

Independent Auditor's Report

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

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) (the "Company") which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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



Registered Office:

B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Independent Auditor's Report (Continued)

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going



Independent Auditor's Report (Continued)

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

concern.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors on various dates in April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 32 to the standalone financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and

Independent Auditor's Report (Continued)

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

Protection Fund by the Company.

- d (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 45 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 45 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- f. Based on our examination which included test checks, except for instances mentioned below, the Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:
- (i)The feature of audit trail (edit log) facility was not enabled for two accounting softwares used for maintaining the books of account at the database level throughout the year as the same was enabled on 23 May 2023 and 19 September 2023 respectively to log any direct data changes. Further, due to unavailability of logs of the audit trail functionality, we are unable to comment whether audit trail feature has operated for five accounting softwares used for maintaining the books of account at the database level throughout the year to log any direct data changes.
- (ii)In respect of an accounting software used for maintaining the books of account relating to payroll records, which is operated by a third-party software service provider, we are unable to comment whether audit trail feature of the said software was enabled and operated from 1 January 2024 to 31 March 2024 for all relevant transactions recorded in the software in the absence of an independent auditor's report of the software service provider in relation to controls at a service organisation for above referred period.

Further, for the periods where audit trail (edit log) facility was enabled and operated for the respective accounting softwares, we did not come across any instance of audit trail feature being tampered with.



Independent Auditor's Report (Continued)

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

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.:116231WW-100024



Girish Arora

Partner

Membership No.: 098652

ICAI UDIN:24098652BKAGIX3027

Place: Gurugram

Date: 10 July 2024

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) for the year ended 31 March 2024

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified during the year except for Sound boxes lying with the customers is considered on the basis of the 'active user status' of the customers which is tracked from the Company's IT systems. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering service of issuing and operating prepaid payment instrument (Wallet Payment System). The Company also has a financial services platform facilitating various loan products in association with lending partners. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms and limited liability partnership, however, advances have been given to employees in the nature of loan during the year. The Company has made investments in companies, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided advances in the nature of loans to any other entity as below:



Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) for the year ended 31 March 2024 (Continued)

Particulars	Advances in nature of loans (in INR millions)
Aggregate amount of advance given during the year	
Others (Employees)	4.61
Balance outstanding as at balance sheet date	
Others* (Employees)	1.91

**As per the Companies Act, 2013*

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investments made and advances given to employees in the nature of loan during the year are, prima facie, not prejudicial to the interest of the Company. Further, the company has not provided any guarantee or security or granted any loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given in earlier years to PIVOTCHAIN TECHNOLOGIES PRIVATE LIMITED amounting to INR 1.01 million is repayable on demand. As informed to us, the Company has demanded repayment of the loan, however, the same has not been received till year end. Thus, there has been default by PIVOTCHAIN TECHNOLOGIES PRIVATE LIMITED for repayment of loan demanded. Further, in the case of advances in the nature of loan given to employees, in our opinion, the repayment of principal has been stipulated and the repayment or receipts are regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is overdue amount for more than ninety days in respect of loans given to PIVOTCHAIN TECHNOLOGIES PRIVATE LIMITED. In our opinion, reasonable steps have not been taken by the Company for recovery of the principal and interest though it has been represented to us that the Company will take steps for recovery shortly. Further, there is no overdue amount for more than 90 days in respect of advances to employees in the nature of loans.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the loans referred in clause 3(c) above.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) for the year ended 31 March 2024 (Continued)

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

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

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

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

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

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

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

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


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

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

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

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) for the year ended 31 March 2024 (Continued)

- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company's internal audit system is commensurate with the size and nature of its business. Based on available report as on date and explanations provided, internal audit has been completed for certain areas and the same is in progress for some other areas, as per approved plan.
(b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause



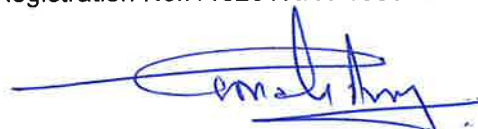
Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) for the year ended 31 March 2024 (Continued)

- 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current financial year but there were cash losses of INR 590.60 million in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No.:116231W/W-100024



Girish Arora

Partner

Place: Gurugram

Date: 10 July 2024

Membership No.: 098652

ICAI UDIN:24098652BKAGIX3027

Annexure B to the Independent Auditor's Report on the standalone financial statements of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) for the year ended 31 March 2024

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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

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



Annexure B to the Independent Auditor's Report on the standalone financial statements of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) for the year ended 31 March 2024 (Continued)

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No.:116231WW-100024



Girish Arora

Partner

Place: Gurugram

Date: 10 July 2024

Membership No.: 098652

ICAI UDIN:24098652BKAGIX3027

ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Standalone Balance Sheet as at 31 March 2024
(Amounts in INR millions, unless otherwise stated)

	Notes	As at 31 March 2024	As at 31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	4	59.57	21.01
Right-of-use assets	36	98.66	124.21
Other intangible assets	5	-	-
Financial assets			
(i) Investments	6(a)	660.56	630.72
(ii) Other financial assets	6(c)	18.74	15.66
Other tax assets (net)	17	206.19	79.41
Other non-current assets	7	1,122.00	1,337.13
Total non-current assets		2,165.72	2,208.14
Current assets			
Financial assets			
(i) Trade receivables	8	809.85	755.36
(ii) Cash and cash equivalents	9(a)	839.80	772.63
(iii) Bank balances other than (ii) above	9(b)	2,507.62	2,603.09
(iv) Other financial assets	6(c)	1,948.30	803.44
Other current assets	7	428.48	253.22
Total current assets		6,534.05	5,187.74
Total assets		8,699.77	7,395.88
Equity and liabilities			
Equity			
Equity share capital	10 (a)	114.38	114.38
Other equity	11 (a)	1,671.07	1,525.52
Total equity		1,785.45	1,639.90
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	12	423.49	224.96
(ii) Lease liabilities	36	91.59	113.78
(iii) Other financial liabilities	14	0.35	0.35
Provisions	15	24.86	21.95
Total non-current liabilities		540.29	361.04
Current liabilities			
Financial liabilities			
(i) Borrowings	12	2,050.43	1,884.82
(ii) Lease liabilities	36	22.19	19.19
(iii) Trade payables	13		
(a) Total outstanding dues of micro enterprise and small enterprises		90.42	94.26
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,119.70	1,049.69
(iv) Other financial liabilities	14	1,932.61	2,193.29
Other current liabilities	16	131.25	132.24
Provisions	15	27.43	21.45
Total current liabilities		6,374.03	5,394.94
Total liabilities		6,914.32	5,755.98
Total equity and liabilities		8,699.77	7,395.88

Summary of material accounting policies

2


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

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration No. 116231W/W-100024


Girish Arora
Partner
Membership No.: 098652
UDIN: 24098652 BKA GIX 3027

Place: Gurugram
Date: 10 July 2024

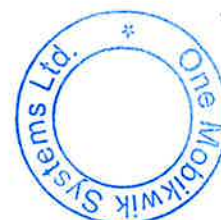
For and on behalf of the Board of Directors of
**ONE MOBIKWIK SYSTEMS LIMITED (formerly known as
ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)**


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


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


Ankita Sharma
Company Secretary

Place: Gurugram
Date: 10 July 2024



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Standalone Statement of Profit and Loss for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)


	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
Revenue from operations	18	8,669.79	5,255.60
Other income	19	169.92	212.93
Total Income		8,839.71	5,468.53
Expenses			
Payment gateway cost		2,002.18	1,488.86
Lending operational expenses		2,702.55	685.04
Financial guarantee expenses		326.55	1,095.93
Employee benefits expense	20	1,143.46	959.34
Other expenses	23	2,308.41	1,814.16
Total expenses		8,483.15	6,043.33
Earnings before finance cost, tax, depreciation and amortisation (EBITDA)		356.56	(574.80)
Finance costs	21	224.03	208.43
Depreciation and amortisation expense	22	43.11	42.72
Profit/(loss) before tax		89.42	(825.95)
Tax expense			
Current tax	25	-	-
Deferred tax	25	-	-
Total tax expense/(credit)		-	-
Profit/(loss) for the year		89.42	(825.95)
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of net defined benefit liability	26	(0.45)	(1.67)
Fair value changes on equity investments through OCI	6(a)	4.63	5.84
Income tax relating to above item		-	-
Other comprehensive income for the year		4.18	4.17
Total comprehensive income for the year		93.60	(821.78)
Earnings per share:			
(i) Basic	24	1.56	(14.44)
(ii) Diluted		1.51	(14.44)
Summary of material accounting policies	2		

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

As per our report of even date attached

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

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


Girish Arora
Partner
Membership No.: 098652
UDIN: 24098652BKAGIX3027


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


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

Place: Gurugram
Date: 10 July 2024


Ankita Sharma
Company Secretary

Place: Gurugram
Date: 10 July 2024



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Standalone Statement of Cash Flows for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flow from operating activities			
Profit/(Loss) before tax		89.42	(825.95)
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	22	17.56	19.70
Gain on sale of property, plant and equipment	19	(0.25)	-
Depreciation of right-of-use assets	22	25.55	23.02
Bad debts	23	-	13.00
Advances written off	23	-	10.29
Interest income	19	(110.34)	(92.44)
Provision for doubtful advances	23	-	56.90
Employee Stock Options expense	20	53.12	94.84
Finance costs	21	224.03	208.43
Financial guarantee expense		326.55	1,095.93
Liabilities / provisions no longer required written back	19	(38.85)	(54.76)
Impairment loss on trade receivables	23	4.80	4.95
Impairment of investment	23	8.00	5.00
Operating Profit before working capital changes		599.59	558.91
Working capital adjustments :			
(Increase) in Trade receivables		(59.29)	(415.60)
Decrease/(increase) in Other financial assets		(1,164.43)	1,001.89
Decrease/(increase) in Other assets		39.87	(83.48)
Decrease/(increase) in Other bank balances (Escrow and Nodal accounts)		(76.42)	676.98
(Decrease) in Other financial liabilities		(574.10)	(2,222.85)
(Decrease) in Contract liabilities		-	(14.87)
Increase in Trade payables		1,105.00	558.30
Increase/(decrease) in Other liabilities		(0.99)	47.31
Increase in Provisions		8.44	2.69
Cash generated from/(used in) operating activities		(122.33)	109.27
Income tax (paid)/refund, net		(126.78)	65.30
Net cash generated from/(used in) operating activities		(249.11)	174.57
Cash flow from investing activities			
Purchase of property, plant and equipment	4	(56.35)	(14.51)
Proceeds from sale of property, plant and equipment		0.48	-
Investment in unquoted shares		(25.22)	-
Investment in subsidiaries		(8.00)	(94.94)
Interest received		152.12	51.59
Investments in bank deposits		(353.43)	(1,045.64)
Proceeds from maturity of bank deposits		523.04	838.28
Recovery of loan to subsidiaries		-	3.31
Net cash generated from/(used in) investing activities		232.64	(261.91)
Cash flow from financing activities			
Proceeds from issue of preference shares		-	0.04
Proceeds from borrowings		8,009.89	526.05
Repayment of borrowings		(7,781.60)	(434.08)
Proceeds from non-convertible debenture		496.25	543.04
Repayment of non-convertible debenture		(271.20)	(54.00)
Payment of lease liabilities	36	(31.50)	(25.44)
Share issue expenses		(45.04)	-
Interest and other borrowing cost		(200.09)	(191.85)
Net cash generated from financing activities		176.71	363.76
Net increase in cash and cash equivalents		160.24	276.42
Cash and cash equivalents at the beginning of the year	9(a)	(457.69)	(734.11)
Cash and cash equivalents at the end of the year (note 9(a))		(297.45)	(457.69)



