

# B S R & Associates LLP

Chartered Accountants

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DLF Cyber City, Phase-II,  
Gurugram – 122 002, India

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## Independent Auditors' Report

**To the Board of Directors of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)**

### Opinion

We have audited the accompanying consolidated financial statements of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) (“the Company/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 December 2021 and 31 December 2020, 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 period from 1 April 2021 to 31 December 2021 and 1 April 2020 to 31 December 2020, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”) as required by Indian Accounting Standard (Ind AS) 34 “Interim Financial Reporting” and other accounting principles generally accepted in India.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with Ind AS 34 and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31 December 2021 and 31 December 2020, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the period 1 April 2021 to 31 December 2021 and 1 April 2020 to 31 December 2020.

### 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 consolidated 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, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibility of Management and Those Charged with Governance for the consolidated financial statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs, consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows of the Company in accordance with Ind AS 34 prescribed under section 133 of the Act and other accounting principles generally accepted in India. 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 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 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 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 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 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 also responsible for overseeing the financial reporting process of each company.

### **Auditor's Responsibilities for the Audit of the consolidated financial 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 financial controls 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 effectiveness of the Group's internal financial 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 Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 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 Company 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 standalone 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 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 remains 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 para (a) of the section titled 'Other Matters' in this audit report.

We communicate with those charged with governance of the Holding Company 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**

- a) We did not audit the financial statements of four subsidiaries, whose financial statements, before consolidation adjustments, reflect total assets of INR 1,417.36 million and INR 785.63 million as at 31 December 2021 and 31 December 2020 respectively, total revenues of INR 2,975.61 million and INR 1,161.86 million for the nine months period ended 31 December 2021 and 31 December 2020 respectively and net cash flows amounting to INR (37.79) million and INR (55.68) million for the nine months period ended 31 December 2021 and 31 December 2020 respectively, as considered in the consolidated financial statements. These financial statements have been audited by other auditor 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 is based solely on the audit reports of the other auditor.

Our opinion on the consolidated financial statements is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor.

For **B S R & Associates LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 116231W/ W-100024

**Gajendra Sharma**

*Partner*

Membership No.: 064440

ICAI UDIN: 22064440ADWEUJ8558

Place: Gurugram

Date: 01 March 2022

**ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)**  
**Consolidated Balance Sheet as at 31 December 2021**  
(Amounts in INR millions, unless otherwise stated)

	Notes	As at 31 December 2021	As at 31 March 2021	As at 31 December 2020
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	25.49	9.39	7.13
Right-of-use asset	42	69.50	-	-
Financial assets				
(i) Investments	7(a)	9.44	7.70	7.70
(ii) Other financial assets	7(c)	27.01	83.59	34.24
Deferred tax assets (net)	27	31.44	26.43	28.73
Non-current tax assets (net)	19	186.99	150.06	140.95
Other non-current assets	8	1,375.14	418.62	418.22
<b>Total non-current assets</b>		<b>1,725.01</b>	<b>695.79</b>	<b>636.97</b>
<b>Current assets</b>				
Financial assets				
(i) Trade receivables	9	306.73	376.04	309.19
(ii) Cash and cash equivalents	10	590.12	603.33	67.07
(iii) Bank balances other than (ii) above	10	3,395.54	1,439.96	1,624.74
(iv) Other financial assets	7(c)	1,768.34	992.91	663.79
Other current assets	8	178.82	123.36	95.75
		<b>6,239.55</b>	<b>3,535.60</b>	<b>2,760.54</b>
<b>Total assets</b>		<b>7,964.56</b>	<b>4,231.39</b>	<b>3,397.51</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital	11(a)	114.38	10.05	10.05
Instruments entirely equity in nature	11(b)	-	144.27	140.68
Other equity	12	2,097.06	(354.45)	(409.15)
<b>Total equity</b>		<b>2,211.44</b>	<b>(200.13)</b>	<b>(258.42)</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Lease liabilities	42	61.76	-	-
(i) Other financial liabilities	15	0.35	0.35	1.35
Provisions	16	23.05	23.14	21.25
<b>Total non-current liabilities</b>		<b>85.16</b>	<b>23.49</b>	<b>22.60</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	13	953.43	605.93	552.49
(ii) Lease liabilities	42	8.27	-	-
(iii) Trade payables	14			
(a) Total outstanding dues of micro enterprise and small enterprises		15.24	6.77	15.53
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		699.99	805.73	632.88
(iv) Other financial liabilities	15	3,836.96	2,842.46	2,367.82
Contract liabilities	17	45.55	77.26	32.36
Other current liabilities	18	90.44	57.21	18.79
Provisions	16	18.08	12.67	13.46
<b>Total current liabilities</b>		<b>5,667.96</b>	<b>4,408.03</b>	<b>3,633.33</b>
<b>Total liabilities</b>		<b>5,753.12</b>	<b>4,431.52</b>	<b>3,655.93</b>
<b>Total equity and liabilities</b>		<b>7,964.56</b>	<b>4,231.39</b>	<b>3,397.51</b>

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:

Place: Gurugram  
Date : 01 March 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 Taku**

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

**Dilip Bidani**

Chief Financial Officer

**Rahul Luthra**

Company Secretary

Place: Gurugram  
Date : 01 March 2022

**ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)**  
**Consolidated Statement of Profit and Loss for the nine months period ended 31 December 2021**  
(Amounts in INR millions, unless otherwise stated)

	Notes	For the nine months period ended 31 December 2021	For the nine months period ended 31 December 2020
<b>Income</b>			
Revenue from operations	20	3,865.45	1,999.06
Other income	21	100.46	127.94
<b>Total income</b>		<b>3,965.91</b>	<b>2,127.00</b>
<b>Expenses</b>			
Employee benefits expense	22	759.35	388.02
Other expenses	25	4,276.21	2,345.21
<b>Total expenses</b>		<b>5,035.56</b>	<b>2,733.23</b>
<b>Earning before interest, tax, depreciation and amortisation (EBITDA)</b>		<b>(1,069.65)</b>	<b>(606.23)</b>
Finance costs	23	69.85	57.79
Depreciation and amortisation expense	24	12.21	12.24
<b>Loss before tax</b>		<b>(1,151.71)</b>	<b>(676.26)</b>
Current tax	27	1.62	2.27
Deferred tax	27	(5.01)	5.18
<b>Total tax expense/(credit)</b>		<b>(3.39)</b>	<b>7.45</b>
<b>Loss for the period</b>		<b>(1,148.32)</b>	<b>(683.71)</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Remeasurement of net defined benefit liability	28	8.80	3.21
Equity instruments at FVOCI - net change in fair value	7(a)	1.74	-
<b>Other comprehensive income for the period</b>		<b>10.54</b>	<b>3.21</b>
<b>Total comprehensive loss for the period</b>		<b>(1,137.78)</b>	<b>(680.50)</b>
<b>Loss for the period attributable to:</b>			
-Owners of the Company		(1,148.32)	(683.71)
		<b>(1,148.32)</b>	<b>(683.71)</b>
<b>Other comprehensive income for the period attributable to:</b>			
-Owners of the Company		10.54	3.21
		<b>10.54</b>	<b>3.21</b>
<b>Total comprehensive loss for the period attributable to:</b>			
-Owners of the Company		<b>(1,137.78)</b>	<b>(680.50)</b>
<b>Earnings per share:</b>	26		
- Loss per share (Basic and Diluted)		(20.81)	(13.70)
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:

Place: Gurugram  
Date : 01 March 2022

For and on behalf of the Board of Directors of

**ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONI MOBIKWIK SYSTEMS PRIVATE LIMITED)**

**Bipin Preet Singh**

Managing Director  
& Chief Executive Officer  
DIN:02019594

**Dilip Bidani**

Chief Financial Officer

**Upasana Taku**

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

**Rahul Luthra**

Company Secretary

Place: Gurugram  
Date : 01 March 2022

**ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)**

**Consolidated Statement of Cash Flows for the nine months period ended 31 December 2021**

(Amounts in INR millions, unless otherwise stated)

Particulars	Notes	For the nine months period ended 31 December 2021	For the nine months period ended 31 December 2020
<b>Cash flow from operating activities</b>			
<b>Loss before tax</b>		(1,151.71)	(676.26)
<i>Adjustments to reconcile loss before tax to net cash flows:</i>			
Depreciation of property, plant and equipment	24	10.20	3.38
Depreciation on right of use asset	24	2.01	8.86
Bad debts	25	6.84	5.46
Interest income	21	(52.36)	(51.59)
Provision for doubtful advances	25	0.37	1.01
Loss on sale/disposal of property, plant and equipment (net)	25	0.26	-
Gain on disposal of investments	21	-	(1.39)
Gain on termination of lease contract	21	-	(8.48)
Share-based payment expense	22	178.13	26.71
Finance costs	23	69.85	57.79
Financial quarantine expense	25	633.79	393.83
Provision for loss on ZIP product (refer note 41)	25	106.91	-
Reversal of impairment loss on trade receivables	21	(0.01)	(3.66)
<b>Operating loss before working capital changes</b>		<b>(195.72)</b>	<b>(244.34)</b>
<b>Changes in</b>			
Trade receivables		69.32	(137.93)
Other financial assets		(808.20)	(143.79)
Other current assets		(940.23)	(325.37)
Other bank balances (Escrow and Nodal accounts)		(754.52)	507.54
Other financial liabilities		296.59	(151.11)
Contract liabilities		(31.71)	(31.73)
Trade payables		53.18	211.38
Other liabilities		33.23	(12.77)
Provisions		14.12	13.22
<b>Cash used in operations</b>		<b>(2,263.94)</b>	<b>(314.90)</b>
Income tax (paid)/refund, net		(38.55)	15.38
<b>Net cash used in operating activities</b>		<b>(2,302.49)</b>	<b>(299.53)</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment		(26.56)	2.51
Proceeds from sale of mutual funds		-	38.11
Investment in unquoted shares of National Payment Corporation of India (NPCI)		-	(7.70)
Interest received on bank deposits		36.18	59.30
Investments in bank deposits not considered in cash and cash equivalents		(5,170.09)	(51.00)
Redemption of bank deposits not considered in cash and cash equivalents		4,030.28	5.87
<b>Net cash generated from/(used in) investing activities</b>		<b>(1,130.19)</b>	<b>47.09</b>
<b>Cash flow from financing activities</b>			
Proceeds from issues of equity shares		1,059.99	-
Proceeds from issues of preference shares	11	2,154.44	514.99
Proceeds from short term borrowings		763.00	-
Repayment of short-term borrowings		(27.17)	(75.00)
Repayment of non-convertible debenture		(25.45)	(76.36)
Payment of lease liabilities		-	(10.84)
Share issue expenses		(71.75)	-
Interest and other borrowing cost		(70.71)	(58.80)
<b>Net cash generated from financing activities</b>		<b>3,782.35</b>	<b>293.99</b>
<b>Net increase in cash and cash equivalents</b>		<b>349.67</b>	<b>41.56</b>
Cash and cash equivalents at the beginning of the period	10	<b>22.85</b>	<b>(462.73)</b>
<b>Cash and cash equivalents at the end of the period (note 10)</b>		<b>372.52</b>	<b>(421.17)</b>

**ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)****Consolidated Statement of Cash Flows for the nine months period ended 31 December 2021**

(Amounts in INR millions, unless otherwise stated)

**Notes**

1. Changes in liabilities arising from financing activities

	<b>As at 31 December 2021</b>	<b>As at 31 December 2020</b>
<i>Non convertible debentures</i>		
<b>Opening balance</b>	<b>25.45</b>	<b>139.88</b>
Amortisation of interest and other charges on borrowings	0.12	10.39
Repayments during the period - Principal	(25.45)	(76.36)
Repayments during the period - Interest	(0.12)	(9.65)
<b>Closing balance</b>	<b>-</b>	<b>64.26</b>
<i>Short term borrowings (excluding bank overdraft)</i>		
<b>Opening balance</b>	<b>-</b>	<b>75.00</b>
Proceeds during the period	763.00	-
Repayments during the period	(27.17)	(75.00)
<b>Closing balance</b>	<b>735.83</b>	<b>-</b>
<i>Lease liabilities (note 42)</i>		

