March 2022 mainly due to increase in the average trade receivables which was partially offset by increase in the revenue from operations.

f) The Trade payables turnover ratio increased from 4.89 as at 31 March 2021 to 6.99 as at 31 March 2022 mainly due to increase in other expenses which was partially offset by the increase in average trade payables.

g) The Net capital turnover ratio decreased from 7.11 as at 31 March 2021 to 1.43 as at 31 March 2022 mainly due to substantial increase in capital employed which was partially offset by the increase in the revenue from operations.

h) The net profit ratio increased from (0.39) as at 31 March 2021 to (0.24) as at 31 March 2022 mainly due to decrease in net loss which was partially offset by increase in revenue from operations.

i) The return on capital employed ratio increased from (254.14) as at 31 March 2021 to (30.31) as at 31 March 2022 mainly due to increase in capital employed which was partially offset by increase in loss before interest and taxes.

46 The Board of Directors and shareholders of the Holding Company at their meeting held on 20 June 2021 and 22 June 2021 respectively, have approved stock split of one equity share having face value of INR 10 each into five equity shares having face value of INR 2 each. Further, in addition to the aforesaid, capitalisation of securities premium of the Holding Company for issuance of 3:1 bonus shares on fully paid equity shares having face value of INR 2 per share have also been approved.

Number of equity shares (as at 21 June 2021)	10,41,196
Number of Equity shares post stock split (1 equity share into 5 equity shares) (as at 21 June 2021)	52,05,980
Number of Equity shares with bonus shares (3 bonus shares for each equity share) (as at 22 June 2021)	2,08,23,920

Note: The impact of above mentioned stock split and issue of bonus shares have been considered retrospectively for the purpose of calculation of basic and diluted earnings per share for all periods presented.

ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the consolidated financial statements for the year ended 31 March 2022
(Amounts in INR millions, unless otherwise stated)

47 The ESOP pool of 228,213 fully paid-up Equity Shares in the Holding Company of face value of INR 10 each has been adjusted and increased to 4,564,260 fully paid-up Equity Shares in the Holding Company of face value of INR 2 each to give effect of stock split and bonus issue of equity shares of the Holding Company as mentioned above in note 46.

48 During the year ended 31 March 2022, the Holding Company has converted the Cumulative Compulsory Convertible Preference Shares (CCCPS) into Equity shares as mentioned below -

Particulars	Number of CCPS before conversion	Converted to number of equity shares
Conversion prior to share splits and bonus issue	36,201	36,201
Conversion post share splits and bonus issue	17,01,513	3,47,62,949
Total	**17,37,714**	**3,47,99,150**

49 During the year ended 31 March 2022, the Company has modified the classification of amount payable to operators and aggregators from 'Trade payables' to 'Other current financial liabilities' to reflect more appropriately the nature of such balances. Comparative amounts in the notes to the consolidated financial statements were reclassifed for consistency. As a result, INR 39.36 million as at 31 March 2021 was reclassified from 'Trade Payables' to 'Other current financial liabilities'.

50 ZAAK EPAYMENT SERVICES PRIVATE LIMITED (Zaakpay), wholly owned subsidiary of the Holding Company, is engaged in the business of providing payment gateway and payment aggregator services to the Holding Company and other third party merchants. On 8 May 2021, the Subsidiary Company filed an application to seek authorization as an existing Payment Aggregator ("PA") in accordance with the Reserve Bank of India ("RBI") guidelines. This application was returned by RBI in the month of March, 2022 citing non-compliance with minimum net worth criteria of INR 150 million as on 31 March 2021 ("Order"). The net worth of the Subsidiary Company as on 31 March 2021 was marginal short and stood at INR 142.12 million as per Ind AS financial statements.

Subsequently, RBI issued a circular dated 28 July 2022, wherein another window is allowed to all PAs (existing as on 17 March 2020) having net worth of INR 150 million as on 31 March 2022 to file a fresh application by 30 September, 2022. Such PAs shall be permitted to continue their operations till the time they receive communication from RBI for their application. Considering the above, management believes that Zaakpay complies with all the pre-requisite conditions for the license as per the issued RBI circular as the net worth of the Company as at 31 March 2022 is INR 256.27 million. The PA license application for Zaakpay is expected to be filed on or before 30 September 2022. Zaakpay can continue PA operations till the outcome of Zaakpay's PA application is decided by RBI.