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Standalone Statement of Cash Flows for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

Notes

1. Changes in liabilities arising from financing activities

	As at 31 March 2024	As at 31 March 2023
<i>Non convertible debentures</i>		
Opening balance	492.41	-
Proceeds during the year	496.25	543.04
Amortisation of interest and other charges on borrowings	60.48	51.56
Repayments during the year - Principal	(271.20)	(54.00)
Repayments during the year - Interest	(56.61)	(48.19)
Closing balance	721.33	492.41
<i>Borrowings (excluding bank overdraft)</i>		
Opening balance	387.05	295.08
Proceeds during the year	8,009.89	526.05
Repayments during the year	(7,781.60)	(434.08)
Closing balance	615.34	387.05
<i>Share capital and instruments entirely equity in nature</i>		
Opening balance	11,657.78	11,657.78
Proceeds during the year	-	-
Adjustment on account of bonus, split and conversion of share capital	-	-
Closing balance	11,657.78	11,657.78

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

Summary of material accounting policies

2

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

For B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration No. 116231W/W-100024



Girish Arora

Partner

Membership No.: 098652

UDIN: 24098652BKA6IX3027

Place: Gurugram

Date: 10 July 2024

For and on behalf of the Board of Directors of

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



Bipin Preet Singh

Managing Director

& Chief Executive Officer

DIN:02019594



Upasana Rupkrishan Taku

Chairperson, Whole-time Director

& Chief Financial Officer

DIN:02979387



Ankita Sharma

Company Secretary

Place: Gurugram

Date: 10 July 2024



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Standalone Statement of Changes in Equity for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

(a) Equity share capital (refer note 10, 41 and 43)

Equity shares of INR 2 each issued, subscribed and fully paid up	Amount
As at 1 April 2022	114.38
Changes in equity share capital issued during the year (refer note 10)	-
As at 31 March 2023	114.38
Changes in equity share capital issued during the year (refer note 10)	-
As at 31 March 2024	114.38

(b) Other equity (refer note 11 (a), 41 and 43)

Particulars	Share application money pending allotment	Reserve and surplus			Other comprehensive income	Total other equity
		Securities premium	Employee share options reserve	Retained earnings		
As at 1 April 2022*	0.00	11,543.38	432.06	(9,724.94)	2.67	2,253.17
Total comprehensive loss for the year ended 31 March 2023						
Loss for the year	-	-	-	(825.95)	-	(825.95)
Remeasurement of net defined benefit liability	-	-	-	(1.67)	-	(1.67)
Fair value changes on equity investments through OCI	-	-	-	-	5.84	5.84
Total comprehensive loss				(827.62)	5.84	(821.78)
Transactions with owners, recorded directly in equity						
Employee stock options expense	-	-	94.13	-	-	94.13
As at 1 April 2023*	0.00	11,543.38	526.19	(10,552.56)	8.51	1,525.52
Total comprehensive income for the year ended 31 March 2024						
Profit for the year	-	-	-	89.42	-	89.42
Remeasurement of net defined benefit liability	-	-	-	(0.45)	-	(0.45)
Fair value changes on equity investments through OCI	-	-	-	-	4.63	4.63
Total comprehensive income				88.97	4.63	93.60
Transactions with owners, recorded directly in equity						
Employee stock options expense	-	-	51.95	-	-	51.95
Balance as at 31 March 2024*	0.00	11,543.38	578.14	(10,463.59)	13.14	1,671.07

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

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

As per our report of even date attached

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



Girish Arora
Partner
Membership No.: 098652
UDIN: 24098652 BKA GIX 3027

Place: Gurugram
Date: 10 July 2024

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



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



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



Ankita Sharma
Company Secretary

Place: Gurugram
Date: 10 July 2024



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the standalone financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

1. Corporate Information

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

The principal activities of the Company consist of issuing and operating prepaid payment instrument (Wallet Payment System). The Company was authorised by Reserve Bank of India for issuance and operation of mobile based pre-payment instruments subject to terms and conditions detailed in the certificate of authorisation dated 18 July 2013 for five years, which was subsequently extended to 30 September 2024 vide renewal certificate dated 20 September 2023. The users use their MobiKwik wallet for transferring money, for paying their utility bills (prepaid recharge, post-paid mobile, landline, electricity, TV, etc.) and for shopping online on e-commerce websites. The Company has also provides financial services platform facilitating various loans product in association with financing partners. The registered office of the Company is situated at Unit no. 102, 1st Floor, Block – B, Pegasus One, Golf Course Road, Sector 53, Gurugram, Haryana.

These standalone financial statements were authorised for issue in accordance with a resolution passed by Board of Directors on 10 July 2024.

2. Material accounting policies

2.1 Statement of compliance

The Standalone Balance Sheet of the Company as at 31 March 2024 and 31 March 2023 and the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year ended 31 March 2024 and 31 March 2023 and a summary of the material accounting policies and other explanatory information (together referred to as 'Standalone Financial Statements') has been prepared under Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under Section 133 of the Companies Act, 2013 (the 'Act').

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

2.2 Basis of preparation and presentation

A. Basis of measurement

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

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

B. Measurement of Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

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



ONE MOBIKWIK SYSTEMS LIMITED
(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the standalone financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

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

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

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

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

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

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

Further information about the assumptions made in measuring fair values is included in note no 31

C. Functional and presentation currency

The Financial Statements is presented in Indian Rupees (INR) millions, except where otherwise indicated.

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

2.3 The Summary of material accounting policies

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

a) Current versus non-current classification

Basis on the time involved between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the standalone financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

b) Revenue from contract with customers

The Company derives revenue primarily from following services:

- Commission income from sale of recharge, bill payments and merchant payments
- Fees for money transfer service from user's wallet to bank account
- Revenue from share in interest income, processing fee, activations fees, penalties and other such incomes on account of servicing of loans products through lending partners (Digital Financial Services)
- Revenue from technology platform services
- Income from advertisement/sale of space

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

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

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

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

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

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

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

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

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

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



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the standalone financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

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

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

Revenue from share in interest income, processing fee, penalties and other such incomes on account of servicing of loans products through lending partners:

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

Revenue from technology platform services:

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

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

Income from advertisement/sale of space:

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

Contract balance

Trade receivables

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

Contract liabilities

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



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the standalone financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

c) Leases

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

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

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

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

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

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

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

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

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- (b) any reduction in lease payments affects only payments originally due on or before the 31 March 2022.
- (c) there is no substantive change to other terms and conditions of the lease.

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



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the standalone financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

d) Cash and cash equivalents

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

e) Foreign currency transactions and translations

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

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are translated using mean exchange rate prevailing on the last day of the reporting year. 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 year 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 year. 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 year 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 year of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the year 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 year 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.



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the standalone financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

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

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

g) Share-based payments

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

Equity-settled transactions

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

h) Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. 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. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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 on the initial recognition of assets or liabilities in a transaction that
 - a) is not a business combination; and
 - b) at the time of transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company 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



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the standalone financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

- taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences in relation to a right-of-use asset and a lease liability for a lease are regarded as separate line items for the purpose of recognising deferred tax.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to apply to the year 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 Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

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

i) Property, plant and equipment

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

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

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably



ONE MOBIKWIK SYSTEMS LIMITED**(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)****Notes to the standalone financial statements for the year ended 31 March 2024**

(Amounts in INR millions, unless otherwise stated)

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 are as depicted below:

Assets category	Estimated useful life
Computers	3 Years
Furniture & fixtures	10 Years
Plant and Machinery	2 Years
Office equipment	5 Years
Leasehold improvements	6 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.

Plant and Machinery comprises Sound Box and Electronic Data Capture "EDC" machines. With effect from 1st October 2023, the company has changed the useful life of Sound Box and EDC machines to 2 years. The impact on account of above change in estimate is considered for the current year.

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

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

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 year, with the effect of any changes in estimate being accounted for on a prospective basis.

Assets category	Estimated useful life
Computer software	5 Years

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

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the standalone financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

k) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

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

Financial assets

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

Classification of financial instruments

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

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

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

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

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

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

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

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



ONE MOBIKWIK SYSTEMS LIMITED**(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)****Notes to the standalone financial statements for the year ended 31 March 2024**

(Amounts in INR millions, unless otherwise stated)

Subsequent measurement of financial instruments

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

Impairment of financial assets

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

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

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

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

(i) Significant increase in credit risk

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the standalone financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

Stage 1: 12-months ECL

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

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

Stage 2: Lifetime ECL – not credit impaired

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

Stage 3: Lifetime ECL – credit impaired

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

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

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

The measurement of all expected credit losses for financial guarantee contracts held at the reporting date are based on historical experience, current conditions, and reasonable and supportable forecasts. The measurement of ECL involves increased complexity and judgement, including estimation of PDs, LGD, a range of unbiased future economic scenarios, estimation of expected lives and estimation of EAD and assessing significant increases in credit risk.

