

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of **MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (FORMERLY KNOWN AS HARVEST FINTECH PRIVATE LIMITED)**

Report on the Audit of Special Purpose Interim Financial Statements

Opinion

We have audited the Special Purpose Interim Financial Statements of MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (FORMERLY KNOWN AS HARVEST FINTECH PRIVATE LIMITED) (hereinafter referred to as the "Company"), which comprise the special purpose interim balance sheet as at 30 September 2023 and the special purpose interim statement of profit and loss (including other comprehensive income), special purpose interim statement of changes in equity and special purpose interim statement of cash flows for the period from 1 April 2023 to 30 September 2023, and notes to the special purpose interim financial statements, including a summary of material accounting policies and other explanatory information (collectively referred to as "Special Purpose Interim Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Interim Financial Statements as at and for the six months period ended 30 September 2023 are prepared, in material respects, in accordance with the basis of preparation described in Note 2 to these Special Purpose Interim Financial Statements.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Special Purpose Interim financial statements* section of our report. We are independent of the Company in accordance with Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of special purpose interim financial statements under the provision of the Companies Act, 2013. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Special Purpose Interim Financial Statements.

Emphasis of Matter- Basis of Preparation and Restriction of Use

We draw attention to Note 2 to the Special Purpose Interim Financial Statements, which describes the basis of accounting. As explained therein, these Special Purpose Interim Financial Statements have been prepared by the Company for the purpose of preparation of the Restated Financial Statements, which will be included in the Draft Red Herring Prospectus in connection with the proposed issue of equity shares of the Holding Company by way of a fresh issue of equity shares by way of initial public offer in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"). As per the ICDR Regulations, the Company has opted not to present comparatives in these Special Purpose Interim Financial Statements. Accordingly, the attached Special Purpose Interim Financial Statements may not be suitable for any other purpose and this report should not be used, referred to or distributed for any other purpose.

Our opinion is not modified in respect of this matter.



Management and Board of Directors' Responsibilities for the Special Purpose Interim Financial Statements

The Company's Management and Board of Directors are responsible for the preparation and presentation of these Special Purpose Interim Financial Statements prepared in accordance with the basis of preparation as stated in Note 2. The respective Management and Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 Special Purpose Interim Financial Statements and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the special purpose interim financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the Special Purpose Interim Financial Statements, the respective Management and Board of Directors of the Companies 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 are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Special Purpose Interim Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Interim 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 Special Purpose Interim 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 special purpose interim 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 but not for the purpose of expressing an opinion on the effectiveness of the Company's internal financial control with reference to special purpose interim financial statement in place and operating effectiveness of such control.
- 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 Management and Board of Directors' use of the going concern basis of accounting in preparation of Special Purpose Interim 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 Special Purpose Interim 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 Special Purpose Interim Financial Statements, including the disclosures, and whether the Special Purpose Interim Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company and 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.

For **TATTVAM & Co.**
Chartered Accountants

ICAI Firm Registration Number: 015048N


Sagar Arora
Partner

Membership No.: 520999

UDIN: 23520999BHADTN7719

Place: Delhi

Date: 31st December 2023

MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as Harvest Fintech Private Limited)
Special Purpose Interim Balance Sheet as at 30 September 2023
(Amounts in INR Millions, unless otherwise stated)

	Notes	As at 30 September 2023
Assets		
Non-current assets		
Property, plant and equipment	3	0.02
Intangible Assets	4	-
Non-current tax asset(net)	12	0.07
Total non-current assets		0.09
Current assets		
Financial assets		
(i) Trade Receivable	6	1.24
(ii) Cash and cash equivalents	7	1.39
Other current assets	5	6.97
Total current assets		9.60
Total assets		9.69
Equity and liabilities		
Equity		
Equity Share capital	8	13.13
Other equity	9	(5.96)
Total equity		7.17
Liabilities		
Current liabilities		
Financial liabilities		
(i) Trade payables	10	-
(a) Total outstanding dues of micro enterprise and small enterprises		-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2.47
Other current liabilities	11	0.05
Total current liabilities		2.52
Total liabilities		2.52
Total equity and liabilities		9.69
Summary of significant accounting policies	2	