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:

Place: Gurugram

Date : 01 March 2022

**Bipin Preet Singh**

Managing Director

&amp; Chief Executive Officer

DIN:02019594

**Upasana Taku**

Chairperson,

Whole-time Director

&amp; Chief Operating Officer

DIN:02979387

**Dilip Bidani**

Chief Financial Officer

**Rahul Luthra**

Company Secretary

Place: Gurugram

Date : 01 March 2022

**ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)**  
**Consolidated Statement of Changes in Equity for the nine months period ended 31 December 2021**  
(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
<b>As at 1 April 2020</b>	<b>10.05</b>
Equity share capital issued during the period	-
<b>As at 31 December 2020</b>	<b>10.05</b>
<b>As at 1 April 2021</b>	<b>10.05</b>
Conversion of CCPS to equity shares during the period (refer note 48)	0.36
Equity share capital issued during the period (refer note 11)*	0.00
Shares split during the period (refer note 46)	(10.41)
<b>As at 31 December 2021</b>	<b>-</b>

\* 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
<b>As at 1 April 2021</b>	<b>-</b>
Shares split during the period (refer note 46)	10.41
Issue of bonus shares during the period (refer note 46)	31.24
Issue of equity shares on exercise of share based awards during the period	1.43
Equity share capital issued during the period (refer note 11)	1.77
Conversion of CCPS to equity shares during the period (refer note 48)	69.53
<b>As at 31 December 2021</b>	<b>114.38</b>

**(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
<b>As at 1 April 2020</b>	<b>1.57</b>
Preference share capital issued during the period	-
<b>As at 31 December 2020</b>	<b>1.57</b>
<b>As at 1 April 2021</b>	<b>1.57</b>
Conversion of CCPS to equity shares during the period (refer note 11)	(1.57)
<b>As at 31 December 2021</b>	<b>-</b>

**(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
<b>As at 1 April 2020</b>	<b>131.68</b>
Preference share capital issued during the period	7.43
<b>As at 31 December 2020</b>	<b>139.11</b>
<b>As at 1 April 2021</b>	<b>142.70</b>
Preference share capital issued during the period (refer note 11)	15.37
Conversion of CCPS to equity shares during the period (refer note 11)	(158.07)
<b>As at 31 December 2021</b>	<b>-</b>

**(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		
<b>As at 1 April 2020</b>	<b>9.75</b>	<b>-</b>	<b>6,826.32</b>	<b>261.54</b>	<b>(7,549.43)</b>	<b>-</b>	<b>(451.82)</b>
<b>Total comprehensive loss for the period ended 31 December 2020</b>							
Loss for the period ended	-	-	-	-	(683.71)	-	(683.71)
Remeasurement of net defined benefit liability	-	-	-	-	3.21	-	3.21
<b>Total comprehensive loss</b>					<b>(680.50)</b>		<b>(680.50)</b>
<b>Transactions with owners, recorded directly in equity</b>							
Employee share based payment expense	-	-	-	26.71	-	-	26.71
Securities premium on CCPS shares issued, (refer note 12)	-	-	696.47	-	-	-	696.47
<b>Balance as at 31 December 2020</b>	<b>9.75</b>	<b>-</b>	<b>7,522.79</b>	<b>288.25</b>	<b>(8,229.94)</b>	<b>-</b>	<b>(409.15)</b>
<b>As at 1 April 2021</b>	<b>9.75</b>	<b>36.51</b>	<b>7,966.00</b>	<b>292.70</b>	<b>(8,659.41)</b>	<b>-</b>	<b>(354.45)</b>
<b>Total comprehensive loss for the period ended 31 December 2021</b>							
Loss for the period ended	-	-	-	-	(1,148.32)	-	(1,148.32)
Remeasurement of net defined benefit liability	-	-	-	-	8.80	-	8.80
Equity instruments at FVOCI - net change in fair value	-	-	-	-	-	-	1.74
<b>Total comprehensive loss</b>					<b>(1,139.52)</b>	<b>1.74</b>	<b>(1,137.78)</b>
<b>Transactions with owners, recorded directly in equity</b>							
Employee share based payment expense	-	-	-	178.13	-	-	178.13
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 period	-	-	178.52	(119.98)	-	-	58.54
Securities premium on CCPS shares issued (refer note 12)	-	-	3,340.35	-	-	-	3,340.35
Issue of bonus shares during the period (refer note 46)	-	-	(31.24)	-	-	-	(31.24)
Conversion of CCPS to equity shares during the period (refer note 48)	-	-	89.77	-	-	-	89.77
<b>Balance as at 31 December 2021*</b>	<b>-</b>	<b>0.00</b>	<b>11,543.40</b>	<b>350.85</b>	<b>(9,798.93)</b>	<b>1.74</b>	<b>2,097.06</b>

\* 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

**Gajendra Sharma**

Partner  
Membership No.: 064440  
UDIN:

Place: Gurugram  
Date : 01 March 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 Taku**  
Chairperson,  
Whole-time Director  
& Chief Operating Officer  
DIN:02979387

**Dilip Bidani**  
Chief Financial Officer

**Rahul Luthra**  
Company Secretary

Place: Gurugram  
Date : 01 March 2022

**ONE MOBIKWIK SYSTEMS LIMITED**  
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## **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 01 March 2022.

## **2. Significant accounting policies**

### **2.1 Statement of compliance**

The Consolidated Balance Sheet of the Company as at 31 December 2021 and 31 December 2020 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 nine months period ended 31 December 2021 and 31 December 2020 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') more particularly in accordance with Ind AS 34 "Interim Financial Reporting" and other relevant provisions of the Act as amended from time to time.

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.

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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 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 December 2021	31 March 2021	31 December 2020
ZAAK EPAYMENT SERVICES PRIVATE LIMITED	India	100	100	100
MOBIKWIK FINANCE PRIVATE LIMITED	India	100	100	100
MOBIKWIK CREDIT PRIVATE LIMITED	India	100	100	100
HARVEST FINTECH PRIVATE LIMITED	India	100	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 (BNPL)
- 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 I) 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 December 2021 .
- (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

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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 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

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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 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:

<b>Assets category</b>	<b>Estimated useful life</b>
Computers	3 Years
Furniture & fixtures	10 Years
Office equipment	5 Years
Server & Network Equipment	6 Years

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 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

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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 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.

<b>Assets category</b>	<b>Estimated useful life</b>
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):

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- 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 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.

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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.

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

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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.

(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.

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**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.

**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.

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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 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.

**I) 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.

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**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 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, Buy now pay later (BNPL) 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. Buy Now Pay Later (BNPL) segment includes our BNPL offerings - MobiKwik Zip (which is our flagship 15-day BNPL 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.

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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 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.

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**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.

**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 7,963.17 million (31 March 2021: INR 7,190.79 million; 31 December 2020 : INR 6547.18 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

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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.

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
<b>Cost</b>					
<b>As at 1 April 2020</b>	<b>6.22</b>	<b>2.02</b>	<b>0.12</b>	<b>5.64</b>	<b>14.00</b>
Additions	2.51	-	-	-	2.51
<b>As at 31 December 2020</b>	<b>8.73</b>	<b>2.02</b>	<b>0.12</b>	<b>5.64</b>	<b>16.51</b>
<b>As at 1 April 2020</b>	<b>6.22</b>	<b>2.02</b>	<b>0.12</b>	<b>5.64</b>	<b>14.00</b>
Additions	6.09	-	-	-	6.09
Disposals*	(0.28)	(0.61)	0.00	-	(0.89)
<b>As at 31 March 2021</b>	<b>12.03</b>	<b>1.41</b>	<b>0.12</b>	<b>5.64</b>	<b>19.20</b>
<b>As at 1 April 2021</b>	<b>12.03</b>	<b>1.41</b>	<b>0.12</b>	<b>5.64</b>	<b>19.20</b>
Additions	25.96	0.16	0.14	0.30	26.56
Disposals	(0.42)	(0.05)	-	-	(0.47)
<b>As at 31 December 2021</b>	<b>37.57</b>	<b>1.52</b>	<b>0.26</b>	<b>5.94</b>	<b>45.29</b>
<b>Accumulated depreciation</b>					
<b>As at 1 April 2020</b>	<b>2.83</b>	<b>0.92</b>	<b>0.03</b>	<b>2.22</b>	<b>6.00</b>
Charge for the period	1.56	0.46	0.01	1.35	3.38
<b>As at 31 December 2020</b>	<b>4.39</b>	<b>1.38</b>	<b>0.04</b>	<b>3.57</b>	<b>9.38</b>
<b>As at 1 April 2020</b>	<b>2.83</b>	<b>0.92</b>	<b>0.03</b>	<b>2.22</b>	<b>6.00</b>
Charge for the year	2.43	0.46	0.03	1.35	4.27
Disposals**	(0.06)	(0.40)	0.00	-	(0.46)
<b>As at 31 March 2021</b>	<b>5.20</b>	<b>0.98</b>	<b>0.06</b>	<b>3.57</b>	<b>9.81</b>
<b>As at 1 April 2021</b>	<b>5.20</b>	<b>0.98</b>	<b>0.06</b>	<b>3.57</b>	<b>9.81</b>
Charge for the period	9.40	0.14	0.01	0.65	10.20
Disposals	(0.17)	(0.04)	-	-	(0.21)
<b>As at 31 December 2021</b>	<b>14.43</b>	<b>1.08</b>	<b>0.07</b>	<b>4.22</b>	<b>19.80</b>
<b>Carrying amount</b>					
<b>As at 31 December 2020</b>	<b>4.34</b>	<b>0.64</b>	<b>0.08</b>	<b>2.07</b>	<b>7.13</b>
<b>As at 31 March 2021</b>	<b>6.83</b>	<b>0.43</b>	<b>0.06</b>	<b>2.07</b>	<b>9.39</b>
<b>As at 31 December 2021</b>	<b>23.14</b>	<b>0.44</b>	<b>0.19</b>	<b>1.72</b>	<b>25.49</b>

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

\*\* Includes disposal of furniture &amp; fixtures of INR 647, rounded off to "0" on conversion to INR million.

**5 Other intangible assets**

	<b>Software</b>	<b>Total</b>
<b>Cost</b>		
<b>As at 1 April 2020</b>	<b>0.32</b>	<b>0.32</b>
Additions	-	-
<b>As at 31 December 2020</b>	<b>0.32</b>	<b>0.32</b>
<b>As at 1 April 2020</b>	<b>0.32</b>	<b>0.32</b>
Additions	-	-
<b>As at 31 March 2021</b>	<b>0.32</b>	<b>0.32</b>
<b>As at 1 April 2021</b>	<b>0.32</b>	<b>0.32</b>
Additions	-	-
<b>As at 31 December 2021</b>	<b>0.32</b>	<b>0.32</b>
<b>Accumulated amortisation</b>		
<b>As at 1 April 2020</b>	<b>0.32</b>	<b>0.32</b>
Amortisation for the period	-	-
<b>As at 31 December 2020</b>	<b>0.32</b>	<b>0.32</b>
<b>As at 1 April 2020</b>	<b>0.32</b>	<b>0.32</b>
Amortisation for the year	-	-
<b>As at 31 March 2021</b>	<b>0.32</b>	<b>0.32</b>
<b>As at 1 April 2021</b>	<b>0.32</b>	<b>0.32</b>
Amortisation for the period	-	-
<b>As at 31 December 2021</b>	<b>0.32</b>	<b>0.32</b>
<b>Carrying amount</b>		
<b>As at 31 December 2020</b>	-	-
<b>As at 31 March 2021</b>	-	-
<b>As at 31 December 2021</b>	-	-

**ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)**

Notes to the consolidated financial statements for the nine months period ended 31 December 2021

(Amounts in INR millions, unless otherwise stated)

**6 Goodwill**

	<b>Total</b>
<b>Cost</b>	
<b>As at 31 December 2020</b>	<u>48.63</u>
<b>As at 31 March 2021</b>	<u>48.63</u>
<b>As at 31 December 2021</b>	<u>48.63</u>
<b>Accumulated amortisation and impairment</b>	
<b>As at 31 December 2020</b>	<u>48.63</u>
<b>As at 31 March 2021</b>	<u>48.63</u>
<b>As at 31 December 2021</b>	<u>48.63</u>
<b>Carrying amount</b>	
<b>As at 31 December 2020</b>	-
<b>As at 31 March 2021</b>	-
<b>As at 31 December 2021</b>	-

**Notes:**

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. This loss has been disclosed as a separate line item in the restated consolidated statement of profit and loss.