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

(ii) Measurement and recognition of expected credit losses

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

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

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



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the standalone financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

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

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

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

Derecognition of financial assets

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

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

A financial liability is any liability that is:

- (a) a contractual obligation:
 - (i) to deliver cash or another financial asset to another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- (b) a contract that will or may be settled in the entity's own equity instruments and is:



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the standalone financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

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

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

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

Financial liabilities at FVTPL

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

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

Financial liabilities subsequently measured at amortised cost

Other financial liabilities are subsequently measured at amortised cost at the end of subsequent accounting year. 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 year. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contract liabilities

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

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

- the amount of the loss allowance determined in accordance with Ind AS 109 (see section of impairment of financial assets above); and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

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

Derecognition of financial liabilities

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



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the standalone financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

Interest income

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

l) Provisions and Contingent liabilities

Provisions

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

Contingent liabilities

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

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

m) Impairment of non - financials assets

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

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the standalone financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for bonus issue, bonus element in a rights issue to existing shareholders and share split

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

p) Measurement of EBITDA

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

q) Borrowing Cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the year in which they are incurred.

r) Share Capital

Equity shares

Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

Preference shares

The Company redeemable preference shares are classified as financial liabilities, because they bear nondiscretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

s) Recognition of Dividend Income, Interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the standalone financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

3. Significant accounting judgements, estimates and assumptions

The preparation of Standalone Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. 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 year. 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Judgements

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

a) Revenue from contracts with customers

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

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

b) Determining lease term

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

c) Financial Instruments

Classification and measurement – Refer note 2.4(I) and 30.

Estimates and assumptions

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



ONE MOBIKWIK SYSTEMS LIMITED**(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)****Notes to the standalone financial statements for the year ended 31 March 2024**(Amounts in INR millions, unless otherwise stated)

a) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability, the Company considers whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management assumptions are required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company has tax business losses and unabsorbed depreciation carried forward amounting to INR 6,530.85 million (31 March 2023: INR 7,552.60 million). The Company does not expect sufficient future taxable profit against which such tax losses can be utilised. On this basis, the Company has not recognised deferred tax assets on these carried forward tax losses. Refer Note 25 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 26 for further details.

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

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

d) Leases – Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as stand-alone credit rating). Refer Note 36 for further details.

e) Calculation of loss allowance

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



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the standalone financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

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 30.

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

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

g) Adoption of new accounting principles

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

The amendments clarify that lease transactions give rise to equal and offsetting temporary differences and financial statements should reflect the future tax impacts of these transactions through recognizing deferred tax. The company has adopted this amendment effective 1 April 2023. The company previously accounted for deferred tax on leases on a net basis. Following the amendments, the company has recognized a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. The adoption did not have any impact on the current and comparative years presented in the standalone financial statements.

h) Recently issued accounting pronouncements

As on 31 March 2024, there are no new standards or amendments to the existing standards applicable to the company which has been notified by Ministry of Corporate Affairs.



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the standalone financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

4 Property, plant and equipment

	Computers	Plant & Machinery*	Office equipment	Furniture and fixtures	Server & Network Equipment	Leasehold improvements	Total
Cost							
As at 1 April 2022	43.55	-	1.52	0.14	5.94	-	51.15
Additions	0.88	-	2.87	-	6.91	3.85	14.51
Disposals	(0.16)	-	-	-	-	-	(0.16)
As at 31 March 2023	44.27	-	4.39	0.14	12.85	3.85	65.50
Additions	5.10	50.70	0.55	-	-	-	56.35
Disposals	-	(0.25)	(0.08)	-	-	-	(0.33)
As at 31 March 2024	49.37	50.46	4.86	0.14	12.85	3.85	121.52
Accumulated depreciation							
As at 1 April 2022	19.35	-	1.13	0.01	4.46	-	24.95
Charge for the year	15.48	-	0.51	0.03	2.54	1.14	19.70
Disposals	(0.16)	-	-	-	-	-	(0.16)
As at 31 March 2023	34.67	-	1.64	0.04	7.00	1.14	44.49
Charge for the year	7.34	4.19	1.45	0.02	3.49	1.07	17.56
Disposals	-	(0.05)	(0.05)	-	-	-	(0.10)
As at 31 March 2024	42.01	4.14	3.05	0.06	10.49	2.21	61.95
Carrying amount							
As at 31 March 2023	9.60	-	2.75	0.10	5.85	2.71	21.01
As at 31 March 2024	7.36	46.32	1.83	0.08	2.36	1.64	59.57

* Includes Sound Box and Electronic Data Capture (EDC) machines.



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the standalone financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

5 Other intangible assets

	Software	Total
Cost		
As at 1 April 2022	0.01	0.01
Additions	-	-
As at 31 March 2023	0.01	0.01
Additions	-	-
As at 31 March 2024	-	-
As at 1 April 2022	0.01	0.01
Amortisation for the year	-	-
As at 31 March 2023	0.01	0.01
Amortisation for the year	-	-
As at 31 March 2024	-	-
Carrying amount		
As at 31 March 2023	-	-
As at 31 March 2024	-	-



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the standalone financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
6(a) Investments		
Non-current		
Unquoted Investments (fully paid)		
Investment in equity instruments carried at cost		
Investment in subsidiaries		
1. ZAAK EPAYMENTS SERVICES PRIVATE LIMITED (100% Subsidiary) (31 March 2024 : 118,209, 31 March 2023 : 118,209 equity shares of INR 1/- each) (refer note 3 below)	564.51	564.51
2. MOBIKWIK FINANCE PRIVATE LIMITED (100% Subsidiary) (31 March 2024 : 2,500,000, 31 March 2023 : 2,500,000 equity shares of INR 10/- each)	25.00	25.00
3. MOBIKWIK CREDIT PRIVATE LIMITED (100% Subsidiary) (31 March 2024 : 2,500,000, 31 March 2023 : 2,500,000 equity shares of INR 10/- each)	25.00	25.00
4. MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as HARVEST FINTECH PRIVATE LIMITED) (100% Subsidiary) (31 March 2024 : 2,113,439, 31 March 2023 : 1,313,439 equity shares of INR 10/- each) (refer note 1 below)	83.49	75.49
Less: Impairment allowance in value of investments	<u>(83.49)</u>	<u>(75.49)</u>
	614.51	614.51
Non-current		
Unquoted investments (fully paid)		
Investment in other equity instruments at Fair value through other comprehensive income (FVTOCI)		
National Payment Corporation of India ("NPCI") (31 March 2024 : 6,132, 31 March 2023 : 6,132) equity shares of INR 1,256/- each (refer note 2 below)	20.83	16.21
Blosterm Fintech Private Limited (31 March 2024 : 525, 31 March 2023 : Nil) equity shares of INR 28,610/- each (refer note 2 below)	15.02	-
	<u>35.85</u>	<u>16.21</u>
Unquoted investments (fully paid)		
Investment in units of investment trust at Fair value through Other comprehensive income (FVTOCI)		
AL Trust (31 March 2024 : 1,00,000, 31 March 2023 : Nil) units of INR 100/- each (refer note 2 below)*	10.20	-
	<u>10.20</u>	<u>-</u>
* The Company has invested in AL Trust on 26 March 2024 and the units have been allotted subsequently on 08 April 2024		
Aggregate amount of un-quoted investments	660.56	630.72
Notes:		
1. During the year ended 31 March 2024, the Company has invested 800,000 equity shares of INR 10 each (31 March 2023 : 500,000 equity shares of INR 10 each) in wholly owned subsidiary i.e. Mobikwik Investment Adviser Private Limited (formerly known as Harvest Fintech Private Limited).		
2. The investment in other equity instruments and units of investment trust are not held for trading. Instead, these are held for medium to long-term strategic purposes. Accordingly, the Company has elected to designate this investment in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in this investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investment for long-term purposes and realising their performance potential in the long run. Refer note 28 for further details.		
3. During the year ended 31 March 2024, the Company has invested NIL (31 March 2023 : 1,973 equity shares of INR 1 each) in its wholly owned subsidiary i.e. ZAAK EPAYMENT SERVICES PRIVATE LIMITED.		
4. No Investments were disposed of and there were no transfers of any cumulative gain or loss within equity relating to these investments during the year ended 31 March 2024 and 31 March 2023.		
6(b) Loans		
Current		
Unsecured, considered doubtful		
Loan (Refer note (1) below)	1.01	1.01
Less: Loss allowance	<u>(1.01)</u>	<u>(1.01)</u>
	-	-
Net loans		
Type of borrower		
Related parties		
- Amount of loan or advance in the nature of loan outstanding	-	-
- Percentage to the total loans and advances in the nature of loans	-	-
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 amortised cost is disclosed in note 28.		
6(c) Others financial assets		
Non-current		
Unsecured, considered good unless stated otherwise		
Security deposits	16.46	15.66
Bank deposits with maturity for more than twelve months (refer note 9(b))	2.28	-
Total	<u>18.74</u>	<u>15.66</u>
Current		
Unsecured, considered good unless stated otherwise		
Amount recoverable from payment gateway banks	1059.39	352.60
Amount recoverable from users and business partners	721.46	348.74
Recoverable from related parties (Refer note 31)	2.28	0.42
Interest accrued on deposits	17.88	60.45
Share Issue expense (Refer note 2 below)	66.17	9.28
Security deposits	15.59	2.11
Other recoverables	65.53	29.84
	<u>1948.30</u>	<u>803.44</u>
Unsecured, considered doubtful		
Amount recoverable from payment gateway banks	2.31	2.31
Security deposits	9.13	9.13
Recoverable from users (Refer note 1 below and note 33)	142.13	142.13
Less: Loss allowance	<u>(153.57)</u>	<u>(153.57)</u>
	<u>1,948.30</u>	<u>803.44</u>
Total other financial assets	<u>1,967.04</u>	<u>819.10</u>
Notes:		
1. Includes amounts receivable from users on account of a fraud in IMPS transactions during the year ended 31 March 2018. Pending collection of these amounts, the amounts have been fully provided for in the books of account. The Company is in the process of recovering the amounts. The total amount of transfer through the above mode was INR 200.24 million, out of which INR 105.88 million has been recovered till date.		
2. The Company has incurred share issue expenses of INR 66.17 million during the year ended 31 March 2024 in connection with public offer and offer for sale of equity shares. The amount of expenses will be adjusted against securities premium as permissible under Section 52 of the Companies Act, 2013 on successful completion of Initial Public Offer (IPO).		
Out of total Share issue expenses, recoverable amount from related parties is INR Nil (31 March 2023 : INR 1.01 million) (Refer note 31).		



	As at 31 March 2024	As at 31 March 2023
7 Other assets		
Non-current		
Unsecured, considered good unless otherwise stated		
Advance to suppliers (Refer note 1 below)	1,112.03	1,326.99
Amount paid under protest	7.73	7.73
Prepaid expenses	0.84	1.01
Balances with government authorities	1.40	1.40
Total	1,122.00	1,337.13
Current		
Unsecured, considered good unless otherwise stated		
Advance to vendors (Aggregators)	119.21	125.96
Advance to suppliers (Refer note 1 below)	236.19	6.42
Advance to employees	4.53	2.82
Balances with government authorities (GST)	55.18	92.01
Prepaid expenses	13.37	26.01
Current		
Unsecured, considered doubtful		
Advance to vendors (Aggregators)	2.05	2.05
Advance to suppliers	2.76	2.76
Advances to employees	0.03	0.03
Balances with government authorities	7.51	7.51
Less: Loss allowance	(12.35)	(12.35)
Total	428.48	253.22

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 to be availed by the Company from such suppliers in the future.