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


1-28


As per our report of even date attached

For M/s Tattvam & Co.
Chartered Accountants
ICAI Firm Registration No. 015048N


Sagar Arora
Partner
Membership No.: 520999
Place: Delhi
Date : 31 December 2023

For and on behalf of the Board of Directors of
MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED
(formerly known as Harvest Fintech Private Limited)


Aayara Shaheer
Director
DIN:08798525
Place: Gurugram
Date : 31 December 2023


Upasana Rupkrishan Taku
Director
DIN:02979387
Place: Gurugram
Date : 31 December 2023

MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as Harvest Fintech Private Limited)
Special Purpose Interim Statement of Profit and Loss for six months period ended 30 September 2023
(Amounts in INR Millions, unless otherwise stated)

	Notes	For the six months period ended 30 September 2023
Income		
Revenue from operations	13	0.83
Total income		0.83
Expenses		
Payment gateway cost		1.93
Employee benefits expense	14	0.35
Other expenses	16	0.68
Total expenses		2.96
Earnings before finance cost, depreciation, amortisation and tax (EBITDA)		(2.13)
Finance costs	15	0.00
Total comprehensive loss for the period		(2.13)
Earnings per share:		
(nominal value of INR 10 per share)	17	
- Basic and Diluted		(1.67)
Summary of significant accounting policies	2	

The notes referred to above form an integral part of the financial statements. 1-28

As per our report of even date attached


For M/s Tattvam & Co.
Chartered Accountants
ICAI Firm Registration No. 015048N



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Membership No.: 520999
Place: Delhi
Date : 31 December 2023

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Date : 31 December 2023


Upasana Rupkrishan Taku
Director
DIN: 02979387
Place: Gurugram
Date : 31 December 2023

MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as Harvest Fintech Private Limited)
Special Purpose Interim Statement of Cash Flows for the six months period ended 30 September 2023
(Amounts in INR Millions, unless otherwise stated)

Particulars	Notes	For the six months period ended 30 September 2023
Loss before tax		(2.13)
<i>Adjustments for:</i>		
Interest and other borrowing cost	15	0.00
Operating loss before working capital changes		(2.13)
Working capital adjustments		
Decrease/(increase) in Other current assets		(0.07)
Decrease/(increase) in Trade receivables		(0.90)
Increase/(decrease) in Trade payables		1.56
Increase/(decrease) in Other liabilities		0.03
Cash used in operations		(1.51)
Income tax paid (net)		-
Net cash used in operating activities		(1.51)
Cash flow from investing activities		
Net cash used in investing activities		-
Cash flow from financing activities		
Interest and other borrowing cost		0.00
Net cash used in financing activities		0.00
Net increase in cash and cash equivalents		(1.51)
Cash and cash equivalents at the beginning of the period		2.89
Cash and cash equivalents at the end of the period (note 7)		1.38

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

2. Summary of significant accounting policies 2

The notes referred to above form an integral part of the financial statements. 1-28

As per our report of even date attached

For M/s Tattvam & Co.
Chartered Accountants
ICAI Firm Registration No. 015048N



Sagar Arora
Partner
Membership No.: 520999
Place: Delhi
Date : 31 December 2023

For and on behalf of the Board of Directors of
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MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as Harvest Fintech Private Limited)
Special Purpose Interim Statement of Changes in Equity for the six months period ended 30 September 2023

(Amounts in INR Millions, unless otherwise stated)

(a) Equity share capital (refer note 8)

Equity shares of INR 10 each issued, subscribed and fully paid up	Amount
As at 1 April 2023	13.13
Equity share capital issued during the period	-
As at 30 September 2023	13.13

(b) Other equity (refer note 9)

Particulars	Reserve and surplus		Total other equity
	Securities premium	Retained earnings	
As at 1 April 2023	57.06	(60.89)	(3.83)
Loss for the period	-	(2.13)	(2.13)
Total comprehensive loss for the period	-	(2.13)	(2.13)
Balance as at 30 September 2023	57.06	(63.02)	(5.96)

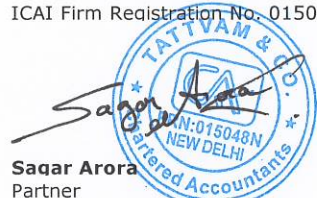
The notes referred to above form an integral part of the financial statements. 1-28

As per our report of even date attached

For M/s Tattvam & Co.