	As at 31 December 2021	As at 31 March 2021	As at 31 December 2020
<b>7(a) Investment</b>			
<b>Non-current</b>			
<b>Unquoted investments (fully paid)</b>			
<b>Investment in other equity instruments at Fair value through Other comprehensive income (FVTOCI)</b>			
National Payment Corporation of India ("NPCI") (6,132 (6,132 : 31 March 2021 , 6,132 : 31 December 2020) equity shares of INR 1,256/- each) (refer note 2 below)	9.44	7.70	7.70
	<u>9.44</u>	<u>7.70</u>	<u>7.70</u>
<b>Aggregate amount of quoted investments</b>	-	-	-
<b>Aggregate amount of un-quoted investments</b>	9.44	7.70	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 December 2021	As at 31 March 2021	As at 31 December 2020
<b>7(b) Loans (measured at amortised cost)</b>			
<b>Unsecured, credit impaired</b>			
Loan (Refer note 1 below)	1.01	1.01	1.01
Less: Provision for doubtful balances	<u>(1.01)</u>	<u>(1.01)</u>	<u>(1.01)</u>
	-	-	-
<b>Total loans</b>	-	-	-

**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 December 2021	As at 31 March 2021	As at 31 December 2020
<b>7(c) Other financial assets (measured at amortised cost)</b>			
<b>Non-current</b>			
<b>Unsecured, considered good unless stated otherwise</b>			
Security deposits	26.76	22.09	29.24
Bank deposits with remaining maturity for more than twelve months (refer note 10)	<u>0.25</u>	<u>61.50</u>	<u>5.00</u>
	<u>27.01</u>	<u>83.59</u>	<u>34.24</u>
<b>Current</b>			
<b>Unsecured, considered good unless stated otherwise</b>			
Amount recoverable from payment gateway banks	560.34	486.27	465.13
Amount recoverable from users and business partners	1,169.65	474.25	178.27
Interest accrued on deposits	30.16	14.23	7.58
Security deposits	2.05	2.10	0.82
Other recoverables	<u>6.14</u>	<u>16.06</u>	<u>11.99</u>
	<u>1,768.34</u>	<u>992.91</u>	<u>663.79</u>
<b>Unsecured, considered doubtful</b>			
Amount recoverable from payment gateway banks	2.31	2.31	2.31
Receivable from users (Refer note 1 below)	95.38	95.38	95.38
Less: Allowance for doubtful balances	<u>(97.69)</u>	<u>(97.69)</u>	<u>(97.69)</u>
	-	-	-
<b>Total other financial assets</b>	<u>1,768.34</u>	<u>992.91</u>	<u>663.79</u>
	<u>1,795.35</u>	<u>1,076.50</u>	<u>698.03</u>

**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 December 2021	As at 31 March 2021	As at 31 December 2020
<b>8 Other assets</b>			
<b>Non-current</b>			
<b>Unsecured, considered good unless otherwise stated</b>			
Advance to suppliers (Refer note 1 below)	1,368.48	414.99	414.99
Amount paid under protest (Refer Note 36)	1.83	0.83	0.83
Prepaid expenses	3.43	1.40	1.00
Balances with government authorities	<u>1.40</u>	<u>1.40</u>	<u>1.40</u>
	<u>1,375.14</u>	<u>418.62</u>	<u>418.22</u>
<b>Current</b>			
<b>Unsecured, considered good unless otherwise stated</b>			
Advance to vendors (Aggregate)	39.85	67.82	37.25
Advance to suppliers	17.29	23.42	34.77
Advance to employees	11.08	2.33	1.76
Balances with government authorities			
GST/ Service tax credit	7.67	7.34	9.53
GST/ Service tax credit not due	18.91	10.27	5.54
Prepaid expenses	11.00	10.66	5.30
Share issue expense (Refer note 2 below)	71.75	-	-
Advance paid to customers	<u>1.27</u>	<u>1.52</u>	<u>1.60</u>
	<u>178.82</u>	<u>123.36</u>	<u>95.75</u>
<b>Unsecured, considered doubtful</b>			
Advance to vendors (Aggregate)	2.05	2.05	2.05
Advance to supplier	0.37	-	-
Advances to employees	0.03	0.03	0.03
Balances with government authorities	7.51	7.51	7.51
Less: Provision for doubtful advances	<u>(9.96)</u>	<u>(9.59)</u>	<u>(9.59)</u>
	-	-	-
<b>Total</b>	<u>1,795.35</u>	<u>1,076.50</u>	<u>698.03</u>

**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.

2. The share issue expenses of INR 71.75 million has been incurred by the Holding Company during the nine months period ended 31 December 2021 in connection with proposed public offer and offer for sale of equity shares. Out of the total expenses incurred, proportional expenses will be recovered from existing share holders and balance amount will be adjusted against securities premium as permissible under Section 52 of the Companies Act, 2013 on successful completion of Initial Public Offer (IPO).

9 Trade receivables

	As at 31 December 2021	As at 31 March 2021	As at 31 December 2020
<b>Unsecured, considered good unless stated otherwise</b>			
Trade receivables	306.73	376.04	309.19
Trade receivables - Credit impaired	5.76	5.77	0.95
Less: Allowance for doubtful debts	(5.76)	(5.77)	(0.95)
<b>Total</b>	<b>306.73</b>	<b>376.04</b>	<b>309.19</b>

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 December 2021	As at 31 March 2021	As at 31 December 2020
Within the credit period	0.00%	0.00%	0.00%
1-30 days past due	0.01%	0.00%	0.00%
31-60 days past due	0.06%	0.01%	0.00%
61-90 days past due	0.47%	0.46%	0.07%
91-180 days past due	2.52%	9.95%	1.53%
181-365 days past due	5.24%	21.26%	5.90%
1 - 2 years past due	53.27%	100.00%	15.49%
2 - 3 years past due	100.00%	100.00%	100.00%
Over 3 years	100.00%	100.00%	100.00%

Ageing	Expected credit loss - Delay Risk Rates (%)		
	As at 31 December 2021	As at 31 March 2021	As at 31 December 2020
Within the credit period	0.00%	0.00%	0.00%
1-30 days past due	0.06%	0.12%	0.11%
31-60 days past due	0.19%	0.40%	0.38%
61-90 days past due	0.36%	0.76%	0.71%
91-180 days past due	0.73%	1.38%	1.32%
181-365 days past due	1.78%	2.86%	2.75%
1 - 2 years past due	6.58%	0.00%	7.12%
2 - 3 years past due	0.00%	0.00%	0.00%
Over 3 years	0.00%	0.00%	0.00%

Movement in the expected credit loss allowance

	As at 31 December 2021	As at 31 March 2021	As at 31 December 2020
Balance at beginning of the period	5.77	4.62	4.62
Movement in expected credit loss allowance on trade receivables	(0.01)	1.15	(3.67)
Balance at end of the period	<b>5.76</b>	<b>5.77</b>	<b>0.95</b>

Trade receivables ageing schedule

As at 31 December 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	230.15	76.45	0.04	0.08	0.01	306.73
Undisputed trade Receivables - credit impaired	0.38	5.32	0.03	0.03	-	5.76
<b>Total</b>	<b>230.53</b>	<b>81.77</b>	<b>0.07</b>	<b>0.11</b>	<b>0.01</b>	<b>312.49</b>

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	366.71	9.23	0.01	0.09	-	376.04
Undisputed trade Receivables - credit impaired	2.82	2.92	0.03	-	-	5.77
<b>Total</b>	<b>369.53</b>	<b>12.15</b>	<b>0.04</b>	<b>0.09</b>	<b>-</b>	<b>381.81</b>

As at 31 December 2020

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	198.70	110.13	0.30	0.02	0.04	309.19
Undisputed trade Receivables - credit impaired	0.55	0.05	0.13	0.00	0.22	0.95
<b>Total</b>	<b>199.25</b>	<b>110.18</b>	<b>0.43</b>	<b>0.02</b>	<b>0.26</b>	<b>310.14</b>

10 Cash and cash equivalents

	As at 31 December 2021	As at 31 March 2021	As at 31 December 2020
Cash on hand*	0.00	0.00	0.00
Balance with bank			
- On current accounts	590.12	603.33	67.07
<b>Total cash and cash equivalents</b>	<b>590.12</b>	<b>603.33</b>	<b>67.07</b>

Notes

Total cash and cash equivalents

Less: Bank overdraft

**Cash balance for the purposes of consolidated statement of cash flows**

Bank balances other than cash and cash equivalents

Deposits with			
- Remaining maturity for less than twelve months**	1,431.92	230.86	352.99
- Remaining maturity for more than twelve months**	0.25	61.50	5.00
	<b>1,432.17</b>	<b>292.36</b>	<b>357.99</b>
Less: amount disclosed under non-current bank deposits	(0.25)	(61.50)	(5.00)
	<b>1,431.92</b>	<b>230.86</b>	<b>352.99</b>
Balances with banks:			
In Nodal account***	365.19	87.79	75.98
In Escrow account****	1,598.43	1,121.31	1,195.77
<b>Total</b>	<b>3,395.54</b>	<b>1,439.96</b>	<b>1,624.74</b>

\* 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 644.18 million (31 March 2021 : INR 174.59 million, 31 December 2020 : INR 357.99 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 500 million bearing interest rate of 4% p.a.