	As at 31 March 2024	As at 31 March 2023
8 Trade receivables		
Unsecured, considered good unless stated otherwise		
Trade receivables	820.35	761.06
Less: Loss allowance	(10.50)	(5.70)
Total	809.85	755.36

Notes:

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

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

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

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

Expected credit loss - Default Risk Rate (%)

	As at 31 March 2024	As at 31 March 2023
Within the credit period	0.00%	0.00%
1-30 days past due	0.00%	0.00%
31-60 days past due	0.00%	0.00%
61-90 days past due	0.13%	0.11%
91-180 days past due	1.49%	1.66%
181-365 days past due	5.87%	5.59%
1 - 2 years past due	50.96%	42.28%
2 - 3 years past due	100.00%	100.00%
Over 3 years	100.00%	100.00%

Expected credit loss - Delay Risk Rates(%)

	As at 31 March 2024	As at 31 March 2023
Within the credit period	0.00%	0.00%
1-30 days past due	0.11%	0.12%
31-60 days past due	0.37%	0.39%
61-90 days past due	0.67%	0.72%
91-180 days past due	1.20%	1.30%
181-365 days past due	2.60%	2.76%
1 - 2 years past due	6.68%	7.53%
2 - 3 years past due	0.00%	0.00%
Over 3 years	0.00%	0.00%

Expected credit loss

	As at 31 March 2024	As at 31 March 2023
Within the credit period	0.00	0.00
1-30 days past due	0.01	0.01
31-60 days past due	0.02	0.01
61-90 days past due	-	0.00
91-180 days past due	0.92	1.14
181-365 days past due	0.63	0.87
1 - 2 years past due	2.76	3.58
2 - 3 years past due	6.16	0.05
Over 3 years	-	0.04
Total	10.50	5.70

Movement in the expected credit loss allowance

	As at 31 March 2024	As at 31 March 2023
Balance at beginning of the year	5.70	0.75
Movement in expected credit loss allowance on trade receivables	4.80	4.95
Balance at end of the year	10.50	5.70



Trade receivables ageing schedule

As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment						More than 3 years	Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years		
Undisputed trade receivables – considered good	624.08	125.63	52.28	7.41	4.51	6.36	0.08	820.35
Total	624.08	125.63	52.28	7.41	4.51	6.36	0.08	820.35

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment						More than 3 years	Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years		
Undisputed trade receivables – considered good	533.86	159.80	49.68	10.44	7.20	0.05	0.03	761.06
Total	533.86	159.80	49.68	10.44	7.20	0.05	0.03	761.06

9(a) Cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Cash on hand*	0.00	0.00
Balance with bank	839.80	772.63
- On current accounts	839.80	772.63
Total Cash and cash equivalents	839.80	772.63
Total cash and cash equivalents	839.80	772.63
Less: Bank overdraft (refer note 12)	(1,137.25)	(1,230.32)
Cash balance for the purposes of standalone statement of cash flows	(297.45)	(457.69)

9(b) Bank balances other than cash and cash equivalents

Deposits with		
- Maturity for less than twelve months**	1,003.84	1,175.73
- Maturity for more than twelve months**	2.28	-
	1,006.12	1,175.73
Less: Amount disclosed under non-current financial assets (refer note 6(c))	(2.28)	-
	1,003.84	1,175.73
Balances with banks:		
In Nodal account****	133.40	50.89
In Escrow account*****	1,370.38	1,376.47
Total	2,507.62	2,603.09

* 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 952.30 million (31 March 2023 : INR 1,156.20 million).

***The Company uses the Nodal account to receive money when wallet is used as payment gateway for settlement of the transactions with the merchants and also to receive money when payment gateway is used for payments for settlement of the transactions with merchants

****The Company is required to maintain certain outstanding balances (i.e. the money collected against wallet balance from users in a separate account with a scheduled commercial bank) in escrow accounts. The amount received in these accounts, which are payable to users for settlement are restrictive in nature and cannot be used for general purposes. The amount in escrow account includes a balance in account of INR 850 million bearing interest rate of 4% p.a (31 March 2023 : INR 850 million bearing interest rate of 4% p.a).



10 Equity share capital

Equity Shares
(Face Value = INR 2/-)

10 (a) Authorised equity share capital

	Number of shares	Amount
As at 01 April 2022	8,00,00,000	160.00
Increase/decrease during the year	-	-
As at 31 March 2023	8,00,00,000	160.00
Increase/decrease during the year	-	-
As at 31 March 2024	8,00,00,000	160.00

Issued equity share capital (subscribed and fully paid up)

	Number of shares	Amount
As at 01 April 2022	5,71,84,521	114.38
Equity share capital issued during the year	-	-
As at 31 March 2023	5,71,84,521	114.38
Equity share capital issued during the year	-	-
As at 31 March 2024	5,71,84,521	114.38

10 (b) Instruments entirely equity in nature

Authorised preference share capital

	Cumulative compulsory convertible preference shares (CCCPs) (Face value INR 100 per share)		Cumulative compulsory convertible preference share (CCCPs) (Face value INR 10 per share)	
	Number of shares	Amount	Number of shares	Amount
As at 01 April 2022	18,16,592	181.66	1,56,899	1.57
Increase/decrease during the year	-	-	-	-
As at 31 March 2023	18,16,592	181.66	1,56,899	1.57
Increase/decrease during the year	-	-	-	-
As at 31 March 2024	18,16,592	181.66	1,56,899	1.57

Notes:

1. Refer note 43 for CCPs issued and converted into equity shares.

10 (c) Terms/ rights attached to shares

i) Terms/ rights attached to equity shares:

Voting

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

Dividend

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

Liquidation

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

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

Voting

To the extent that, and at all times when, applicable laws do not permit the holders of the series A CCCPS to exercise voting rights on the series A 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 to vote, on all matters submitted to the vote of the shareholders of Company, in such manner and such proportion as each such holder of the Series A CCCPS would have been entitled to, had each such holder of the Series A CCCPS elected to convert its Series A CCCPS into Equity shares based on the then applicable Series A 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, then the Class A Equity Shares held by such Shareholder shall carry one (1) vote each.

Dividend

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

Liquidation

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

10 (d) The 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 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 41).



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the standalone financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

10 (e) Details of shareholders holding

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

	As at 31 March 2024		As at 31 March 2023	
	Number	% Holding	Number	% Holding
Equity shares of INR 2 each fully paid				
Bipin Preet Singh	1,14,30,478	19.99%	1,14,30,478	19.99%
Upasana Rupkrishan Taku	77,70,483	13.59%	77,70,483	13.59%
Bajaj Finance Limited	79,79,440	13.95%	79,79,440	13.95%
Sequoia Capital India Investments IV	77,49,321	13.55%	77,49,321	13.55%
Net 1 Applied Technologies Netherlands B.V.	62,15,620	10.87%	62,15,620	10.87%

10 (f) Other

a) Shares issued for consideration other than cash

Particulars	Bajaj Finance Limited*			New Delhi Television Limited*	MobiKwik Investment Adviser Private Limited (formerly known as Harvest Fintech Private Limited**)
	Number of shares	Premium per share	% Holding		
For the year ended 31 March 2024	Number of shares	-	-	-	-
For the year ended 31 March 2023	Number of shares	-	-	-	-
For the year ended 31 March 2022	Number of shares	3,932	7,538	3,919	-
	Premium per share	8,134	9,930	12,350	-
For the year ended 31 March 2021	Number of shares	22,944	-	-	-
	Premium per share	8,134	-	-	-
For the year ended 31 March 2020	Number of shares	45,325	-	6,972	-
	Premium per share	8,134	-	8,134	-
For the year ended 31 March 2019	Number of shares	-	-	-	4,960
	Premium per share	-	-	-	10,297

* The Company issued CCCPS for INR 100 each at a premium mentioned above in lieu of extinguishment of outstanding trade payables.

** The Company issued equity shares for INR 10 each at a premium mentioned above in lieu of purchase of equity shares.

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 26).

Particulars	As at 31 March 2024	As at 31 March 2023
Number of shares	45,64,260	45,64,260
Face value of shares	2	2
Amount	9.13	9.13
Percentage of capital	7.98%	7.98%

(ii) Also refer note 34, for CCCPS issued during the year ended 31 March 2023.

c) Shares reserved for issue under options

Information relating to the Company's employee option plan (ESOP), including details of options issued, exercised and lapsed during the year and options outstanding at the end of the reporting year, is set out in note 27.

10 (g) Shareholding of promoters

Shares held by promoters at the end of the year

	As at 31 March 2024	As at 31 March 2023
Number Of Shares		
Bipin Preet Singh	1,14,30,478	1,14,30,478
Upasana Rupkrishan Taku	77,70,483	77,70,483
Narinder Singh Family Trust	2,10,762	2,10,762
Koshur Family Trust	1,49,205	1,49,205
% of total shares		
Bipin Preet Singh	19.99%	19.99%
Upasana Rupkrishan Taku	13.59%	13.59%
Narinder Singh Family Trust	0.37%	0.37%
Koshur Family Trust	0.26%	0.26%
% Change during the year		
Bipin Preet Singh	0.00%	0.00%
Upasana Rupkrishan Taku	0.00%	-0.56%
Narinder Singh Family Trust	0.00%	0.00%
Koshur Family Trust	0.00%	0.00%



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the standalone financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

11 (a) Other equity

	As at 31 March 2024	As at 31 March 2023
Securities premium	11,543.38	11,543.38
Other comprehensive income	13.14	8.51
Share application money pending allotment*	0.00	0.00
Employee share options reserve	578.14	526.19
Retained earnings	(10,463.59)	(10,552.56)
Total other equity	1,671.07	1,525.52

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

11 (b) Movement in other equity

	As at 31 March 2024	As at 31 March 2023
Securities premium		
Balance as at the beginning of the year	11,543.38	11,543.38
Add: Received during the year	-	-
Balance as at the end of the year	11,543.38	11,543.38
Other comprehensive income		
Balance as at the beginning of the year	8.51	2.67
Add: Fair value changes on equity investments through OCI	4.63	5.84
Balance as at the end of the year	13.14	8.51
Share application money pending allotment		
Balance as at the beginning of the year *	0.00	0.00
Add: Received during the year	-	-
Balance as at the end of the year	0.00	0.00
Employee share options reserve		
Balance as at the beginning of the year	526.19	432.06
Add: Employee stock options expense - equity settled (refer note 27)	51.95	94.13
Balance as at the end of the year	578.14	526.19
Retained earnings		
Balance as at the beginning of the year	(10,552.56)	(9,724.94)
Add: Profit/(loss) for the year	89.42	(825.95)
Add: Remeasurement of net defined benefit liability	(0.45)	(1.67)
Balance as at the end of the year	(10,463.59)	(10,552.56)

- 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) Other comprehensive income:- This represents the gain on fair value of investment in NPCI which have been classified to be valued under OCI.
c) 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.
d) Employee share options outstanding account:- Employee share option outstanding account is used to record the impact of employee stock option scheme. Refer note 27 for further detail of this plan.
e) Retained earnings:- Retained earnings are the accumulated loss made by the Company till date.