Chartered Accountants

ICAI Firm Registration No. 015048N



Sagar Arora

Partner

Membership No.: 520999

Place: Delhi

Date : **31 December 2023**

For and on behalf of the Board of Directors of

MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as Harvest Fintech Private Limited)

Aayara Shaheer

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DIN:08798525

Place: Gurugram

Date : **31 December 2023**

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Director

DIN:02979387

Place: Gurugram

Date : **31 December 2023**

MobiKwik Investment Adviser Private Limited (formerly known as Harvest Fintech Private Limited)

Notes to special purpose interim financial statements for the six months period ended 30 September 2023

(Amounts in INR millions, unless otherwise stated)

1. Corporate Information

MobiKwik Investment Adviser Private Limited (formerly known as Harvest Fintech Private Limited) ("Company") is a wholly owned subsidiary Company of 'One MobiKwik Systems Limited' registered with Registrar of Companies, incorporated on 12th February 2016. The Company is engaged in the business of investment advisory and transaction execution services on Mutual Funds. The registered office of the Company is situated in Mumbai, Maharashtra.

The Special Purpose Interim Financial Statements were authorised for issue in accordance with a resolution passed by Board of Directors on **31 December 2023**.

2. Significant accounting policies

2.1 Statement of compliance

The Special Purpose Interim Balance Sheet of the Company as at 30 September 2023 and the Special Purpose Interim Statement of Profit and Loss including Other Comprehensive Income, the Special Purpose Interim Statement of Changes in Equity and the Special Purpose Interim Statement of Cash Flows for the six months period ended 30 September 2023 and a summary of the significant accounting policies and other explanatory information (together referred to as 'Special Purpose Interim Consolidated Financial Statements') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') more particularly in accordance with Ind AS 34 "Interim Financial Reporting" and other relevant provisions of the Act as amended from time to time.

The Special Purpose Interim Financial Statements have been prepared by the company for the purpose of preparation of the Restated Consolidated Financial Information of holding company, which will be included in the Draft Red Herring Prospectus in connection with the proposed issue of equity shares of the holding Company by way of fresh issue of equity shares by way of initial public offer in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"). Accordingly, Special Purpose Interim Financial Statements may not be suitable for any other purpose.

Further, the ICDR Regulations clarify that the issuer company is exempted from presenting comparatives for the stub period. Accordingly, the company has opted not to present comparatives in these Special Purpose Interim Financial Statements.

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 Special Purpose Interim 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 where the Ind AS requires a different accounting treatment (refer accounting policy regarding financial instruments);

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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



MobiKwik Investment Adviser Private Limited (formerly known as Harvest Fintech Private Limited)

Notes to special purpose interim financial statements for the six months period ended 30 September 2023

(Amounts in INR millions, unless otherwise stated)

account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such a basis.

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.

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

The preparation of these 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 financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in Note 2.5.

2.3 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 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.

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 recognises revenue from investment advisory and transaction execution services as per completed service contract method on rendering of the services.



MobiKwik Investment Adviser Private Limited (formerly known as Harvest Fintech Private Limited)

Notes to special purpose interim financial statements for the six months period ended 30 September 2023

(Amounts in INR millions, unless otherwise stated)

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. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

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.

Other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Dividend income is accounted for when the right to receive is established.

c) 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.

d) Cash flow statement

Cash flows are reported using the indirect method, whereby profit after tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

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.

Initial recognition

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.

Measurement of foreign currency monetary items at the Balance sheet date

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.

Treatment of exchange differences

Exchange differences on monetary items are recognised in the Statement of Profit and 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.

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.



MobiKwik Investment Adviser Private Limited (formerly known as Harvest Fintech Private Limited)

Notes to special purpose interim financial statements for the six months period ended 30 September 2023

(Amounts in INR millions, unless otherwise stated)

Statutory enactments such as Employees Provident Fund and Miscellaneous Provisions Act, 1952, The Payment of Gratuity Act, 1972 etc. are not applicable to the Company.

g) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the period. 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 periods 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.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. 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 on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

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

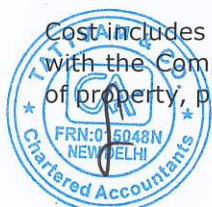
Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

h) Property, plant & 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 includes professional fees and, 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



MobiKwik Investment Adviser Private Limited (formerly known as Harvest Fintech Private Limited)

Notes to special purpose interim financial statements for the six months period ended 30 September 2023

(Amounts in INR millions, unless otherwise stated)

assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation and amortisation

Depreciation on all plant, property and equipment is provided on the written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Depreciation on addition to the property, plant and equipment is provided on pro rata basis from the date the assets are acquired/ installed. Depreciation on sale/ deduction of plant, property and equipment assets is provided for upto the date of sale, deduction and discardment as the case may be.