**11 Equity share capital**

**11(a) Equity share capital**

	<b>Equity Shares</b> <b>(Face Value = INR 2/-)**</b>		<b>Equity Shares</b> <b>(Face Value = INR 10/-) **</b>		<b>Class A - Equity Shares</b> <b>(Face Value = INR 10/-) **</b>	
	<b>Number of shares</b>	<b>Amount</b>	<b>Number of shares</b>	<b>Amount</b>	<b>Number of shares</b>	<b>Amount*</b>
<b>Authorised equity share capital</b>						
<b>As at 1 April 2020</b>	-	-	11,06,741	11.07	20	0.00
Increase/decrease during the period	-	-	-	-	-	-
<b>As at 31 December 2020</b>	-	-	<b>11,06,741</b>	<b>11.07</b>	<b>20</b>	<b>-</b>
<b>As at 1 April 2020</b>	-	-	11,06,741	11.07	20	0.00
Increase/decrease during the year	-	-	-	-	-	-
<b>As at 31 March 2021</b>	-	-	<b>11,06,741</b>	<b>11.07</b>	<b>20</b>	<b>0.00</b>
<b>As at 1 April 2021</b>	-	-	11,06,741	11.07	20	0.00
Increase/decrease during the period	8,00,00,000	160.00	(11,06,741)	(11.07)	(20)	0.00
<b>As at 31 December 2021</b>	<b>8,00,00,000</b>	<b>160.00</b>	-	-	-	-

\* Represent Class A equity shares of INR 200, rounded off to "0" on conversion to INR million

\*\* During the nine months ended 31 December 2021, 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)**

	<b>Number of shares</b>	<b>Amount</b>	<b>Number of shares</b>	<b>Amount</b>	<b>Number of shares</b>	<b>Amount*</b>
<b>As at 1 April 2020</b>	-	-	10,04,974	10.05	20	0.00
Increase/decrease during the period	-	-	-	-	-	-
<b>As at 31 December 2020</b>	-	-	<b>10,04,974</b>	<b>10.05</b>	<b>20</b>	<b>-</b>
<b>As at 1 April 2020</b>	-	-	10,04,974	10.05	20	0.00
Increase/decrease during the year	-	-	-	-	-	-
<b>As at 31 March 2021</b>	-	-	<b>10,04,974</b>	<b>10.05</b>	<b>20</b>	<b>0.00</b>
<b>As at 1 April 2021</b>	-	-	10,04,974	10.05	20	0.00
Conversion of CCCPS to equity shares during the period	3,47,62,949	69.53	36,201	0.36	-	-
Equity share capital issued during the period*	8,83,159	1.77	1	0.00	-	-
Shares split during the period**	52,05,980	10.41	(10,41,176)	(10.41)	(20)	0.00
Issue of bonus shares during the period**	1,56,17,940	31.24	-	-	-	-
Issue of equity shares on exercise of share based awards during the period	7,14,493	1.43	-	-	-	-
<b>As at 31 December 2021</b>	<b>5,71,84,521</b>	<b>114.38</b>	-	-	-	-

\* Represent Class A equity shares of INR 200, rounded off to "0" on conversion to INR million and represents equity shares of INR 10 issued during the nine months period ended 31 December 2021, rounded off to "0" on conversion to INR million.

\*\* During the nine months ended 31 December 2021, 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).

**11(b) Instruments entirely equity in nature**

**Authorised preference share capital**

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

**ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)**  
**Notes to the consolidated financial statements for the nine months period ended 31 December 2021**  
(Amounts in INR millions, unless otherwise stated)

**Issued cumulative compulsory convertible preference shares (CCCPs) (subscribed and fully paid up)**

	As at 1 April 2020		Issued during the period		As at 31 December 2020		As at 1 April 2021		Issued during the period		Conversion during the period (refer Note 48)		As at 31 December 2021	
	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
<b>Total of Face Value INR 10 Per Share -</b>														
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)	-	-
<b>Total</b>	<b>1,56,899</b>	<b>1.57</b>	-	-	<b>1,56,899</b>	<b>1.57</b>	<b>1,56,899</b>	<b>1.57</b>	-	-	<b>(1,56,899)</b>	<b>(1.57)</b>	-	-
<b>Total of Face Value INR 100 Per Share -</b>														
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	56,818	5.68	(92,705)	(9.27)	-	-
Series G CCCPS	-	-	-	-	-	-	-	-	83,165	8.32	(83,165)	(8.32)	-	-
<b>Total</b>	<b>13,16,993</b>	<b>131.68</b>	<b>74,289</b>	<b>7.43</b>	<b>13,91,282</b>	<b>139.11</b>	<b>14,27,169</b>	<b>142.70</b>	<b>1,53,646</b>	<b>15.37</b>	<b>(15,80,815)</b>	<b>(158.07)</b>	-	-
<b>Total</b>	<b>14,73,892</b>	<b>133.25</b>	<b>74,289</b>	<b>7.43</b>	<b>15,48,181</b>	<b>140.68</b>	<b>15,84,068</b>	<b>144.27</b>	<b>1,53,646</b>	<b>15.37</b>	<b>(17,37,714)</b>	<b>(159.64)</b>	-	-

	As at 1 April 2020		Increase during the year		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<b>Total of Face Value INR 10 Per Share -</b>						
Series A CCCPS	1,09,779	1.10	-	-	1,09,779	1.10
Series B2 CCCPS	47,120	0.47	-	-	47,120	0.47
<b>Total</b>	<b>1,56,899</b>	<b>1.57</b>	-	-	<b>1,56,899</b>	<b>1.57</b>
<b>Total of Face Value INR 100 Per Share -</b>						
Series A1 CCCPS	1,72,536	17.25	-	-	1,72,536	17.25
Series A2 CCCPS	23,615	2.36	-	-	23,615	2.36
Series A3 CCCPS	17,806	1.78	-	-	17,806	1.78
Series B1 CCCPS	1,75,922	17.59	-	-	1,75,922	17.59
Series B3 CCCPS	52,834	5.28	-	-	52,834	5.28
Series B4 CCCPS	89,844	8.98	-	-	89,844	8.98
Series C1 CCCPS	84,469	8.45	-	-	84,469	8.45
Series C2 CCCPS	1,81,007	18.10	-	-	1,81,007	18.10
Series C3 CCCPS	1,20,665	12.07	-	-	1,20,665	12.07
Series C5 CCCPS	7,204	0.72	-	-	7,204	0.72
Series C6 CCCPS	5,067	0.51	-	-	5,067	0.51
Series C7 CCCPS	17,429	1.74	-	-	17,429	1.74
Series C9 CCCPS	5,810	0.58	-	-	5,810	0.58
Series D CCCPS	2,71,050	27.11	-	-	2,71,050	27.11
Series E1 CCCPS	20,040	2.00	-	-	20,040	2.00
Series E2 CCCPS	9,109	0.91	-	-	9,109	0.91
Series E3 CCCPS	48,057	4.80	22,944	2.29	71,001	7.09
Series E4 CCCPS	3,643	0.36	-	-	3,643	0.36
Series E5 CCCPS	6,972	0.70	-	-	6,972	0.70
Series E6 CCCPS	3,914	0.39	-	-	3,914	0.39
Series E7 CCCPS	-	-	41,375	4.14	41,375	4.14
Series E8 CCCPS	-	-	9,970	1.00	9,970	1.00
General CCCPS	-	-	35,887	3.59	35,887	3.59
<b>Total</b>	<b>13,16,993</b>	<b>131.68</b>	<b>1,10,176</b>	<b>11.02</b>	<b>14,27,169</b>	<b>142.70</b>
<b>Total</b>	<b>14,73,892</b>	<b>133.25</b>	<b>1,10,176</b>	<b>11.02</b>	<b>15,84,068</b>	<b>144.27</b>

**ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)**

Notes to the consolidated financial statements for the nine months period ended 31 December 2021

(Amounts in INR millions, unless otherwise stated)

**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 and general 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 and general 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 and general 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 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 nine months ended 31 December 2021, 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 preceding 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).

**11(e) Details of shareholders holding**

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

	As at 31 December 2021*		As at 31 March 2021*		As at 31 December 2020	
	Number	% Holding	Number	% Holding	Number *	% Holding
<b>Equity shares of INR 10 each fully paid</b>						
Bipin Preet Singh	-	-	5,85,000	58.21%	5,85,000	58.21%
Upasana Rupkrishan Taku	-	-	4,15,000	41.29%	4,15,000	41.29%
<b>Class A - Equity shares of INR 10 each fully paid</b>						
Sequoia Capital India Investment Holdings III	-	-	10	50.00%	10	50.00%
Sequoia Capital India Investments IV	-	-	10	50.00%	10	50.00%
<b>Equity shares of INR 2 each fully paid</b>						
Bipin Preet Singh	1,14,30,478	19.99%	-	-	-	-
Upasana Rupkrishan Taku	80,91,995	14.15%	-	-	-	-
Baia 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 December 2021*		As at 31 March 2021		As at 31 December 2020	
	Number	% Holding	Number	% Holding	Number	% Holding
Sequoia Capital India Investment Holdings III	-	-	1,09,779	100%	1,09,779	100.00%
Sequoia Capital India Investments IV	-	-	1,72,536	100%	1,72,536	100.00%
Sequoia Capital India Investments IV	-	-	23,615	100%	23,615	100.00%
Sequoia Capital India Investments IV	-	-	17,806	100%	17,806	100.00%
Sequoia Capital India Investments IV	-	-	87,864	50%	87,864	50.00%
TreeLine Asia Master Fund	-	-	88,058	50%	88,058	50.00%
American Express Travel Related Services Co.	-	-	47,120	100%	47,120	100.00%
Cisco Systems (USA) PTE Ltd	-	-	52,834	100%	52,834	100.00%
Sequoia Capital India Investments IV	-	-	62,341	69%	62,341	69.00%
TreeLine Asia Master Fund	-	-	27,503	31%	27,503	31.00%
Sequoia Capital India Investments IV	-	-	12,067	14%	12,067	14.00%
TreeLine Asia Master Fund	-	-	12,067	14%	12,067	14.00%
GMO Global Payment Fund Investment Partnership	-	-	24,134	29%	24,134	29.00%
Cloud Rangoer Limited	-	-	36,201	43%	36,201	43.00%
Net1 Applied Technologies	-	-	1,81,007	100%	1,81,007	100.00%
Cisco Systems (USA) Pte. Ltd.	-	-	7,204	100%	7,204	100.00%
Net1 Applied Technologies	-	-	1,20,665	100%	1,20,665	100.00%
American Express Travel Related Services Co.	-	-	5,067	100%	5,067	100.00%
Bennett, Coleman and Company Limited	-	-	17,429	100%	17,429	100.00%
GMO Global Payment Fund Investment Partnership	-	-	5,810	100%	5,810	100.00%
Baia Finance Limited	-	-	2,71,050	100%	2,71,050	100.00%
GMO Global Payment Fund Investment Partnership	-	-	1,822	9%	1,822	9.00%
Sequoia Capital India Investments IV	-	-	18,218	91%	18,218	91.00%
Net1 Applied Technologies Netherlands B.V.	-	-	9,109	100%	9,109	100.00%
Baia Finance Limited	-	-	68,269	96%	58,079	96.00%
Trifecta Capital VDF Management LLP	-	-	3,643	100%	3,643	100.00%
New Delhi Television Limited	-	-	6,972	100%	6,972	100.00%
Nicolas Jarrosson	-	-	3,914	100%	3,914	100.00%
Hindustan Media Ventures Ltd	-	-	41,375	100%	-	-
Pratithi Investment Trust	-	-	9,970	100%	-	-
Elizabeth Mathew	-	-	12,048	34%	-	-
Maurvan First	-	-	7,229	20%	-	-
Orios Select Fund I	-	-	6,025	17%	-	-
Vineet Kulbandhu Sharma	-	-	5,871	16%	-	-
			<b>15,76,622</b>		<b>14,83,914</b>	

\* During the nine months ended 31 December 2021, 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).

**ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)**

Notes to the consolidated financial statements for the nine months period ended 31 December 2021

(Amounts in INR millions, unless otherwise stated)

**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 nine months period ended 31 December 2021		For the year ended 31 March 2021		For the nine months period ended 31 December 2020	
Number of shares	Premium per share	Number of shares	Premium per share	Number of shares	Premium per share
3,932	8.134	22,944	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 December 2021	As at 31 March 2021	As at 31 December 2020
Number of shares	45,64,260	2,28,213	2,28,213
Face value of shares	2	10	10
Percentage of capital	14.26%	8.81%	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 nine months period ended 31 December 2021, 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 period and options outstanding at the end of the reporting period, is set out in note 29.