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



12 Borrowings

Non-current

Secured

Non-convertible debentures (refer note 1 below)
Less: Current maturity of non-convertible debentures
Total Non-current

Current

Unsecured

Loans from related parties (refer note 4 below)

Secured

From banks :

Bank overdraft (refer note 2 below)
Term loan (refer note 2 below)
Current maturity of non-convertible debentures

Total Current

Notes:

1. The Company had raised INR 500 million through issue of debentures (Non-convertible) during the year ended 31 March 2024 (31 March 2023 : INR 550 million). These debentures are secured by first pari passu charge created on present and future fixed and current & non current assets uncalled share capital and current and future cash flows of the Company. Details of the initial debenture holders are mentioned below :-

Fund Name	Face Value INR millions	No of Debentures	Installment	Rate of Interest	Maturity	Effective Interest Rate	Carrying Amount	
							As at 31 March 2024	As at 31 March 2023
Blacksoil Capital Private Limited	0.50	700	25	14.00%	31 January 2025	14.90%	140.22	306.24
Blacksoil India Credit Fund	0.50	200	25	14.00%	31 January 2025	14.90%	40.06	87.50
Karnation Fund I	1.00	100	18	16.00%	25 September 2024	17.91%	44.67	98.67
Blacksoil Capital Private Limited	0.50	800	24	15.00%	28 February 2026	15.87%	397.06	-
Blacksoil India Credit Fund	0.50	200	24	15.00%	28 February 2026	15.87%	99.27	-

2. Terms and repayment schedule related to bank overdraft and term loans.

Bank Name	Sanction Amount (INR million)	Year of maturity	Repayment terms	Security details	Effective Interest Rate charged per annum	
					As at 31 March 2024	As at 31 March 2023
Axis Bank - Bank overdraft	1,000.00	2023-24	Repayable on demand	Secured by way of first pari passu charge on all the present and future current assets (excluding the escrow balances), property plant and equipments	11.44%	11.26%
Axis Bank - Term Loan	200.00	2023-24	Repayable on demand	Secured by way of first pari passu charge on fixed deposit	11.61%	10.70%
SBI Bank - Bank overdraft	285.00	2023-24	Repayable on demand	Secured by way of first pari passu charge on all the present and future current assets (excluding the escrow balances)	7.37%	7.35%
ICICI Bank - Bank overdraft	150.00	2023-24	Repayable on demand	Secured by way of first pari passu charge on all the present and future current assets (excluding the escrow balances)	11.17%	11.56%
Equentia Financial Service Private Limited	100.00	2024-25	Repayable in 12 Instalment	Secured by way of exclusive charge by way of hypothecation of assets procured using proceeds of facility.	13.25%	-

The unutilised sanction limits for bank overdrafts -

Bank Name	Nature of Facility	Amount 31 March 2024	Amount 31 March 2023
AXIS Bank	Bank overdrafts	8.23	202.92
State Bank of India	Bank overdrafts	-	0.39
ICICI Bank	Bank overdrafts	4.52	1.37

3. 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.

4. Terms and repayment schedule related to loans from related parties.

Entity Name	Tenure	Repayment terms	Interest Rate	Carrying Amount	
				As at 31 March 2024	As at 31 March 2023
Zaak Eqpment Services Pvt Ltd	3 Years	Repayable on Demand	10.75%	302.93	187.05
Mobikwik Finance Pvt Ltd	3 Years	Repayable on Demand	10.75%	25.00	-
Mobikwik Credit Pvt Ltd	3 Years	Repayable on Demand	10.75%	29.00	-

5. The Company had raised INR 163 million from DMI Finance Private Limited during the year ended 31 March 2022 as a Line of Credit at the interest rate of 16.00% p.a. with the validity of 1 year. The loan has been paid off on 15 October 2022.

13 Trade payables

- Total outstanding dues of micro enterprises and small enterprises (Refer note 37)
- Total outstanding dues of creditors other than micro enterprises and small enterprises
Total

Trade payables aging schedule
As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
Undisputed dues - MSME	76.78	3.58	1.14	-	-	81.50
Undisputed dues - Others	2,059.92	47.95	3.52	7.61	0.13	2,119.03
Disputed dues - MSME	-	8.92	0.00	-	-	8.92
Disputed dues - Others	-	-	-	-	0.67	0.67

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
Undisputed dues - MSME	71.08	22.78	0.00	0.10	0.30	94.26
Undisputed dues - Others	875.71	146.23	9.21	6.80	0.30	1,038.25
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	2.32	-	-	2.51	6.61	11.44



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the standalone financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
14 Other financial liabilities		
Non-current		
Security deposits	0.35	0.35
Current		
Interest accrued on borrowings	9.03	1.28
Security deposits	0.22	0.24
Advances from wallet users (user's balance)*	1,041.97	974.53
Financial guarantee obligation**	230.54	848.16
Payable to merchants	472.65	181.38
Payable to operators and aggregators	134.98	104.72
Payable to related party (Refer Note 31)	1.89	0.70
Others	41.33	87.28
Total	1,932.61	2,193.29
	1,932.96	2,193.64
<p>* The user balance in net off of INR 34.23 million (31 March 2023 : INR 16.01 million), which pertains to the transactions executed but have not been processed in the system due to payment cycle cut off.</p> <p>** For disclosure on Inputs, assumptions and estimation techniques used in measurement of impairment loss on financial guarantee obligation, refer note 30.</p>		
15 Provisions		
Non-current		
Provision for employee benefits		
Provision for gratuity*	24.86	21.95
Total	24.86	21.95
Current		
Provision for employee benefits		
Provision for gratuity*	10.28	6.71
Provision for leave encashment	17.15	14.74
Total	27.43	21.45
*For details of movement in provision for gratuity, refer note 26.		
16 Other liabilities		
Current		
Statutory remittances	115.32	108.48
Deferred revenue	5.00	14.52
Customer Incentives	8.38	6.98
Advance from customers	2.55	2.26
Total	131.25	132.24
17 Other tax assets (net)		
Advance tax and tax deducted at source	206.19	79.41
Total	206.19	79.41



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the standalone financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

18 Revenue from operations	For the year ended 31 March 2024	For the year ended 31 March 2023
Financial services	5,578.82	2,850.21
Payment Services	3,090.97	2,405.39
Total Revenue from operations	8,669.79	5,255.60

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

A. Financial services include MobiKwik Zip (which is flagship (upto 30-day) product), Zip EMJ (which is a longer tenure credit product) and other credit products. It also includes revenue from wealthtech and fintech products, platform services specifically designed to drive credit business and amounts received from online promotions on such platforms.

B. Payment services include revenue from merchant fee collected from a merchant and convenience fees collected from users under certain categories of services.

18.1 Disaggregation of revenue based on timing of recognition of revenue:		
a Services transferred at point in time	8,660.27	5,239.66
b Services transferred over time	9.52	15.94
Total revenue from contract with customers	8,669.79	5,255.60

18.2 Reconciliation of revenue recognised in statement of profit and loss with contracted price:		
Revenue as per contracted price	8,706.54	5,275.61
Less: Variable consideration (including consideration payable to customer)	(36.75)	(20.01)
	8,669.79	5,255.60

18.3 Transaction price allocated to the remaining performance obligations:		
The following table includes revenue expected to be recognised in the future related to performance obligation that are unsatisfied (or partially unsatisfied) at the reporting date:		
Sale of services	5.00	14.52
	5.00	14.52

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

18.4 Contract balances		
The following table provides information about Contract liabilities from contract with customers		
	As at 31 March 2024	As at 31 March 2023
Deferred revenue (refer note 16)	5.00	14.52
Customer incentive (refer note 16)	8.38	6.98
Advances from customers (refer note 16)	2.55	2.26
Trade receivables (refer note 8)	809.85	755.36

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

Deferred revenue	As at 31 March 2024	As at 31 March 2023
Opening balance at the beginning of the year	14.52	24.01
Add: Amount received from customers during the year	-	3.50
Less: Revenue recognised during the year	(9.52)	(12.99)
Closing balance at the end of the year	5.00	14.52

Customer incentive	As at 31 March 2024	As at 31 March 2023
Opening balance at the beginning of the year	6.98	12.69
Add: Created during the year	8.38	6.98
Less: Utilised during the year	(6.98)	(12.69)
Closing balance at the end of the year	8.38	6.98

Advance from customers	As at 31 March 2024	As at 31 March 2023
Opening balance at the beginning of the year	2.26	1.93
Add: Received during the year	0.33	0.33
Less: Revenue recognised during the year	(0.04)	-
Closing balance at the end of the year	2.55	2.26

18.5 For segment revenue from customers - Entity wide disclosure, refer note 35

19 Other income	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income from financial assets measured at amortised cost		
- on bank deposits	109.55	90.11
- on security deposits	0.80	2.21
- on loans to related parties (refer note 31)	-	0.12
Interest on income tax refund	-	9.42
Liabilities / provisions no longer required written back*	38.85	93.64
Service income	19.89	16.83
Gain on sale of property, plant and equipment	0.25	-
Foreign exchange gain (net)	-	0.48
Miscellaneous income	0.58	0.12
Total	169.92	212.93

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



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the standalone financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