Estimated useful lives of the assets are as follows:

Assets category	Estimated useful life
Computers	3 Years
Furniture & fixtures	10 Years
Office equipment	5 Years

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.

i) 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. 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	3 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.

j) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets 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 which are recognised immediately in 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.



Notes to special purpose interim financial statements for the six months period ended 30 September 2023

(Amounts in INR millions, unless otherwise stated)

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)

Debt instruments that meet the following conditions are subsequently measured at amortised cost (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 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.

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

Debt 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.

Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Impairment of financial assets

For any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Financial liabilities and equity instruments



MobiKwik Investment Adviser Private Limited (formerly known as Harvest Fintech Private Limited)

Notes to special purpose interim financial statements for the six months period ended 30 September 2023

(Amounts in INR millions, unless otherwise stated)

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

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

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are 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 an 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.

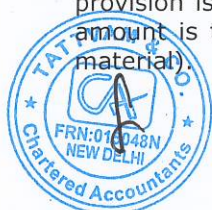
Derecognition of financial liabilities

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.

k) 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. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, 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



MobiKwik Investment Adviser Private Limited (formerly known as Harvest Fintech Private Limited)

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(Amounts in INR millions, unless otherwise stated)

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 financial statements.

l) 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.

m) 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 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 and tax expense. Finance costs comprise interest expense on: borrowings and other finance cost.

n) Adoption of new accounting principles

Onerous contracts – cost of fulfilling a contract (amendment to Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets)

The amendment clarified that the 'costs of fulfilling a contract' comprise both the incremental costs and allocation of other direct costs. The Company has adopted this amendment effective 1 April 2022 and the adoption did not have any material impact on its financial statements.

o) Recently issued accounting pronouncements

On 31 March 2023, the Ministry of Corporate Affairs (MCA), notified Companies (Indian Accounting Standards) Amendment Rules, 2023 effective from 1 April 2023. Following are the key amended provisions which may have an impact on the financial statements of the Company:

Disclosure of accounting policies (amendments to Ind AS 1 - Presentation of Financial Statements)

The amendments intend to assist in deciding which accounting policies to disclose in the financial statements. The amendments to Ind AS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company does not expect this amendment to have any significant impact in its financial statements.

Definition of accounting estimate (amendments to Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)

The amendments distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates.



MobiKwik Investment Adviser Private Limited (formerly known as Harvest Fintech Private Limited)

Notes to special purpose interim financial statements for the six months period ended 30 September 2023

(Amounts in INR millions, unless otherwise stated)

Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Deferred tax related to assets and liabilities arising from a single transaction (amendments to Ind AS 12 – Income taxes)

The amendments specify how to account for deferred tax on transactions such as leases. The amendments clarify that lease transactions give rise to equal and offsetting temporary differences and financial statements should reflect the future tax impacts of these transactions through recognizing deferred tax. The Company is evaluating the impact of this amendment, if any, in its financial statements.

Other amendments included in the notification do not have any significant impact on the financial statements.

2.4) Recent pronouncements

On 24 March 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. The amendments are extensive, and these Special Purpose Interim Financial Statements have been prepared in accordance with amended Schedule III.

2.5) Significant accounting judgements, estimates and assumptions

The preparation of standalone statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, 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, 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 period, 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 management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.



MobiKwik Investment Adviser Private Limited (formerly known as Harvest Fintech Private Limited)

Notes to special purpose interim financial statements for the six months period ended 30 September 2023

(Amounts in INR millions, unless otherwise stated)

The Company has tax business losses and unabsorbed depreciation carried forward amounting to INR 60.59 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 18 for further details.

b) 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 period end.



MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as Harvest Fintech Private Limited)

Notes to the special purpose interim financial statements for the six months period ended 30 September 2023

(Amounts in INR Millions, unless otherwise stated)

3 Property, plant and equipment

	Computers	Office equipment	Furniture and fixtures	Total
Gross carrying amount				
As at 1 April 2023	0.10	0.01	0.01	0.12
Additions	-	-	-	-
As at 30 September 2023	0.10	0.01	0.01	0.12
Accumulated depreciation				
As at 1 April 2023	0.09	0.00	0.01	0.10
Charge for the period	-	-	-	-
As at 30 September 2023	0.09	0.00	0.01	0.10
Net book value				
As at 30 September 2023	0.01	0.01	0.00	0.02



4 Intangible Assets

	<u>Software</u>	<u>Total</u>
Gross carrying amount		
As at 1 April 2023	0.31	0.31
Additions	-	-
As at 30 September 2023	<u><u>0.31</u></u>	<u><u>0.31</u></u>
Accumulated Ammortization		
As at 1 April 2023	0.31	0.31
Amortisation for the period	-	-
As at 30 September 2023	<u><u>0.31</u></u>	<u><u>0.31</u></u>
Net book value		
As at 30 September 2023	-	-



5 Other assets

As at
30 September 2023

Current

Unsecured, considered good unless otherwise stated

Advances to suppliers

0.08

Balances with Government authorities (GST)

6.72

Prepaid expenses

0.17

Total

6.97

6 Trade receivables

As at
30 September 2023

Unsecured, considered good unless stated otherwise

Trade receivables *

1.24

Total

1.24

*Trade receivable includes receivable from Holding Company, refer note 23

Notes:

1. Trade receivables are non-interest bearing and the average credit period is between 0 to 30 days.

**Trade Receivables ageing schedule
As at 30 September 2023**

Particulars							Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	1.24	-	-	-	-	-	1.24
Total	1.24	-	-	-	-	-	1.24

7 Cash and cash equivalents

As at
30 September 2023

Balance with bank

- On current accounts

1.39

Total Cash and cash equivalents

1.39



8 Share Capital

	Equity Shares (Face Value = INR 10/-)		0.01% Cumulative Compulsory Convertible Preference Shares (Face Value= INR 10/-)	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
As at 1 April 2023	16,25,000	16.25	1,75,000	1.75
Increase/decrease during the period	-	-	-	-
As at 30 September 2023	16,25,000	16.25	1,75,000	1.75
Issued share capital (subscribed and fully paid up)				
As at 1 April 2023	13,13,439	13.13	-	-
Increase/decrease during the period	-	-	-	-
As at 30 September 2023	13,13,439	13.13	-	-

a) Terms/ rights attached to equity shares:

Voting

The Company has equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The holders of the Equity Shares shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the Shareholders of the Company.

Dividend

The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to approval of the shareholders on ensuing Annual General Meeting, except in the case where interim dividend is distributed. The company has not declared or paid any dividend since its inception.

Liquidation

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

b) Terms/ rights attached to preference shares:

Voting

The Preference shareholders do not carry any voting rights.

Dividend

The Preference share of carry cumulative dividend rights at 0.01%

Conversion

The preference shares are convertible at any time prior to expiry of twenty years from the date of the issue. Such share holders have preference over the equity share holders to receive their share of capital contribution as well as accumulated dividend, if any, in a liquidation event.

Liquidation

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

c) The Company have not allotted any shares for consideration other than cash, bonus shares and shares bought back for the five years immediately preceding the reporting date.

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

	30 September 2023	
	Number	% Holding
Equity shares of INR 10 each fully paid		
One Mobikwik Systems Limited (formerly known as One Mobikwik Systems Private Limited) (Holding Company) including nominee share held on behalf	13,13,439	100.00%

e) Shareholding of promoters

Shares held by promoters at the end of the period

	As at 30 September 2023
No. Of Shares	
One Mobikwik Systems Limited (formerly known as One Mobikwik Systems Private Limited) (Holding Company)	13,13,439
% of total shares	
One Mobikwik Systems Limited (formerly known as One Mobikwik Systems Private Limited) (Holding Company)	100.00%
% Change during the period	
One Mobikwik Systems Limited (formerly known as One Mobikwik Systems Private Limited) (Holding Company)	0.00%

9 Other equity

	As at 30 September 2023
Securities premium	57.06
Retained earnings	(63.02)
Total other equity	(5.96)

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) Retained earnings:- Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.