**11(g) Shareholding of promoters**

Shares held by promoters at the end of the period

	As at 31 December 2021*	As at 31 March 2021	As at 31 December 2020
<b>Number of Shares</b>			
Bipin Preet Singh	1,14,30,478	5,85,000	5,85,000
Upasana Rupkrishan Taku	80,91,995	4,15,000	4,15,000
<b>% of total shares</b>			
Bipin Preet Singh	19.99%	58.21%	58.21%
Upasana Rupkrishan Taku	14.15%	41.29%	41.29%
<b>% Change during the year</b>			
Bipin Preet Singh	-38.22%	0.00%	0.00%
Upasana Rupkrishan Taku	-27.14%	0.00%	0.00%

\* During the nine months ended 31 December 2021, 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 December 2021	As at 31 March 2021	As at 31 December 2020
Securities premium	11,543.40	7,966.00	7,522.79
Money received against share warrants	-	9.75	9.75
Other Comprehensive Income	1.74	-	-
Share application money pending allotment*	0.00	36.51	-
Employee share options reserve	350.85	292.70	288.25
Retained earnings	(9,798.93)	(8,659.41)	(8,229.94)
<b>Total other equity</b>	<b>2,097.06</b>	<b>(354.45)</b>	<b>(409.15)</b>

\* 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 December 2021	As at 31 March 2021	As at 31 December 2020
<b>13 Borrowings</b>			
<b>Non-current</b>			
<b>Secured, at amortised cost</b>			
Non-convertible debentures (refer note 1 below)	-	25.45	64.25
Less: Current maturity of non-convertible debentures	-	(25.45)	(64.25)
	-	-	-
<b>Current</b>			
<b>Unsecured, at amortised cost</b>			
Term loan from financial institution (refer note (3) below)	135.83	-	-
	<b>135.83</b>	-	-
<b>Secured, at amortised cost</b>			
From banks :			
Bank overdraft (refer note 2 below)	217.60	580.48	488.24
Term loan (refer note 2 below)	600.00	-	-
Current maturity of non-convertible debentures	-	25.45	64.25
	<b>817.60</b>	<b>605.93</b>	<b>552.49</b>
	<b>953.43</b>	<b>605.93</b>	<b>552.49</b>

**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), fixed assets and carries interest rate of 9.98% p.a. for bank overdraft and 9.47% for short term loan for AXIS Bank. The short term loan is repayable on demand. Out of INR 600 Million term loan, no charge was created on INR 400 Million and it has been repaid on 27 January 2022.

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 9.51% 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 9.48% p.a. .

The unutilized sanction limits for bank overdrafts and term loans:

Bank Name	Nature of Facility	Amount 31 December 2021	Amount 31 March 2021	Amount 31 December 2020
AXIS Bank	Bank overdrafts	500.00	118.68	399.11
AXIS Bank	Short term loan	-	200.00	200.00
ICICI Bank	Bank overdrafts	2.40	1.08	1.19
Kotak Bank	Bank overdrafts	N/A	N.A.	161.05
Kotak Bank	Short term loan	N/A	N.A.	200.00
DMI Finance Private Limited	Short term loan	-	N/A	N/A

3. The Holding Company had raised INR 163 million from DMI Finance Private Limited during the period ended 31 December 2021 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.

	As at 31 December 2021	As at 31 March 2021	As at 31 December 2020
<b>14 Trade payables</b>			
- Total outstanding dues of micro enterprises and small enterprises (Refer note 43)	15.24	6.77	15.53
- Total outstanding dues of creditors other than micro enterprises and small enterprises	699.99	805.73	632.88
	<b>715.23</b>	<b>812.50</b>	<b>648.41</b>

**Trade payables aging schedule**

**As at 31 December 2021**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	14.79	0.10	0.35	-	15.24
Undisputed dues - Others	553.60	59.51	38.79	24.84	676.74
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	3.63	11.31	8.31	23.25

**As at 31 March 2021**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	6.05	0.01	0.71	-	6.77
Undisputed dues - Others	564.48	81.18	107.70	29.12	782.48
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	2.51	7.73	13.01	-	23.25

**As at 31 December 2020**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	14.07	1.33	0.13	-	15.53
Undisputed dues - Others	426.63	77.34	79.22	26.44	609.63
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	3.63	11.31	8.31	-	23.25

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	As at 31 December 2021	As at 31 March 2021	As at 31 December 2020
<b>15 Other financial liabilities</b>			
<b>Non-current</b>			
Security deposits	0.35	0.35	1.35
<b>Total</b>	<b>0.35</b>	<b>0.35</b>	<b>1.35</b>
<b>Current</b>			
Interest accrued on borrowings	1.17	0.31	0.25
Advance from financing partner	1,099.84	597.66	221.22
Security deposits	0.24	12.65	12.05
Advances from wallet users (user's balance)	1,305.59	1,010.58	1,136.02
Financial guarantee obligation*	477.66	757.22	577.01
Provision for loss on ZIP product (refer note 41)	106.91	-	-
Payable to merchants	640.58	277.93	241.54
Payable to operators and aggregators (refer note 49)	36.00	39.36	63.03
Others	168.97	146.75	116.70
<b>Total</b>	<b>3,836.96</b>	<b>2,842.46</b>	<b>2,367.82</b>
<b>Total</b>	<b>3,837.31</b>	<b>2,842.81</b>	<b>2,369.17</b>
* For disclosure on inputs, assumptions and estimation techniques used in measurement of impairment loss on financial guarantee obligation, refer note 32			
<b>16 Provisions</b>			
<b>Non-current</b>			
Provision for employee benefits			
Provision for gratuity*	23.05	23.14	21.25
<b>Total</b>	<b>23.05</b>	<b>23.14</b>	<b>21.25</b>
<b>Current</b>			
Provision for employee benefits			
Provision for gratuity*	5.01	3.81	2.79
Provision for leave encashment	13.07	8.86	10.67
<b>Total</b>	<b>18.08</b>	<b>12.67</b>	<b>13.46</b>
*For details of movement in provision for gratuity, refer note 28.			
<b>17 Contract liabilities</b>			
<b>Current</b>			
Deferred revenue	28.35	46.65	11.75
Customer incentives	17.07	30.47	20.47
Advance from customers	0.13	0.14	0.14
<b>Total</b>	<b>45.55</b>	<b>77.26</b>	<b>32.36</b>
<b>18 Other liabilities</b>			
<b>Current</b>			
Statutory remittances	88.71	55.46	17.05
Others	1.73	1.75	1.74
<b>Total</b>	<b>90.44</b>	<b>57.21</b>	<b>18.79</b>
<b>19 Non-current tax asset (net)</b>			
Advance tax and tax deducted at source	190.65	152.95	143.74
Income tax payable	(3.66)	(2.89)	(2.79)
<b>Total</b>	<b>186.99</b>	<b>150.06</b>	<b>140.95</b>

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	For the nine months period ended 31 December 2021	For the nine months period ended 31 December 2020
<b>20 Revenue from operations</b>		
Consumer payments	1,782.32	1,473.13
Buy now pay later (BNPL)	692.76	395.36
Payment gateway	1,390.37	130.57
<b>Total revenue from operations</b>	<b>3,865.45</b>	<b>1,999.06</b>
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).		
<b>20.1 Disaggregation of revenue based on timing of recognition of revenue:</b>		
a Services transferred at point in time	3,844.65	1,995.38
b Services transferred over time	20.80	3.68
<b>Total revenue from contract with customers</b>	<b>3,865.45</b>	<b>1,999.06</b>
<b>20.2 Reconciliation of revenue recognised in statement of profit and loss with contracted price:</b>		
Revenue as per contracted price	3,883.18	2,003.09
Less: Variable consideration (including consideration payable to customer)	(17.72)	(4.04)
	<b>3,865.46</b>	<b>1,999.05</b>
<b>20.3 Transaction price allocated to the remaining performance obligations:</b>		
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	45.55	32.36
	<b>45.55</b>	<b>32.36</b>
Note: All the remaining performance obligation are expected to be recognised within one year		
<b>20.4 Contract balances</b>		
The following table provides information about contract liabilities from contract with customers		
	As at 31 December 2021	As at 31 December 2020
Contract liabilities (refer note 17)	45.55	32.36
<b>Significant changes in the contract liabilities balances during the period are as follows:</b>		
<b>Deferred revenue</b>	As at 31 December 2021	As at 31 December 2020
Opening balance at the beginning of the period	46.65	5.00
Less: Revenue recognised from contract liability balance at the beginning of the period	(18.30)	-
Add: Amount received from customers during the period	-	6.75
Closing balance at the end of the period	<b>28.35</b>	<b>11.75</b>
<b>Customer incentive</b>	As at 31 December 2021	As at 31 December 2020
Opening balance at the beginning of the period	30.47	69.18
Add: Created during the period	17.07	20.47
Less: Utilised during the period	(30.47)	(69.18)
Closing balance at the end of the period	<b>17.07</b>	<b>20.47</b>
<b>Advance from customer</b>	As at 31 December 2021	As at 31 December 2020
Opening balance at the beginning of the period	0.14	-
Add: Received during the period	-	0.14
Less: Revenue recognised during the period	(0.01)	-
Closing balance at the end of the period	<b>0.13</b>	<b>0.14</b>
<b>21 Other income</b>	For the nine months period ended 31 December 2021	For the nine months period ended 31 December 2020
Interest income from financial assets measured at amortised cost		
- on bank deposits	52.11	51.01
- on security deposits	0.25	0.58
Interest on income tax refund	4.57	3.45
Liabilities / provisions no longer required written back*	43.20	57.71
Gain on disposal of investments	-	1.39
Reversal of impairment loss on trade receivables	0.01	3.66
Gain on termination of lease contract	-	8.48
Lease rent concession (net of expenses)	-	0.62
Miscellaneous income	0.32	1.04
<b>Total</b>	<b>100.46</b>	<b>127.94</b>

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

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	For the nine months period ended 31 December 2021	For the nine months period ended 31 December 2020
<b>22 Employee benefits expense</b>		
Salaries, allowance and bonus	549.95	338.52
Gratuity expense (refer note 28)	10.55	8.79
Leave encashment expense	7.37	6.26
Contribution to provident and other funds	10.20	7.39
Employee stock options expense (refer note 29)	178.13	26.71
Staff welfare expenses	3.15	0.35
<b>Total</b>	<b>759.35</b>	<b>388.02</b>
	<b>For the nine months period ended 31 December 2021</b>	<b>For the nine months period ended 31 December 2020</b>
<b>23 Finance costs</b>		
Interest expense on financial liabilities at amortised cost		
- on overdraft	45.77	32.97
- on other borrowings	11.44	17.61
- on lease liability	1.16	1.97
- others	-	0.10
Interest expense on delayed payment of statutory dues	0.14	0.18
Others	11.34	4.96
<b>Total</b>	<b>69.85</b>	<b>57.79</b>
	<b>For the nine months period ended 31 December 2021</b>	<b>For the nine months period ended 31 December 2020</b>
<b>24 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment (refer note 4)	10.20	3.38
Depreciation on right of use assets (refer note 42)	2.01	8.86
<b>Total</b>	<b>12.21</b>	<b>12.24</b>
	<b>For the nine months period ended 31 December 2021</b>	<b>For the nine months period ended 31 December 2020</b>
<b>25 Other expenses</b>		
Payment gateway cost (Refer note 35)	1,813.72	1,118.91
Business promotion*	888.01	484.06
Franchisee cost	95.64	77.23
Advertisement	65.97	14.18
B2B commission expense	12.01	21.67
Lease rent	10.75	-
Rates and taxes	22.61	2.39
Communication costs	64.34	19.00
Outsource service cost	57.35	23.12
Foreign exchange loss (net)	0.35	0.27
Power and fuel	0.14	0.51
Merchant related costs	59.21	26.24
Repair and maintenance:		
-Plant and machinery	0.14	0.07
-Others	3.46	4.28
Server and related cost	68.19	40.21
Travelling and conveyance	8.95	2.98
Legal and professional fees	166.88	29.04
Lending operational expenses	130.81	40.21
Insurance expenses	2.01	1.75
Software expenses	11.26	12.35
IMPS Expenses	22.63	9.27
Financial guarantee expenses	633.79	393.83
Provision for doubtful advances	0.37	1.01
Provision for loss on ZIP product (refer note 41)	106.91	-
Bad debts	6.84	5.46
Loss on sale/disposal of property, plant & equipment (net)	0.26	-
Miscellaneous expenses	23.61	17.17
<b>Total</b>	<b>4,276.21</b>	<b>2,345.21</b>

\*Includes user incentive expenses amounting to INR 560.37 million (31 December 2020: 329.50 million)

**Note:**

1. Audit fees for the nine months period ended 31 December 2021 and 31 December 2020 of INR 3.64 million has been recorded under share issue expenses (Refer note 8).