51 Other notes -

a. No proceeding has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
b. There are no transactions to report on Crypto Currency or Virtual Currency.
c. The Group has not been declared as wilful defaulter by any bank or financial institution or other lender.
d. The Group has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companie.s Act, 1956.
e. There are no transaction which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
f. There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
g. There are no funds which have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by Group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
   i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Group or
   ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

52 Exceptional items

During the year ended 31 March 2022, the Holding Company has incurred share issue expenses amounting to INR 77.42 million in connection with its proposed public offer and offer for sale of equity shares. Out of the total expenses incurred, the Holding Company has expensed off INR 61.12 million in statement of profit and loss during the year, on account of expected delays in Initial Public Offer (IPO) filling. The balance amount of INR 16.30 million is shown as recoverable, under the head "Other current financial assets" as "Share Issue Expenses" from selling shareholders as per the shareholder's agreement.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 116231W/W-100024

Gajendra Sharma
Partner
Membership No.: 064440
UDIN:22064440APLSTN9978

Place: Gurugram
Date : 21 August 2022

For and on behalf of the Board of Directors of
ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Bipin Preet Singh
Managing Director
& Chief Executive Officer
DIN:02019594

Upasana Rupkrishan Taku
Chairperson,
Whole-time Director
& Chief Operating Officer
DIN:02979387

Dilip Bidani
Chief Financial Officer

Rahul Luthra
Company Secretary

Place: Gurugram
Date : 21 August 2022

FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures as on March 31, 2022.

Part "A": Subsidiaries

(Amount ₹ in Million)

S.No.	Name of Subsidiaries	Mobikwik Finance Private Limited	Mobikwik Credit Private Limited	Harvest Fintech Private Limited	Zaak ePayment Services Private Limited
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of Holding Co.	Same as of Holding Co.	Same as of Holding Co.	Same as of Holding Co.
2.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
3.	Paid -up Share capital	25.00	25.00	8.13	0.12
4.	Other Equity	5.77	5.12	(2.89)	256.15
5.	Total assets	30.84	30.19	8.63	1,365.07
6.	Total Liabilities	30.84	30.19	8.63	1,365.07
8.	Investments	-	-	-	-
9.	Turnover	1.94	1.94	0.83	3,799.08
10.	Profit/Loss before taxation	1.80	1.80	(2.68)	(14.49)
11.	Provision for taxation	0.47	0.47	-	(3.50)
12.	Profit after taxation	1.33	1.33	(2.68)	(10.99)
13.	Proposed Dividend	-	-	-	-
14.	% of Shareholding	100.00%	100.00%	100.00%	100.00%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: Not Applicable

1. Names of associates or joint ventures which are yet to commence operations **- Not Applicable**
2. Names of associates or joint ventures which have been liquidated or sold during the year **- Not Applicable**

For and on behalf of
One MobiKwik Systems Limited (formerly known as One MobiKwik Systems Private Limited)

Bipin Preet Singh
Managing Director & CEO
DIN: 02019594

Upasana Rupkrishan Taku
Whole-Time Director & COO
DIN: 02979387

Dilip Bidani
Chief Financial Officer
ICAI M. No.: 053189

Rahul Luthra
Company Secretary & Compliance Officer
M. No.: F9588

Date: 21 August 2022
Place: Gurugram

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Bipin Preet Singh
(DIN: 02019594)
Managing Director and Chief Executive Officer

Ms. Upasana Rupkrishan Taku
(DIN: 02979387)
Whole-time Director & Chief Operating Officer

Mr. Chandan Joshi
(DIN: 05168617)
Whole-time Director

Ms. Punita Kumar Sinha
(DIN: 05229262)
Independent Director & Non-Executive Director

Mr. Navdeep Singh Suri
(DIN: 08775385)
Independent Director & Non-Executive Director

Ms. Sayali Karanjkar
(DIN: 07312305)
Independent Director & Non-Executive Director

Mr. Raghu Ram Hiremagalur Venkatesh
(DIN: 09202812)
Independent Director & Non-Executive Director

CHIEF FINANCIAL OFFICER

Mr. Dilip Bidani

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Rahul Luthra

STATUTORY AUDITORS

B S R & Associates LLP
Chartered Accountants

REGISTRAR AND TRANSFER AGENT

Link Intime India Private Limited
Noble Heights, 1st Floor,
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Tel: +91 (11) 4141 0592/93/94

REGISTERED & CORPORATE OFFICE OF THE COMPANY

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