10 Trade payables

As at
30 September 2023

- Total outstanding dues of micro enterprises and small enterprises (Refer note 26)
- Total outstanding dues of creditors other than micro enterprises and small enterprises

2.47

Total

2.47

As at 30 September 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
MSME	-	-	-	-	-	-
Others	2.02	0.44	-	0.01	-	2.47
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

11 Other liabilities

As at
30 September 2023

Current

Statutory Remittances

0.05

Total

0.05

12 Non-current tax asset / liabilities (net)

As at
30 September 2023

Non-current tax assets

Advance tax and tax deducted at source

0.07

Total

0.07



MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as Harvest Fintech Private Limited)

Notes to the special purpose interim financial statements for the six months period ended 30 September 2023

(Amounts in INR Millions, unless otherwise stated)

	For the six months period ended 30 September 2023
13 Revenue from operations	
Sale of services	
Other operating income	0.83
Total	0.83
13.1 Disaggregation of revenue based on timing of recognition of revenue:	
Services transferred at point in time	0.83
Total revenue from contract with customers	0.83
Reconciliation of revenue recognised in statement of profit and loss with contracted	
13.2 price:	
Revenue as per contracted price	0.83
Total	0.83
14 Employee benefits expense	For the six months period ended 30 September 2023
Salaries, allowance and bonus	0.35
Total	0.35
15 Finance costs	For the six months period ended 30 September 2023
Others*	0.00
Total	0.00

* Includes bank charges of INR 428, rounded off to "0" on conversion to INR million

	For the six months period ended 30 September 2023
16 Other expenses	
Business promotion	0.03
Rates and taxes	0.05
Software expenses	0.34
Legal and professional fees	0.23
Miscellaneous expenses	0.01
Reimbursement of Infrastructure expenses to parent company	0.02
Total	0.68

17 Earnings per share (EPS)

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

Diluted EPS are calculated by dividing the loss for the period attributable to the equity holders of the Company by weighted average number of Equity shares outstanding during the period 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 six months period ended 30 September 2023
Basic	
Loss for the period	(2.13)
Weighted average number of equity shares in calculating basic and diluted EPS	12,79,192
Basic/diluted loss per equity share	(1.67)



18 Income tax

a) Reconciliation of tax expense and the accounting loss multiplied by statutory income tax rate.

Particulars

**For the six months
period ended
30 September 2023**

Loss before tax from continuing operations	(2.13)
Accounting loss before income tax	(2.13)
Tax expense at statutory income tax rate of 25.168%	(0.54)
Temporary differences for which no deferred tax was recognised	0.54
Tax expense at the effective income tax rate of Nil	-

b) Breakup of deferred tax recognised in the Balance sheet

Particulars

**As at
30 September 2023**

Deferred tax asset	
Carry forward of business loss and unabsorbed depreciation	15.25
Net deferred tax assets/(liabilities)*	-

*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.

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

Particulars

**As at
30 September 2023**

Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised are attributable to the following:	
- tax business losses	53.52
- unabsorbed depreciation	7.07
Total	60.59

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.



19 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 30 September 2023
Financial assets		
Current		
-Measured at amortised cost		
Cash and cash equivalents	Level 3	1.39
Trade Receivable	Level 3	1.24
Total financial assets		2.63
Financial liabilities		
Current		
-Measured at amortised cost		
Trade payables	Level 3	2.47
Total financial liabilities		2.47

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

The carrying value of cash and cash equivalents, trade payables and other current financial liabilities measured at amortised cost approximate their fair value due to the short-term maturities of these instruments.

c) 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.



20 Capital management

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 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 period was as follows.

	As at 30 September 2023
Cash and cash equivalents	(1.39)
Net debt	(1.39)
Total equity	7.17
Net debt to equity ratio	-19%

21 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 currency 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 of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and bank balances and security deposits.

The carrying amounts of financial assets represent 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 30 September 2023
Not Due	1.24
Within the 6 Months	-
6 Months - 1 Years	-
1 - 2 Years	-
2 - 3 Years	-
More than 3 Years	-
Total	1.24

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.

Cash and cash equivalents and bank deposits

The Company maintains its cash and cash equivalents and bank deposits 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.

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.

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

30 September 2023	Within 1 year	Between 1 and 5 years	Total
Trade payables	2.47	-	2.47
	2.47	-	2.47

(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.

(a) Foreign 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 entire revenue and majority of the expenses of the Company are denominated in Indian rupees. Hence there is no foreign currency risk exposure.