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**26 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 and CCPS 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 and CCPS 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:

	<b>For the nine months period ended 31 December 2021</b>	<b>For the nine months period ended 31 December 2020</b>
<b>Basic</b>		
Loss for basic EPS being net loss attributable to owners of the Company (A)	(1,148.32)	(683.71)
Weighted average number of equity shares and CCPS in calculating basic EPS (B) (refer note 1 below)	5,51,69,959	4,99,20,788
Basic loss per equity share (A/B) (INR)	(20.81)	(13.70)
<b>Diluted</b>		
Loss for basic EPS being net loss attributable to owners of the Company (A)	(1,148.32)	(683.71)
Weighted average number of equity shares and CCPS in calculating basic and diluted EPS (B) (refer note 1 below)	5,51,69,959	4,99,20,788
Diluted loss per equity share (A/B) (INR)	(20.81)	(13.70)

- (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 December 2021 and 31 December 2020 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 nine months period ended 31 December 2021	For the nine months period ended 31 December 2020
<b>Current tax</b>		
Current income tax for the period	1.62	2.27
	<u>1.62</u>	<u>2.27</u>
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	(5.01)	5.18
	<u>(5.01)</u>	<u>5.18</u>
<b>Total income tax expense/(credit)</b>	<b>(3.39)</b>	<b>7.45</b>

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

Particulars	For the nine months period ended 31 December 2021	For the nine months period ended 31 December 2020
Loss before tax	(1,151.71)	(676.26)
<b>Accounting loss before income tax</b>	<b>(1,151.71)</b>	<b>(676.26)</b>
Tax expense using the Company's tax rate of 26.00% (31 December 2020: 26.00%)	(299.44)	(175.83)
Effect of tax rates in other subsidiaries	0.12	0.28
Other non-deductible expenses	3.91	0.62
Temporary differences including tax losses for which no deferred tax was recognised	292.02	182.38
<b>Tax expense at the effective income tax rate of 0.29% (31 December 2020: 1.10%)</b>	<b>(3.39)</b>	<b>7.45</b>

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

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 December 2020
<b>Deferred tax asset</b>			
Tax business losses and unabsorbed business losses	2,101.45	1,868.33	1,730.60
Property, plant and equipment and other intangible assets	1.28	0.74	0.48
Lease liabilities	0.14	-	-
Trade receivable	1.50	1.50	0.25
Deferred revenue	-	1.30	-
Impairment loss on lending business	151.99	196.88	151.18
Provision for employee benefits	10.58	9.77	9.00
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	62.08	26.17	44.53
<b>Total</b>	<b>2,329.02</b>	<b>2,104.69</b>	<b>1,936.04</b>
<b>Total deferred tax assets recognised (A) (refer note below)</b>	<b>31.44</b>	<b>26.35</b>	<b>28.57</b>
<b>Deferred tax liabilities</b>			
Non-convertible debentures	-	(0.08)	(0.16)
Mutual funds	-	-	-
<b>Total deferred tax liabilities (B)</b>	<b>-</b>	<b>(0.08)</b>	<b>(0.16)</b>
<b>Net deferred tax assets/(liabilities) (A-B)</b>	<b>31.44</b>	<b>26.43</b>	<b>28.73</b>

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 December 2021	As at 31 March 2021	As at 31 December 2020
Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised are attributable to the following:			
- tax business losses	7,906.94	7,144.06	6,502.33
- unabsorbed depreciation	56.23	46.73	44.85
- other deductible temporary differences	874.72	906.28	803.53
	<b>8,837.89</b>	<b>8,097.07</b>	<b>7,350.71</b>

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 10.20 million during the nine months ended 31 December 2021 (31 December 2020: INR 7.39 million) for provident fund 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**

	<b>As at 31 December 2021</b>	<b>As at 31 March 2021</b>	<b>As at 31 December 2020</b>
Present value of un-funded defined benefit obligation	28.06	26.95	24.04

**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*

	<b>As at 31 December 2021</b>	<b>As at 31 March 2021</b>	<b>As at 31 December 2020</b>
Balance at the beginning of the period	26.95	19.31	19.31
Benefits paid	(0.65)	(1.10)	(0.85)
Current service cost	9.01	10.18	7.60
Interest cost	1.54	1.59	1.19
Actuarial (gains) losses			
- changes in demographic assumptions	(2.96)	(3.87)	(5.95)
- changes in financial assumptions	0.85	5.59	7.65
- experience adjustments	(6.68)	(4.75)	(4.91)
<b>Balance at the end of the period</b>	<b>28.06</b>	<b>26.95</b>	<b>24.04</b>

**b) Amount recognised in Consolidated Statement of Profit and Loss :**

	<b>For the nine months period ended 31 December 2021</b>	<b>For the nine months period ended 31 December 2020</b>
Current service cost	9.01	7.60
Net interest expense	1.54	1.19
<b>Recognised in profit or loss</b>	<b>10.55</b>	<b>8.79</b>
Remeasurement of the net defined benefit liability		
Actuarial (gain) loss on defined benefit obligation	(8.80)	(3.21)
<b>Recognised in other comprehensive income</b>	<b>(8.80)</b>	<b>(3.21)</b>

The most recent actuarial valuations of the present value of the defined benefit liability were carried out at 31 December 2021. 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 December 2021	As at 31 March 2021	As at 31 December 2020
Discount rate	6.04% - 6.60%	5.88% - 6.64%	5.57%
Expected rate of salary increase	15.00%	15.00%	15.00%
Retirement age	58 years	58 years	58 years
Attrition rate	15% - 35%	25.00%	25.00%
Mortality table	India Assured Life Mortality	India Assured Life Mortality	India Assured Life Moratility (2012-14)

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 nine months period ended 31 December 2021**

	Increase	Decrease
Impact of change in discount rate by 1%	(0.99)	1.06
Impact of change in salary by 1%	0.66	(0.67)
Impact of change in employee turnover rate by 1%	(0.27)	0.28

**For the nine months period ended 31 December 2020**

	Increase	Decrease
Impact of change in discount rate by 1%	(1.01)	1.26
Impact of change in salary by 1%	0.76	(0.71)
Impact of change in employee turnover rate by 1%	(0.36)	0.41

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 December 2021	As at 31 March 2021	As at 31 December 2020
1st following year	5.16	3.93	2.86
2nd following year	5.20	4.23	3.47
3rd following year	4.50	4.25	3.81
4th following year	4.21	4.23	3.61
5th following year	3.72	3.88	3.36
Sums of years 6 to 10	10.04	11.50	10.12
<b>Total</b>	<b>32.83</b>	<b>32.02</b>	<b>27.23</b>

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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 period 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”) is authorised to issue up to 1,256 stock options as at 31 December 2021 (31 December 2020 : NIL) which can be exercised upto 12,560 equity shares of INR 1 each (to give effect to the share split of 1 share of INR 10 each into 10 shares of INR 1 each) to eligible employees. Employees covered by the plan are granted an option to purchase shares of the subsidiary 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 of 36 months.

**Exercise period:**

Exercise period would expire at the end of 7 - 10 years from the date of vesting of options.

(b) Movements during the period

**The following table represents the number and weighted average exercise prices (WAEP) of, and movements in, share options during the period for Holding Company:**

**ESOP 2014 Scheme :**

	As at 31 December 2021		As at 31 December 2020	
	Number of Options	WAEP	Number of Options	WAEP
Outstanding at the beginning of the period	1,28,818	2,631.03	1,14,803	1,897.60
Options granted during the period	42,507	2,262.46	17,434	7,617.88
Options exercised during the period	(35,725)	1,681.24	-	-
Options forfeited during the period	(15,004)	3,392.54	(3,589)	4,297.54
Options outstanding at the end of the period	1,20,596	2,687.74	1,28,648	2,605.84
Vested options outstanding at the end of the period (Exercisable)	67,731	1,440.34	97,438	1,228.35

The share options outstanding as at 31 December 2021 had a weighted average exercise price of INR 2,687.74 (31 December 2020: INR 2,605.84), and a weighted average remaining contractual life of 5.50 years as at 31 December 2021 (31 December 2020: 5.60 years).

**Amended ESOP 2014 Scheme :**

	As at 31 December 2021		As at 31 December 2020	
	Number of Options	WAEP	Number of Options	WAEP
Outstanding at the beginning of the period	-	-	-	-
Options granted during the period	1,05,346	2.00	-	-
Options forfeited during the period	(4,247)	2.00	-	-
Options Outstanding at the end of the period	1,01,099	2.00	-	-
Vested Options Outstanding at the end of the period (Exercisable)	-	-	-	-

The share options outstanding at the end of the period had a weighted average exercise price of INR 2, and a weighted average remaining contractual life of 9.24 years.

**The following table represents the number and weighted average exercise prices (WAEP) of, and movements in, share options during the period for Subsidiary Company:**

**Zaakpay Employee Share Options Scheme**

	As at 31 December 2021		As at 31 December 2020	
	Number of Options	WAEP	Number of Options	WAEP
Outstanding at the beginning of the period	-	-	-	-
Options granted during the period	628	3,58,375	-	-
Options forfeited during the period	(628)	3,58,375	-	-
Options expired during the period	-	-	-	-
Options outstanding at the end of the period	-	-	-	-
Vested options outstanding at the end of the period (Exercisable)	-	-	-	-

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

**ESOP 2014 Scheme :**

Exercise price ( Amount in INR )	As at	As at
	31 December 2021	31 December 2020
10	21,045	35,015
40	21,821	-
695	32,483	45,089
2,884	82	82
4,475	9,404	14,026
5,708	2,374	5,237
6,587	7,041	11,282
7,307	19,693	10,358
8,024	6,172	7,559
9,960	483	-

**Zaakpay Employee Share Options Scheme**

Exercise price ( Amount in INR )	As at	As at
	31 December 2021	31 December 2020
358,375	628	-

**Amended ESOP 2014 Scheme :**

Exercise price ( Amount in INR )	As at	As at
	31 December 2021	31 December 2020
2	1,01,099	-

d) The weighted average fair value of options granted under the ESOP 2014 scheme during the period was INR 10,362.82 per option (31 December 2020: INR 2,817.08 per option). The weighted average fair value of options granted under the Amended ESOP 2014 scheme during the period was INR 894.41 per option and INR 161,481 per option in case of subsidiary company

	For the nine months period ended 31 December 2021	For the nine months period ended 31 December 2020
e) Expense arising from equity-settled share-based payment transactions	178.13	26.71

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

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**Inputs for measurement of grant date fair values of ESOPs**

**ESOP 2014 Scheme :**

<b>Particulars</b>	<b>For the nine months period ended 31 December 2021</b>	<b>For the nine months period ended 31 December 2020</b>
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% - 43.87%	37.9% - 42.7%
Risk free rate	5.6% - 6.6%	5.01% - 6.24%
Dividend yield	0.00%	0.00%

**Amended ESOP 2014 Scheme :**

<b>Particulars</b>	<b>For the nine months period ended 31 December 2021</b>	<b>For the nine months period ended 31 December 2020</b>
Exercise price- (in INR)	2	-
Fair value at grant date- (in INR)	894.25 - 894.55	-
Expected Volatility (Standard Deviation - Annual)	41.7% - 43.7%	-
Risk free rate	5.7% - 6.3%	-
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**