	For the year ended 31 March 2024	For the year ended 31 March 2023
20 Employee benefits expense		
Salaries, allowance and bonus	1,044.52	828.88
Gratuity expense (refer note 26)	8.47	7.61
Leave encashment expense	6.94	7.19
Contribution to provident and other funds	26.69	15.15
Employee stock options expense (refer note 27)	53.12	94.84
Staff welfare expenses	3.72	5.67
Total	1,143.46	959.34
21 Finance costs		
Interest expense on financial liabilities at amortised cost		
- on overdraft	89.45	110.17
- on non-convertible debentures	60.48	51.73
- on other borrowings	47.66	22.80
- on lease liabilities (refer note 36)	12.31	12.60
- others	-	2.08
Others	14.13	9.05
Total	224.03	208.43
22 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 4)	17.56	19.70
Depreciation on right-of-use assets (refer note 36)	25.55	23.02
Total	43.11	42.72
23 Other expenses		
Business promotion*	1,066.37	847.54
Franchisee cost	1.45	23.25
Advertisement	33.41	44.05
B2B commission expense	37.18	18.21
Lease rent (refer note 36)	24.10	12.74
Rates and taxes	2.64	10.27
Communication costs	132.34	74.15
Outsource service cost	298.51	281.00
Foreign exchange loss (net)	1.06	-
Power and fuel	1.81	1.27
Merchant related costs	165.68	64.77
Repair and maintenance:		
-Plant and machinery	0.25	0.41
-Others	16.37	13.40
Server and related cost	179.88	131.46
Travelling and conveyance	25.39	23.57
Legal and professional fees	190.91	103.95
Auditor's remuneration**	5.36	4.46
Insurance expenses	4.75	3.03
Software expenses	27.71	23.63
IMPS expenses	31.19	8.59
Impairment loss on trade receivables	4.80	4.95
Bad debts	-	13.00
Advances written off	-	10.29
Provision for doubtful advances	-	56.90
Impairment of Investment (refer note 6(a))	8.00	5.00
Miscellaneous expenses	49.25	34.27
Total	2,308.41	1,814.16
	5.25	4.20
For audit	0.11	0.26
For reimbursement of expenses	5.36	4.46

*Includes user incentive expenses amounting to INR 540.03 million (31 March 2023: INR 514.19 million)

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

24 Earnings per share (EPS)

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

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

	For the year ended 31 March 2024	For the year ended 31 March 2023
Basic		
Profit/(Loss) for the year (A)	89.42	(825.95)
Weighted average number of equity shares in calculating basic EPS (B) (refer note 1 below)	5,71,84,521	5,71,84,521
Basic profit/(loss) per equity share (A/B) (INR)	1.56	(14.44)
Diluted		
Profit/(Loss) for the year (A)	89.42	(825.95)
Weighted average number of equity shares and CCPS in calculating basic and diluted EPS (B)	5,71,84,521	5,71,92,579
Dilutive effect of share options	19,27,709	-
Weighted average number of equity shares and CCPS in calculating diluted EPS (refer note 1 below)	5,91,12,230	5,71,92,579
Diluted profit/(loss) per equity share (A/B) (INR)	1.51	(14.44)

Notes -

- (1) There are potential equity shares as at 31 March 2024 and 31 March 2023 in the form of stock options granted to employees. As at 31 March 2023, these are anti dilutive, they are ignored in the calculation of diluted profit/(loss) per share and accordingly the diluted profit/(loss) per share is the same as basic profit/(loss) per share.



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the standalone financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

25 Income tax

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current income tax		
Current income tax for the year	-	-
Deferred tax		
Relating to origination and reversal of temporary differences	-	-
Total income tax expense/(credit)	-	-

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit/(loss) before tax	89.42	(825.95)
Accounting profit/(loss) before income tax	89.42	(825.95)
Tax expense at statutory income tax rate of 26% (31 March 2023 : 26%)	23.25	(214.75)
Utilisation of tax losses	(204.50)	
Other non-deductible expenses	0.43	1.46
Temporary differences on which no deferred tax was recognised	180.82	213.28
Tax expense at the effective income tax rate of Nil (31 March 2023 : Nil)	-	-

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

Particulars	As at 31 March 2024	As at 31 March 2023
Tax losses carried forward	1,698.02	1,963.68
Property, plant and equipment and other intangible assets	3.66	3.16
Lease liabilities	29.58	34.58
Trade receivable	2.73	1.48
Impairment loss on Digital financial services	59.94	220.52
Provision for employee benefits	13.60	11.28
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	336.54	100.40
Total	2,144.07	2,335.10
Total deferred tax assets recognised (A) (refer notes below)	26.55	33.23
Deferred tax liabilities		
Non-convertible debentures	0.90	0.93
Right-of-use assets	25.65	32.30
Total deferred tax liabilities (B)	26.55	33.23
Net deferred tax assets/(liabilities) (A-B)	-	-

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

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

Particulars	As at 31 March 2024	As at 31 March 2023
Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised are attributable to the following:		
- unabsorbed depreciation	83.22	67.83
- tax business losses	6,447.64	7,484.77
- other deductible temporary differences	1,613.44	1,300.73
	8,144.30	8,853.33

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.

Expiry period of tax business losses 2024-32 2023-31

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



26 Employee benefits

A Defined contribution plans

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

The Company has recognised INR 26.69 million during the year ended 31 March 2024 (31 March 2023: INR 15.15 million) for provident fund and other funds in the Standalone Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

B Defined benefit plans

Gratuity - defined benefit plan

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

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

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

Gratuity - defined benefit plan

	As at 31 March 2024	As at 31 March 2023
Present value of un-funded defined benefit obligation	35.14	28.66

a) Reconciliation of the net defined benefit liability

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

Reconciliation of present value of defined benefit obligation for Gratuity

	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	28.66	26.06
Benefits paid	(2.44)	(6.68)
Current service cost	6.40	6.01
Interest cost	2.07	1.60
Actuarial (gains)/losses		
- changes in demographic assumptions	-	(0.21)
- changes in financial assumptions	0.15	(1.04)
- experience adjustments	0.30	2.92
Balance at the end of the year	35.14	28.66

b) Amount recognised in standalone statement of profit and loss:

	For the year ended 31 March 2024	For the year ended 31 March 2023
Current service cost	6.40	6.01
Net interest expense	2.07	1.60
Recognised in profit or loss	8.47	7.61
Remeasurement of the net defined benefit liability		
Actuarial (gain)/loss on defined benefit obligation	0.45	1.67
Recognised in other comprehensive income	0.45	1.67

The most recent actuarial valuations of the present value of the defined benefit liability were carried out at 31 March 2024. The present value of the defined benefit liability, and the related current service cost and past service cost, were measured using the projected unit credit method.

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

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

	As at 31 March 2024	As at 31 March 2023
Discount rate	7.09%	7.26%
Expected rate of salary increase	12.00%	12.00%
Retirement age	58 years	58 years
Attrition rate	40.00%	40.00%
Mortality table	India Assured Life Mortality	India Assured Life Mortality

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

d) The plan typically exposes the Company to actuarial risks such as: interest rate, 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:

Gratuity

For the year ended 31 March 2024

Impact of change in discount rate by 1%
Impact of change in salary by 1%
Impact of change in employee turnover rate by 1%

Increase	Decrease
(0.84)	0.88
0.76	(0.75)
(0.37)	0.38

For the year ended 31 March 2023

Impact of change in discount rate by 1%
Impact of change in salary by 1%
Impact of change in employee turnover rate by 1%

Increase	Decrease
(0.84)	0.89
0.68	(0.68)
(0.20)	0.21

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

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

Particulars

1st following year
2nd following year
3rd following year
4th following year
5th following year
Sums of years 6 to 10
Total

As at 31 March 2024	As at 31 March 2023
10.64	6.95
7.83	5.94
6.46	4.79
5.62	4.43
4.19	4.08
7.11	8.71
41.85	34.90



27 Employee Stock Option Plan – 2014 (“The 2014 Plan”)

The Company established the Employees Stock Option Scheme 2014 (“ESOP 2014”) which was approved by the shareholders vide their special resolution dated on 5 August 2014. Under the plan, the Company is authorised to issue up to 4,564,260 equity shares of INR 2 each to eligible employees. Employees covered by the plan are granted an option to purchase shares of the Company subject to the requirements of vesting. The ESOP 2014 scheme has been amended during the previous year which was approved by the Board of Directors of the Company at their meeting held on 07 July 2021. Further Amended ESOP 2014 scheme was aligned in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 which was approved in the board meeting held on 07 December, 2021.

Vesting condition:

The vesting condition of options is subject to continued employment.

Vesting period:

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

Exercise period:

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

(b) Movements during the year

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

ESOP 2014 Scheme :

	As at 31 March 2024		As at 31 March 2023	
	Number of Options	WAEP	Number of Options	WAEP
Outstanding at the beginning of the year	1,08,081	2,565.85	1,18,737	2,689.44
Options forfeited during the year	(300)	8,143.79	(10,656)	3,942.93
Options Outstanding at the end of the year	1,07,781	2,550.32	1,08,081	2,565.85
Vested Options Outstanding at the end of the year (Exercisable)	1,04,340	2,396.53	97,358	2,343.31

The share options outstanding at the end of the year had a weighted average exercise price of INR 2,550.32 (31 March 2023: INR 2,565.85), and a weighted average remaining contractual life of 3.16 years (31 March 2023: 3.98 years).

Amended ESOP 2014 Scheme :

	As at 31 March 2024		As at 31 March 2023	
	Number of Options	WAEP	Number of Options	WAEP
Outstanding at the beginning of the year	3,18,769	2.00	1,93,395	2.00
Options granted during the year	3,30,444	2.00	1,85,070	2.00
Options forfeited during the year	(1,55,795)	2.00	(59,696)	2.00
Options Outstanding at the end of the year	4,93,419	2.00	3,18,769	2.00
Vested Options Outstanding at the end of the year (Exercisable)	98,338	2.00	41,289	2.00

The share options outstanding at the end of the year had a weighted average exercise price of INR 2.00 (31 March 2023: INR 2.00), and a weighted average remaining contractual life of 8.34 years (31 March 2023: 8.53 years).

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

ESOP 2014 Scheme :

Exercise price (Amount in INR)	As at	As at
	31 March 2024	31 March 2023
10	21,045	21,045
40	15,214	15,231
695	32,483	32,483
2,884	82	82
4,475	9,404	9,404
5,708	2,374	2,374
6,587	6,066	6,088
7,307	19,427	19,427
8,024	1,602	1,758
9,960	86	191

Amended ESOP 2014 Scheme :

Exercise price (Amount in INR)	As at	As at
	31 March 2024	31 March 2023
	4,93,419	3,18,769



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the standalone financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

d) The weighted average fair value of options granted under the ESOP 2014 scheme during the year was Nil per option (31 March 2023: Nil) as no new grants were issued during the year under this scheme. The weighted average fair value of options granted under the Amended ESOP 2014 scheme during the period was INR 664.10 per option (31 March 2023: INR 599.18 per option).