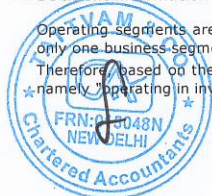
(b) Interest rate risk

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. As all of the financial assets and liabilities of the Company are either non-interest bearing or fixed interest bearing instruments, the Company's net exposure to interest risk is negligible.

22 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Company has only one business segment which is "operating in investment advisory and transaction execution services on Mutual Funds".

Therefore, based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity fall within a single operating segment, namely "operating in investment advisory and transaction execution services on Mutual Funds".



MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as Harvest Fintech Private Limited)

Notes to the special purpose interim financial statements for the six months period ended 30 September 2023

(Amounts in INR Millions, unless otherwise stated)

23 Related party transactions**i) Names of related parties and related party relationship:****a) Holding Company**

One Mobikwik Systems Limited (formerly known as One Mobikwik Systems Private Limited)

b) Fellow Subsidiaries

Mobikwik Finance Private Limited

Mobikwik Credit Private Limited

Zaak ePayment Services Private Limited

c) 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**

Mr. Bipin Preet Singh

Ms. Upasana Rupkrishan Taku

Ms. Aayara Shaheer

Designation

Director

Director

Director

**For the six months
period ended
30 September 2023****ii) Transactions with related parties****(a) Revenue from operations**

- One Mobikwik Systems Limited (formerly known as One Mobikwik Systems Private Limited)

0.83

(b) Expenses Incurred on behalf of company by :-

- One Mobikwik Systems Limited (formerly known as One Mobikwik Systems Private Limited)

0.37

iii) Outstanding balances with related parties**As at
30 September 2023****(a) Trade Receivable**

- One Mobikwik Systems Limited (formerly known as One Mobikwik Systems Private Limited)

1.24

(b) Trade Payable

- One Mobikwik Systems Limited (formerly known as One Mobikwik Systems Private Limited)

0.79



24 Contingent liabilities and commitments

a) Contingent liabilities

- (i) The Company does not have any pending litigations which would impact its financial position.
- (ii) The Company does not have any long term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.
- (iii) The Company does not have any amounts which were required to be transferred to the Investor Education and Protection Fund.

25 Capital and other commitments

The Company did not have any capital commitment or other commitment as at 30 September 2023.

26 Details of dues to micro and small enterprises as defined under 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
30 September 2023**

- 1. Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period
 - Principal amount due to micro and small enterprises
 - 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 period
- 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 period) but without adding the interest specified under MSMED Act, 2006
- 4. Amount of interest accrued and remaining unpaid at the end of each accounting period
- 5. Amount of further interest remaining due and payable even in the succeeding periods, 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

27 Ratios -

Ratio/Measure	Methodology	30 September 2023
(a) Current Ratio,	Current assets/ Current liabilities	3.81
(b) Return on Equity or Return on Investment Ratio	(Loss) for the period/Total equity	(0.30)
(c) Trade Receivables turnover ratio,	Revenue from operations/Average trade receivables	1.05
(d) Trade payables turnover ratio,	Other expenses/Average trade payables	0.40
(e) Net capital turnover ratio,	Revenue from operations/Capital employed	0.12
(f) Net profit ratio,	(Loss) for the period/Revenue from operations	(2.57)
(g) Return on Capital employed,	Earnings before Interest and Taxes (EBIT)/Capital	(0.00)

Definitions of terms used -

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)

28 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 Companies Act, 1956.
 - e. There are no transaction which has been surrendered or disclosed as income during the period 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.
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
- i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- h. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of layers) Rules 2017
 - i. The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
 - k. The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) or intangible assets or both during the current or previous year
 - l. The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.
 - l. The Company does not have any immovable properties other than properties where the Company is a lessee and the lease agreements are duly executed in favour of the lessee.

For M/s Tattvam & Co.

Chartered Accountants
 ICAI Firm Registration No. 015048N

Sagar Arora
 Partner
 Membership No.: 520999
 Place: Delhi
 Date: 31 December 2023

For and on behalf of the Board of Directors of

MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as Harvest Fintech Private Limited)

Aavara Shaheer
 Director
 DIN:08798525
 Place: Gurugram
 Date: 31 December 2023

Upasana Rudkrishan Taku
 Director
 DIN:02979387
 Place: Gurugram
 Date: 31 December 2023