<b>Particulars</b>	<b>For the nine months period ended 31 December 2021</b>	<b>For the nine months period ended 31 December 2020</b>
Exercise price- (in INR)	3,58,375	-
Fair value at grant date- (in INR)	1,61,481	-
Expected Volatility (Standard Deviation - Annual)	51.96%	-
Risk free rate	6.57%	-

**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:

		As at 31 December 2021	As at 31 March 2021	As at 31 December 2020
<b>Financial assets</b>	<b>Level</b>			
<b>a) Measured at fair value through other comprehensive income (FVTOCI)</b>				
- Investment in NPCI (refer note 7(a))	Level 3	9.44	7.70	7.70
		9.44	7.70	7.70
<b>b) Measured at amortised cost</b>				
- Trade receivable (refer note 9)	Level 3	306.73	376.04	309.19
- Cash and cash equivalents (refer note 10)	Level 3	590.12	603.33	67.07
- Other bank balances (refer note 10)	Level 3	3,395.54	1,439.96	1,624.74
- Loans (refer note 7(b))	Level 3	-	-	1.01
- Others financial assets (refer note 7(c))	Level 3	1,795.35	1,076.50	698.03
		6,087.74	3,495.83	2,700.04
<b>Total financial assets</b>		<b>6,097.18</b>	<b>3,503.53</b>	<b>2,707.74</b>
<b>Financial liabilities</b>				
<b>a) Not measured at fair value (Other financial liabilities)</b>				
- Borrowings (refer note 13)	Level 3	953.43	605.93	552.49
- Lease liabilities (refer note 42)	Level 3	70.03	-	-
- Trade payables (refer note 14)	Level 3	715.23	812.50	648.41
- Security deposits (refer note 16)	Level 3	0.59	13.00	13.40
- Other financial liabilities (refer note 16)	Level 3	3,836.72	2,829.81	2,355.77
<b>Total financial liabilities</b>		<b>5,576.00</b>	<b>4,261.24</b>	<b>3,570.07</b>

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 measurements.

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

<b>Financial assets</b>	<b>Valuation techniques</b>	<b>Key inputs</b>	<b>Sensitivity</b>
Investment in equity instruments 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 For the nine months period ended 31 December 2021	For the nine months period ended 31 December 2020
Opening balance	7.70	-
Gains recognised in OCI	1.74	-
<b>Closing balance</b>	<b>9.44</b>	<b>-</b>

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.

### 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 period was as follows.

	As at 31 December 2021	As at 31 March 2021	As at 31 December 2020
Borrowings	953.43	605.93	552.49
Cash and cash equivalents	(590.12)	(603.33)	(67.07)
<b>Adjusted Net Debt (A)</b>	<b>363.31</b>	<b>2.60</b>	<b>485.42</b>
<b>Total equity (B)</b>	<b>2,211.44</b>	<b>(200.13)</b>	<b>(258.42)</b>

**Net debt to equity ratio** **16%** **-1%** **-188%**

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

### 32 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 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 past due but not impaired receivables is as follows :

	As at 31 December 2021	As at 31 March 2021	As at 31 December 2020
Less than 6 months	230.15	366.71	198.70
6 months - 1 year	76.45	9.23	110.13
1-2 years	0.04	0.01	0.30
2-3 years	0.08	0.09	0.02
More than 3 years	0.01	-	0.04
<b>Total</b>	<b>306.73</b>	<b>376.04</b>	<b>309.19</b>

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.

#### Buy now pay later (BNPL)

The Group's exposure to credit risk is from the BNPL business in which the group facilitates credit to its users through financing partners. The Group provides financial guarantees on the BNPL 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 BNPL business and are responsible for managing the risk of BNPL 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 BNPL users. User limits are established by the use of a credit risk classification system, which assigns each BNPL 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 lending 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.

**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 BNPL 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 Buy now pay later (BNPL) 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 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 period:**

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
<b>As at 31 December 2021</b>				
Where credit risk has not significantly increased from initial recognition (Stage 1)	1,721.30	48.02	48.02	633.79
Where credit risk has increased significantly but are not credit impaired (Stage 2)	474.98	204.51	204.51	
Where credit risk has increased significantly and are credit impaired (Stage 3)	318.53	225.13	225.13	
<b>Total</b>	<b>2,514.81</b>	<b>477.66</b>	<b>477.66</b>	<b>633.79</b>
<b>As at 31 March 2021</b>				
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	
<b>Total</b>	<b>2,161.68</b>	<b>255.71</b>	<b>255.71</b>	<b>583.67</b>
<b>As at 31 December 2020</b>				
Where credit risk has not significantly increased from initial recognition (Stage 1)	1,093.01	13.42	13.42	393.83
Where credit risk has increased significantly but are not credit impaired (Stage 2)	261.48	68.92	68.92	
Where credit risk has increased significantly and are credit impaired (Stage 3)	821.54	494.67	494.67	
<b>Total</b>	<b>2,176.03</b>	<b>577.01</b>	<b>577.01</b>	<b>393.83</b>

\* 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 December 2021 INR Nil (31 March 2021: INR 501.51 million, 31 December 2020 : INR Nil).

**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
<b>ECL allowance as at 1 April 2020</b>	<b>38.86</b>	<b>102.99</b>	<b>41.57</b>	<b>183.42</b>
- New credit exposures during the period, net of repayments	7.29	11.16	5.40	23.85
- Contracts settled during the period	(9.46)	(3.70)	(0.51)	(13.67)
- Transfer between stages during the period	(24.92)	(26.94)	320.95	269.09
- Movement due to opening EAD and credit risk	1.65	(14.59)	127.26	114.32
<b>ECL allowance as at 31 December 2020</b>	<b>13.42</b>	<b>68.92</b>	<b>494.67</b>	<b>577.01</b>
<b>ECL allowance as at 1 April 2020</b>	<b>38.86</b>	<b>102.99</b>	<b>41.57</b>	<b>183.42</b>
- 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
<b>ECL allowance as at 31 March 2021</b>	<b>52.07</b>	<b>98.37</b>	<b>606.78</b>	<b>757.22</b>
<b>ECL allowance as at 01 April 2021</b>	<b>52.07</b>	<b>98.37</b>	<b>606.78</b>	<b>757.22</b>
- New credit exposures during the period, net of repayments	41.90	145.37	130.14	317.41
- Contracts settled during the period	(24.60)	(47.61)	(723.71)	(795.92)
- Transfer between stages during the period	(15.73)	(4.86)	130.20	109.61
- Movement due to opening EAD and credit risk	(5.62)	13.24	81.72	89.34
<b>ECL allowance as at 31 December 2021</b>	<b>48.02</b>	<b>204.51</b>	<b>225.13</b>	<b>477.66</b>

Note - During the nine months period ended 31 December 2021 and 31 December 2020, financial obligation amounting to INR 1,007.51 million (includes INR 501.51 million which was recorded as an expense in earlier periods) and INR 0.25 million respectively were paid.

**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 December 2021	As at 31 March 2021	As at 31 December 2020
<b>Bank overdraft and term loan facility:</b>			
- Amount utilised	953.43	580.48	488.24
- Amount unutilised	502.40	319.76	961.35

**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 December 2021	Within 1 year	Between 1 and 5 years	Total
Trade payables	715.23	-	715.23
Lease liabilities	8.27	61.76	70.03
Other financial liabilities	3,359.30	0.35	3,359.65
Financial guarantee obligation	477.66	-	477.66
Borrowings	953.43	-	953.43
	<b>5,513.89</b>	<b>62.11</b>	<b>5,576.00</b>
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
	<b>4,260.89</b>	<b>0.35</b>	<b>4,261.24</b>
As at 31 December 2020	Within 1 year	Between 1 and 5 years	Total
Trade payables	648.41	-	648.41
Other financial liabilities	1,790.81	1.35	1,792.16
Financial guarantee obligation	577.01	-	577.01
Borrowings	552.49	-	552.49
	<b>3,568.72</b>	<b>1.35</b>	<b>3,570.07</b>

**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.

<b>Sensitivity</b>	<b>Impact on profit/loss before tax</b>		
	<b>31 December 2021</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
+ 0.5% change in interest rate (Bank overdraft & term loan)	(4.77)	(2.90)	(2.44)
- 0.5% change in interest rate (Bank overdraft & term loan)	4.77	2.90	2.44

**(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:

	<b>As at 31 December 2021</b>	<b>As at 31 March 2021</b>	<b>As at 31 December 2020</b>
Receivable	1.09	1.97	2.87
Payable	(0.94)	(3.27)	(1.42)
<b>Net exposure</b>	<b>0.15</b>	<b>(1.30)</b>	<b>1.45</b>

**Sensitivity**

	<b>Impact on profit/(loss) before tax</b>		
	<b>31 December 2021</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
<b>Receivable</b>			
+ 5% change in currency exchange rate	0.05	0.10	0.14
- 5% change in currency exchange rate	(0.05)	(0.10)	(0.14)

	<b>Impact on profit/(loss) before tax</b>		
	<b>31 December 2021</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
<b>Payable</b>			
+ 5% change in currency exchange rate	(0.05)	(0.16)	(0.07)
- 5% change in currency exchange rate	0.05	0.16	0.07

**(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**

	<b>Impact on loss before tax</b>		
	<b>31 December 2021</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
+ 5% change in fair value	0.47	0.39	0.39
- 5% change in fair value	(0.47)	(0.39)	(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 - Buy now pay later (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.

**Buy Now Pay Later (BNPL) segment** includes our BNPL offerings - MobiKwik Zip (which is our flagship 15 day BNPL 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.

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		Buy now pay later (BNPL)		Payment Gateway		Unallocable		Eliminations		Total	
	for the nine months period ended											
	31 December 2021	31 December 2020										
Revenue from operations	1,782.32	1,473.13	692.76	395.36	1,390.37	130.57	-	-	-	-	3,865.45	1,999.06
Inter-segment revenue	1,070.66	8.76	-	-	1,584.41	1,031.29	-	-	2,655.07	1,040.05	-	-
<b>Segment revenue</b>	<b>2,852.98</b>	<b>1,481.89</b>	<b>692.76</b>	<b>395.36</b>	<b>2,974.78</b>	<b>1,161.86</b>	-	-	<b>2,655.07</b>	<b>1,040.05</b>	<b>3,865.45</b>	<b>1,999.06</b>
Other income	15.22	93.06	47.31	9.49	2.11	1.89	109.53	93.97	73.71	70.47	<b>100.46</b>	<b>127.94</b>
<b>Segment results*</b>	<b>721.05</b>	<b>211.59</b>	<b>15.58</b>	<b>8.42</b>	<b>94.82</b>	<b>38.69</b>	-	-	-	-	<b>831.45</b>	<b>258.70</b>
<b>EBITDA **</b>	<b>(502.54)</b>	<b>(351.79)</b>	<b>(591.53)</b>	<b>(270.09)</b>	<b>(9.38)</b>	<b>(14.45)</b>	<b>99.53</b>	<b>93.99</b>	<b>65.73</b>	<b>63.89</b>	<b>(1,069.65)</b>	<b>(606.23)</b>
Add: Share based payments	143.67	18.36	24.89	6.89	10.53	1.60	-	-	0.96	0.15	<b>178.13</b>	<b>26.70</b>
Add: Provision for loss on ZIP product (refer note 41)	-	-	106.91	-	-	-	-	-	-	-	<b>106.91</b>	-
<b>Adjusted EBITDA</b>	<b>(358.87)</b>	<b>(333.43)</b>	<b>(459.73)</b>	<b>(263.20)</b>	<b>1.15</b>	<b>(12.85)</b>	<b>99.53</b>	<b>93.99</b>	<b>66.69</b>	<b>64.04</b>	<b>(784.61)</b>	<b>(579.53)</b>
<b>Reconciliation of EBITDA with loss for the period</b>											<b>(1,069.65)</b>	<b>(606.23)</b>
Finance costs											69.85	57.79
Depreciation and amortisation expenses											12.21	12.24
<b>Loss before tax</b>											<b>(1,151.71)</b>	<b>(676.26)</b>
Tax expense											(3.39)	7.45
<b>Loss for the period</b>											<b>(1,148.32)</b>	<b>(683.71)</b>

\* 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.