	For the year ended 31 March 2024	For the year ended 31 March 2023
e) Expense arising from equity-settled share-based payment transactions	51.42	93.94

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

Inputs for measurement of grant date fair values of ESOPs

Amended ESOP 2014 Scheme :

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Exercise price- (in INR)	2.00	2.00
Fair value at grant date- (in INR)	637 - 691	599.00
Expected Volatility (Standard Deviation - Annual)	42.0% - 59.7%	43.5% - 48.0%
Risk free rate	7.1% - 7.4%	7.0% - 7.6%
Dividend yield	0.00%	0.00%



28 Fair value measurements

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

Level	As at 31 March 2024	As at 31 March 2023
Financial assets		
a) Measured at fair value through other comprehensive income (FVTOCI)		
- Investment in NPCI (refer note 6(a))	20.83	16.21
- Investment in AL Trust (refer note 6(a))	10.20	-
- Investment in Blostem Fintech Pvt Ltd (refer note 6(a))	15.02	-
	46.05	16.21
b) Measured at amortised cost		
- Trade receivable (refer note 8)	809.85	755.36
- Cash and cash equivalents (refer note 9(a))	839.80	772.63
- Other bank balances (refer note 9(a))	2,507.62	2,603.09
- Others financial assets (refer note 6(c))	1,967.04	819.10
	6,124.31	4,950.18
Total financial assets	6,170.36	4,966.39
Financial liabilities		
a) Measured at amortised cost		
- Borrowings (refer note 12)	2,473.92	2,109.78
- Trade payables (refer note 13)	2,210.12	1,143.95
- Security deposits (refer note 14)	0.57	0.59
- Other financial liabilities (refer note 14)	1,932.39	2,193.05
- Lease liabilities (refer note 36)	113.78	132.97
Total financial liabilities	6,730.78	5,580.34

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. Further the investment in AL Trust and Blostem Fintech Private Limited is made near the reporting date bases the fair value and accordingly, cost of investment represents fair value as at 31 March 2024.

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

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

Financial assets	Valuation techniques	Significant unobservable inputs	Sensitivity	Inter-relationship between significant observable inputs and fair value measurement
Investment in equity instruments of other entities National Payment Corporation of India ("NPCI")	Refer note below*	Net asset value	Refer note below**	Not applicable

* 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 standalone financial information.

Reconciliation of level 3 fair value measurements

Investment in equity instruments of other entities

	As at 31 March 2024	As at 31 March 2023
Opening balance	16.21	10.37
Addition	25.21	-
Gains recognised in OCI	4.63	5.84
Closing balance	46.05	16.21

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.



Expected credit loss (ECL) methodology

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

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

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

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

Each financial guarantee contract is classified into (a) Stage 1, (b) Stage 2 and (c) Stage 3 (Default or Credit Impaired). Delinquency buckets have been considered as the basis for the staging of all credit exposure under the guarantee contract in the following manner:

- a) Stage 1: 0-30 days past due loans
- b) Stage 2: More than 30 and up to 90 days past due loans
- c) Stage 3: Above 90 days past due loans

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

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

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

Analysis of portfolio

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

Particulars	(A) Gross exposure at default (EAD)*	(B) Expected credit loss allowance (ECL)*	(C) Net carrying amount (financial guarantee obligation)*	(D) Impact on profit or loss**
As at 31 March 2024				
Where credit risk has not significantly increased from initial recognition (Stage 1)	36.07	0.60	0.60	326.55
Where credit risk has increased significantly but are not credit impaired (Stage 2)	3.14	1.40	1.40	
Where credit risk has increased significantly and are credit impaired (Stage 3)	230.65	228.54	228.54	
Total	269.86	230.54	230.54	326.55
As at 31 March 2023				
Where credit risk has not significantly increased from initial recognition (Stage 1)	1,511.86	19.63	19.63	1,095.93
Where credit risk has increased significantly but are not credit impaired (Stage 2)	174.52	79.20	79.20	
Where credit risk has increased significantly and are credit impaired (Stage 3)	804.94	749.33	749.33	
Total	2,491.32	848.16	848.16	1,095.93

Notes:

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

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

Particulars	Financial guarantee obligation where credit risk has not significantly increased from initial recognition (Stage 1)	Financial guarantee obligation where credit risk has increased significantly but are not credit impaired (Stage 2)	Financial guarantee obligation where credit risk has increased significantly and are credit impaired (Stage 3)	Total
ECL allowance as at 1 April 2022	64.05	181.81	244.01	489.87
- New credit exposures during the year, net of repayments	19.46	78.29	528.21	625.96
- Contracts settled during the year	(58.41)	(170.42)	(513.06)	(741.89)
- Transfer between stages during the year	(4.68)	32.77	18.16	46.25
- Financial guarantee contract obligations accrued but not settled (refer note below)	-	-	526.72	526.72
- Movement due to opening EAD and credit risk	(0.79)	(43.25)	(54.71)	(98.75)
ECL allowance as at 31 March 2023	19.63	79.20	749.33	848.16
- New credit exposures during the year, net of repayments	-	-	-	-
- Contracts settled during the year	(18.95)	(79.12)	(520.76)	(618.83)
- Transfer between stages during the year	(0.06)	1.32	-	1.26
- Movement due to opening EAD and credit risk	(0.02)	(0.00)	(0.03)	(0.05)
ECL allowance as at 31 March 2024	0.60	1.40	228.54	230.54

Note - During the year ended 31 March 2024 and 31 March 2023, financial obligation amounting to INR 843.47 million and INR 1,031.06 million respectively were paid.

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

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



ii) Liquidity risk management

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

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

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

	As at 31 March 2024	As at 31 March 2023
Bank overdraft and term loan:		
- Amount utilised	1,395.66	1,430.32
- Amount unutilised	12.75	204.68

Maturities of financial liabilities

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

Contractual maturities of financial liabilities

	Carrying amount	Within 1 year	Between 1 and 5 years	Total
31 March 2024				
Trade payables	2,210.12	2,210.12	-	2,210.12
Lease liabilities	113.78	32.43	105.75	138.18
Other financial liabilities	1,702.42	1,702.07	0.35	1,702.42
Financial guarantee obligation	230.54	230.54	-	230.54
Borrowings	2,473.92	2,054.31	423.08	2,477.39
	6,730.78	6,229.47	529.18	6,758.65
31 March 2023				
Trade payables	1,143.95	1,143.95	-	1,143.95
Lease liabilities	132.97	31.50	138.18	169.68
Other financial liabilities	1,345.48	1,345.13	0.35	1,345.48
Financial guarantee obligation	848.16	848.16	-	848.16
Borrowings	2,109.78	1,888.57	224.80	2,113.37
	5,580.34	5,257.31	363.33	5,620.64

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 Company has in place appropriate risk management policies to limit the impact of these risks on its financial performance. The Company ensures optimization of cash through fund planning and robust cash management practices.

(a) Interest rate risk

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

Sensitivity	Impact on profit/loss before tax	
	31 March 2024	31 March 2023
Fixed - rate instruments		
Financial liabilities	1,078.26	679.46
Financial assets	1,006.12	1,175.73
Variable - rate instruments		
Financial liabilities	1,395.66	1,430.32
Impact on equity before tax		
+ 0.5% change in interest rate (Bank overdraft & term loan)	(6.98)	(7.15)
- 0.5% change in interest rate (Bank overdraft & term loan)	6.98	7.15
Impact on equity after tax		
+ 0.5% change in interest rate (Bank overdraft & term loan)	(5.16)	(5.29)
- 0.5% change in interest rate (Bank overdraft & term loan)	5.16	5.29

(b) Currency risk

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

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

	As at 31 March 2024	As at 31 March 2023
Exposure in USD (absolute amount)		
Trade receivable	1,718.00	12,814.00
Other financial asset	-	63,312.27
Trade Payable	(15,000.00)	(1,01,211.00)
Exposure in INR (million)		
Trade receivable	0.14	1.05
Other financial asset	-	5.21
Trade Payable	(1.25)	(8.32)
Net exposure	(1.11)	(2.06)

Sensitivity	Impact on profit/(loss) before tax	
	31 March 2024	31 March 2023
Receivable		
Impact on equity before tax		
+ 5% change in currency exchange rate	0.01	0.31
- 5% change in currency exchange rate	(0.01)	(0.31)
Impact on equity after tax		
+ 5% change in currency exchange rate	0.01	0.23
- 5% change in currency exchange rate	(0.01)	(0.23)

Payable	31 March 2024	31 March 2023
	Impact on equity before tax	
+ 5% change in currency exchange rate	(0.06)	(0.42)
- 5% change in currency exchange rate	0.06	0.42
Impact on equity after tax		
+ 5% change in currency exchange rate	(0.05)	(0.31)
- 5% change in currency exchange rate	0.05	0.31

(b) Price risk

Investment of funds of the Company in National Payment Corporation of India (NPCI), Blostem Fintech Private Limited and AL Trust is categorized as 'low risk' product from liquidity risk perspectives.

Sensitivity	Impact on profit/loss before tax	
	31 March 2024	31 March 2023
+ 5% change in fair value	2.30	0.81
- 5% change in fair value	(2.30)	(0.81)



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the standalone financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

31 Related party transactions

i) Names of related parties and related party relationship:

a) Entity's subsidiaries

ZAAK EPAYMENTS SERVICES PRIVATE LIMITED
MOBIKWIK FINANCE PRIVATE LIMITED
MOBIKWIK CREDIT PRIVATE LIMITED
MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as HARVEST FINTECH PRIVATE LIMITED)