BNPL segment: 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

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
<b>Parent</b>								
<b>One MobiKwik Systems Limited</b>								
Balance as at 31 December 2021	110%	2,425.23						
Balance as at 31 March 2021	-1%	1.06						
Balance as at 31 December 2020	21%	(53.65)						
For the nine months period ended 31 December 2021			99%	(1,135.64)	99%	10.46	99%	(1,125.18)
For the nine months period ended 31 December 2020			94%	(643.82)	100%	3.21	94%	(640.61)
<b>Subsidiaries - Indian</b>								
<b>Zaak ePayment Services Private Limited</b>								
Balance as at 31 December 2021	11%	253.06						
Balance as at 31 March 2021	-71%	142.12						
Balance as at 31 December 2020	-46%	118.68						
For the nine months period ended 31 December 2021			1%	(13.30)	1%	0.08	1%	(13.22)
For the nine months period ended 31 December 2020			6%	(39.86)	0%	-	6%	(39.86)
<b>Harvest Fintech Private Limited</b>								
Balance as at 31 December 2021	0%	6.28						
Balance as at 31 March 2021	-4%	7.91						
Balance as at 31 December 2020	-3%	8.70						
For the nine months period ended 31 December 2021			0%	(1.63)	0%	-	0%	(1.63)
For the nine months period ended 31 December 2020			0%	(3.06)	0%	-	0%	(3.06)
<b>MobiKwik Credit Private Limited</b>								
Balance as at 31 December 2021	1%	29.92						
Balance as at 31 March 2021	-14%	28.79						
Balance as at 31 December 2020	-11%	28.29						
For the nine months period ended 31 December 2021			0%	1.13	0%	-	0%	1.13
For the nine months period ended 31 December 2020			0%	1.53	0%	-	0%	1.53
<b>MobiKwik Finance Private Limited</b>								
Balance as at 31 December 2021	1%	30.56						
Balance as at 31 March 2021	-15%	29.44						
Balance as at 31 December 2020	-11%	28.94						
For the nine months period ended 31 December 2021			0%	1.13	0%	-	0%	1.13
For the nine months period ended 31 December 2020			0%	1.49	0%	-	0%	1.49
<b>Adjustment arising out of consolidation</b>								
Balance as at 31 December 2021	-24%	(533.62)						
Balance as at 31 March 2021	205%	(409.45)						
Balance as at 31 December 2020	151%	(389.39)						
For the nine months period ended 31 December 2021			0%	-	0%	-	0%	-
For the nine months period ended 31 December 2020			0%	-	0%	-	0%	-
<b>Total</b>								
Balance as at 31 December 2021		2,211.44						
Balance as at 31 March 2021		(200.13)						
Balance as at 31 December 2020		(258.42)						
For the nine months period ended 31 December 2021				(1,148.32)		10.54		(1,137.78)
For the nine months period ended 31 December 2020				(683.71)		3.21		(680.50)



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

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 December 2020
(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	4.14
Amount paid under protest relating to the above matter	1.83	0.83	0.83

\* During the nine months period ended 31 December 2021, 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 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.

Subsequently, 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 nine months period ended 31 December 2021 and has duly deposited the same on 03 January 2022.

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- 41** Our 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 nine months' period ended 31 December 2021, we observed 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, we 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 Incharge - 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 reserved INR 106.91 million in the statement of profit and loss for the nine months' period ended 31 December 2021.

**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 period/year

**Particulars****As at 1 April 2020**

Termination/ End of lease contract

**As at 31 December 2020 (A)****As at 1 April 2020**

Termination/ End of lease contract

**As at 31 March 2021 (A)****As at 1 April 2021**

Additions

**As at 31 December 2021 (A)**

	<b>Office space</b>	<b>Total</b>
<b>As at 1 April 2020</b>	<b>64.16</b>	<b>64.16</b>
Termination/ End of lease contract	(64.16)	(64.16)
<b>As at 31 December 2020 (A)</b>	<b>-</b>	<b>-</b>
<b>As at 1 April 2020</b>	<b>64.16</b>	<b>64.16</b>
Termination/ End of lease contract	(64.16)	(64.16)
<b>As at 31 March 2021 (A)</b>	<b>-</b>	<b>-</b>
<b>As at 1 April 2021</b>	<b>-</b>	<b>-</b>
Additions	71.51	71.51
<b>As at 31 December 2021 (A)</b>	<b>71.51</b>	<b>71.51</b>

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<b>Accumulated depreciation</b>		
<b>Particulars</b>	<b>Office space</b>	<b>Total</b>
<b>As at 1 April 2020</b>	<b>(20.66)</b>	<b>(20.66)</b>
Charge for the period	(8.86)	(8.86)
Termination/ End of lease contract	29.52	29.52
<b>As at 31 December 2020 (B)</b>	<b>-</b>	<b>-</b>
<b>As at 1 April 2020</b>	<b>20.66</b>	<b>20.66</b>
Charge for the year	8.86	<b>8.86</b>
Termination/ End of lease contract	(29.52)	<b>(29.52)</b>
<b>As at 31 March 2021 (B)</b>	<b>-</b>	<b>-</b>
<b>As at 1 April 2021</b>	<b>-</b>	<b>-</b>
Charge for the year	2.01	2.01
<b>As at 31 December 2021 (B)</b>	<b>2.01</b>	<b>2.01</b>
<b>Net carrying amount (A) - (B)</b>		
<b>As at 31 December 2021</b>	<b>69.50</b>	<b>69.50</b>
<b>As at 31 March 2021</b>	<b>-</b>	<b>-</b>
<b>As at 31 December 2020</b>	<b>-</b>	<b>-</b>
<b>Amounts recognised in Consolidated Statement of Profit and Loss</b>	<b>For the nine months period ended 31 December 2021</b>	<b>For the nine months period ended 31 December 2020</b>
<b>Particulars</b>		
Depreciation expense on right-of-use assets	2.01	8.86
Interest expense on lease liability	1.16	1.97
Expense/(Income) relating to short-term leases	10.75	(0.62)

The following is the movement in lease liabilities during the period:

	<b>As at 31 December 2021</b>	<b>As at 31 March 2021</b>	<b>As at 31 December 2020</b>
<b>Opening balance</b>	<b>-</b>	<b>50.62</b>	<b>50.62</b>
Additions	68.87	-	-
Amounts recognised in statement of profit and loss as interest expense	1.16	1.97	1.97
Payment of lease liabilities	-	(10.84)	(10.84)
Derecognition	-	(41.75)	(41.75)
<b>Closing balance</b>	<b>70.03</b>	<b>-</b>	<b>-</b>

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

	As at 31 December 2021	As at 31 March 2021	As at 31 December 2020
Current	8.27	-	-
Non-current	61.76	-	-

**Amounts recognised in Consolidated Statement of Cash Flows**

Particulars	For the nine months period ended 31 December 2021	For the nine months period ended 31 December 2020
Total cash outflow for leases	-	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

**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 December 2021	As at 31 March 2021	As at 31 December 2020
1. Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period/year	15.24	6.77	15.53
- Principal amount due to micro and small enterprises	15.24	6.77	15.53
- 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/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 period/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 period/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 generated negative cash flow from operations in the current and previous periods. The Group has net worth of INR 2,211.44 million and a positive working capital position (i.e. its current assets exceed its current liabilities) as at 31 December 2021 of INR 571.59 million, including cash and cash equivalents of INR 590.12 million. Further, based on the current business plan and projections prepared by the management, the group expects to achieve growth in its operations in the coming years with continuous improvement in operational efficiency. The management have made an assessment of the Group's ability to continue as a going concern and believes that the Group will continue to be a going concern considering, amongst other things, expected growth in operations, existing cash and cash equivalents and available unutilised credit limits with banks.

In view of the above, management has concluded that the going concern assumption is appropriate. Accordingly, the consolidated financial statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Group be unable to continue as a going concern.

**45 Ratios**

Ratio/Measure	Methodology	31 December 2021	31 December 2020
(a) Current Ratio	Current assets/ Current liabilities	1.10	0.76
(b) Debt-Equity Ratio	(Non current borrowings+Current borrowings)/ Total equity	0.43	(2.14)
(c) Debt Service Coverage Ratio	EBITDA/(Interest expense+Borrowings)	(1.06)	(1.01)
(d) Return on Equity or Return on Investment Ratio	(Loss) for the (period/year)/Total equity	(0.52)	2.65
(e) Trade Receivables turnover ratio	Revenue from operations/Average trade receivables	11.32	8.39
(f) Trade payables turnover ratio	Other expenses/Average trade payables	5.60	3.68
(g) Net capital turnover ratio	Revenue from operations/Capital employed	1.22	6.80
(h) Net profit ratio	(Loss) for the (period/year)/Revenue from operations	(0.30)	(0.34)
(i) Return on Capital employed	Earnings before Interest and Taxes (EBIT)/Capital employed	(34.18)	(210.31)

**The reason for variances in ratios more than 25% are explained as below :-**

- The Current ratio increased from 0.76 as at 31 December 2020 to 1.10 as at 31 December 2021 mainly due to increase in cash & bank balances and other financial assets.
  - The Debt-Equity ratio increased from (2.14) as at 31 December 2020 to 0.43 as at 31 December 2021 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 nine months period ended 31 December 2021
  - The Debt service coverage ratio decreased from (1.01) as at 31 December 2020 to (1.06) as at 31 December 2021 mainly due to relative decrease in EBITDA while there was a comparative increase in borrowings.
  - The Return on Equity ratio decreased from 2.65 as at 31 December 2020 to (0.52) as on 31 December 2021 mainly due to relative decrease in EBITDA while the total equity turned positive as at 31 December 2021.
  - The Trade receivables turnover ratio decreased from 8.39 as at 31 December 2020 to 11.32 as at 31 December 2021 mainly due to increase in the average trade receivables which was partially offset by increase in the revenue from operations.
  - The Trade payables turnover ratio increased from 3.68 as at 31 December 2020 to 5.60 as at 31 December 2021 mainly due to increase in other expenses which was partially offset by the increase in average trade payables.
  - The Net capital turnover ratio decreased from 6.80 as at 31 December 2020 to 1.22 as at 31 December 2021 mainly due to substantial increase in capital employed in the average trade receivables which was partially offset by the increase in the revenue from operations.
  - The net profit ratio decreased from (0.34) as at 31 December 2020 to (0.30) as at 31 December 2021 mainly due to increase in net loss which was partially offset by increase in revenue from operations.
  - The return on capital employed ratio increased from (210.33) as at 31 December 2020 to (34.18) as at 31 December 2021 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.

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 43.

48 During the nine months period ended 31 December 2021, 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	3,47,26,748
<b>Total</b>	<b>17,37,714</b>	<b>3,47,62,949</b>

**ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)**

**Notes to the consolidated financial statements for the nine months period ended 31 December 2021**

(Amounts in INR millions, unless otherwise stated)

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- 49** During the nine months period ended 31 December 2021, 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 reclassified for consistency. As a result, INR 39.36 million as at 31 March 2021 was reclassified from 'Trade Payables' to 'Other current financial liabilities'.

**For B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration No. 116231W/W-100024

**Gajendra Sharma**

Partner

Membership No.: 064440

UDIN:

Place: Gurugram

Date : 01 March 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 Taku**

Chairperson,

Whole-time Director

& Chief Operating Officer

DIN:02979387

**Dilip Bidani**

Chief Financial Officer

**Rahul Luthra**

Company Secretary

Place: Gurugram

Date : 01 March 2022