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

Name	Designation
Mr. Bipin Preet Singh	Managing Director & Chief Executive Officer
Ms. Upasana Rupkrishan Taku	Chairperson, Whole-time Director, Chief Financial Officer (w.e.f. 15 June 2023) and Chief Operating Officer (till 21 December 2023)
Mr. Chandan Joshi	Whole-time Director (till 6 June 2023)
Mr. Dilip Bidani	Chief Financial Officer (till 16 December 2022)
Mr. Rahul Luthra	Company Secretary (till 14 March 2023)
Mr. Rajat Kayathwal	Company Secretary (w.e.f 12 September 2023 till 04 December 2023)
Ms. Ankita Sharma	Company Secretary (w.e.f. 05 December 2023)
Ms. Punita Kumar Sinha	Independent Director
Ms. Sayali Karanjkar	Independent Director
Mr. Navdeep Singh Suri	Independent Director
Mr. Raghuram Hiremagalur Venkatesh	Independent Director
Mr. Vineet Bansal	Non-Executive, Non-Independent Nominee director (w.e.f 5 December 2023)
c) Others	
Ms. Utrna Taku	Relative of a person having Significant Influence over the Company and Key Management Personnel (KMP)

ii) Transactions with related parties

	For the year ended 31 March 2024	For the year ended 31 March 2023
(a) Investment in Subsidiary		
- MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as HARVEST FINTECH PRIVATE LIMITED)	8.00	5.00
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	-	89.94
(b) Payment Gateway Cost		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	1,591.89	1,109.32
(c) Business Promotion Cost		
- MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as HARVEST FINTECH PRIVATE LIMITED)	2.16	2.36
(d) Revenue from Consumer payments		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	2.74	5.17
(e) Funds transferred to Subsidiary Company		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	400.00	285.00
- MOBIKWIK FINANCE PRIVATE LIMITED	-	25.00
- MOBIKWIK CREDIT PRIVATE LIMITED	-	29.00
(f) Funds received from Subsidiary Company		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	491.00	473.26
- MOBIKWIK FINANCE PRIVATE LIMITED	25.00	25.00
- MOBIKWIK CREDIT PRIVATE LIMITED	29.00	29.00
- MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as HARVEST FINTECH PRIVATE LIMITED)	-	2.10
(g) Service Income		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	19.27	16.41
- MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as HARVEST FINTECH PRIVATE LIMITED)	0.62	0.42
(h) Reimbursement (Paid by Company on behalf of Subsidiary)		
- MOBIKWIK FINANCE PRIVATE LIMITED	0.29	-
(i) Interest income from loan to the Subsidiary Company		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	-	0.02
- MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as HARVEST FINTECH PRIVATE LIMITED)	-	0.10
(j) Interest Cost on loan from the Subsidiary Company		
- MOBIKWIK FINANCE PRIVATE LIMITED	2.58	0.66
- MOBIKWIK CREDIT PRIVATE LIMITED	3.00	0.77
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	30.49	4.65
(k) ESOP of Company issued to employees of Subsidiary Company		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	0.52	0.19
(l) ESOP of Subsidiary Company issued to employees of Company		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	1.70	0.90
(m) Remuneration to Key Management Personnel (KMP)		
Short-term employee benefits	100.99	90.39
Post-employment gratuity	1.35	1.28
Other long term employee benefit	-	0.15
Share based payments	0.19	6.19
Director's sitting fees and remuneration	11.80	9.60



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

Notes to the standalone financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

iii) Outstanding balances with related parties

	As at 31 March 2024	As at 31 March 2023
(a) Salary Payable		
- Mr. Bipin Preet Singh	23.59	1.09
- Ms. Upasana Rupkrishan Taku	23.59	1.09
- Mr. Chandan Joshi	-	8.57
- Ms. Ankita Sharma	0.22	
- Mr. Rahul Luthra	-	0.12
(b) Payable to Merchants		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	0.35	0.49
(c) Receivable from Payment Gateway Companies		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	921.91	144.15
(d) Receivable from Subsidiary		
- MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as HARVEST FINTECH PRIVATE LIMITED)	1.22	-
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	2.31	-
- MOBIKWIK FINANCE PRIVATE LIMITED	0.29	-
(e) Borrowings from Subsidiary		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	302.93	187.05
- MOBIKWIK FINANCE PRIVATE LIMITED	25.00	-
- MOBIKWIK CREDIT PRIVATE LIMITED	29.00	-
(f) Loans and Advances (Forex cards)		
- Mr. Bipin Preet Singh	0.04	0.04
- Ms. Upasana Taku	1.79	1.79
(g) Trade payables		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	3.08	35.11
- MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as HARVEST FINTECH PRIVATE LIMITED)	1.11	0.34
(h) Other financial assets		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	26.19	0.42
(i) Investments in Subsidiaries		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	564.51	564.51
- MOBIKWIK FINANCE PRIVATE LIMITED	25.00	25.00
- MOBIKWIK CREDIT PRIVATE LIMITED	25.00	25.00
- MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as HARVEST FINTECH PRIVATE LIMITED)	83.49	75.49
Less: Impairment allowance in value of investments in MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as HARVEST FINTECH PRIVATE LIMITED)	(83.49)	(75.49)
(j) Payable for expenses		
- Utma Taku	1.64	1.64
(k) Payable to Independent directors		
- Ms. Punita Kumar Sinha	0.63	0.50
- Ms. Sayali Karanjkar	0.74	0.56
- Mr. Navdeep Singh Suri	0.83	0.65
- Mr. Raghuram Hiremagalur Venkatesh	0.36	0.43
(l) Share issue expense (recoverable)		
- Mr. Bipin Preet Singh	-	0.67
- Ms. Upasana Taku	-	0.34
(m) Other financial liabilities		
- ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	4.46	0.70
- MOBIKWIK FINANCE PRIVATE LIMITED	2.33	-
- MOBIKWIK CREDIT PRIVATE LIMITED	2.70	-

(iv) Terms and Conditions

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

(v) Disclosure required under Sec 186(4) of the Companies Act 2013

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

Investment Made Particulars	No of shares held	As at	
		31 March 2024	31 March 2023
ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	31 March 2024 : 118,209, 31 March 2023 : 118,209 equity shares of INR 1/- each	564.51	564.51
MOBIKWIK FINANCE PRIVATE LIMITED	31 March 2024 : 2,500,000, 31 March 2023 : 2,500,000 equity shares of INR 10/- each	25.00	25.00
MOBIKWIK CREDIT PRIVATE LIMITED	31 March 2024 : 2,500,000, 31 March 2023 : 2,500,000 equity shares of INR 10/- each	25.00	25.00
MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as HARVEST FINTECH PRIVATE LIMITED)	31 March 2024 : 2,113,439, 31 March 2023 : 1,313,439 equity shares of INR 10/- each	83.49	75.49



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

Particulars	As at	
	31 March 2024	31 March 2023
(a) Claims against the Company not acknowledged as debts:		
Income tax matters	4.14	4.14
Amount paid under protest relating to the above matter	1.83	1.83

- (b) The Company does not have any long term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.
(c) The Company does not have any amounts which were required to be transferred to the Investor Education and Protection Fund.

33 During the year ended 31 March 2023, the Company noted that due to some technical glitch on the Mobikwik platform, some of the users were able to execute fraudulent transactions for the purchase of Gift cards. Based on the management assessment, the total amount of transactions executed was INR 69.49 million. The Company was able to block the transactions worth INR 14.86 million. Accordingly, the net loss on account of the above-mentioned matter was INR 54.63 million. No employees or officer of the Company was involved in this fraud.

The Company has filed a criminal complaint against the accused persons before the Cyber Cell, Gurugram and the matter is under the police investigation. Further, the Company had also been able to recover INR 6.88 million till date.

34 During the Financial year ended 31 March 2023, the Company has issued 39,742 (Thirty-Nine Thousand Seven Hundred Forty Two) compulsorily convertible cumulative preference shares of a face value of INR 100 (Indian Rupees One Hundred only) at the Subscription Price of INR 1,132.30 (Indian Rupees One Thousand One Hundred Thirty Two point Thirty paise) per Series H CCCPS. Further, the Subscriber has subscribed to the partly paid-up Series H CCCPS of INR 1 (Indian Rupee One only) per share as on date and shall pay the remaining amounts on calls as per the mechanism mentioned in Securities subscription agreement ("the agreement").

During the year ended 31 March 2024, the Company has sent notice vide dated 5 December 2023 to the partly paid-up series H CCCPS Holder to call the unpaid money on 39,742 Series H CCCPS. Series H CCCPS holders relinquished their rights subject to the terms of the agreement and hence the amount has been forfeited.

The paid-up amount of INR 0.04 million has been categorized as liability and grouped under other financial liabilities. During the reporting period, the same amount has now been reversed from liabilities and recorded as other income due to forfeiture of above mentioned shares.

35 The Company has revenues primarily from customers in India.

Segment revenue from customers - Entity wide disclosure;

Particulars	Year ended	
	31 March 2024	31 March 2023
India	8,661.27	5,233.93
Outside India	8.52	21.67
Total Revenue	8,669.80	5,255.60

Total current liabilities from customers by geographic area based on location of the customers is as follows;

Particulars	Year ended	
	31 March 2024	31 March 2023
India	6,369.03	5,389.94
Outside India	5.00	5.00
Total Liabilities	6,374.03	5,394.94

Major Customers:

Revenues of INR 4,613.81 million (31 March 2023 : INR 933.32 million) is derived from sales to customers exceeding 10% or more of the company's revenue during the year.

36 Right-of-use assets - Leases

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

Company as a lessee

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

Cost

Particulars
As at 1 April 2022
Additions
As at 31 March 2023 (A)
Additions
As at 31 March 2024 (A)

Accumulated depreciation

Particulars
As at 1 April 2022
Charge for the year
As at 31 March 2023 (B)
Charge for the year
As at 31 March 2024 (B)

Net carrying amount (A) - (B)

As at 31 March 2023	124.21	124.21
As at 31 March 2024	98.66	98.66

Amounts recognised in profit or loss

Particulars
Depreciation on right-of-use assets
Interest expense on lease liability
Expense relating to short-term leases

Lease liabilities

The following is the movement in lease liabilities during the year

Opening balance

Additions	132.97	68.01
Amounts recognised in statement of profit and loss as interest expense	-	77.80
Payment of lease liabilities	12.31	12.60
	(31.50)	(25.44)
Closing Balance	113.78	132.97

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

Current	22.19	19.19
Non- Current	91.59	113.78

Amounts recognised in statement of cash flows

Particulars
Total cash outflow for leases

Notes:

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

(2) The maturity analysis of lease liabilities is presented in Note 30.

Office space	Total
71.51	71.51
80.70	80.70
152.21	152.21
-	-
152.21	152.21

Office space	Total
4.98	4.98
23.02	23.02
28.00	28.00
25.55	25.55
53.55	53.55

For the year ended 31 March 2024	For the year ended 31 March 2023
25.55	23.02
12.31	12.60
24.10	12.74

For the year ended 31 March 2024	For the year ended 31 March 2023
132.97	68.01
-	77.80
12.31	12.60
(31.50)	(25.44)
113.78	132.97

For the year ended 31 March 2024	For the year ended 31 March 2023
22.19	19.19
91.59	113.78

For the year ended 31 March 2024	For the year ended 31 March 2023
31.50	25.44



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

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

Particulars	As at 31 March 2024	As at 31 March 2023
1. Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	90.42	94.26
- Principal amount due to micro and small enterprises	88.59	93.47
- Interest due on above	1.83	0.79
2. Amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
3. Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
4. Amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
5. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-



38 The Company operates in a single operating segment which is financial and payment services. In compliance to para 4 of Ind AS 108 (Operating Segments) appropriate disclosures have been made in the consolidated financial statements of the Company.

39 Till financial year 2022-23, the Company had incurred losses and generated negative cash flow from operations, whereas in the current year there has been improvement in the financial performance of the Company. The Company has net worth of INR 1,785.45 million and a positiveworking capital position (i.e. its current assets exceed its current liabilities) as at 31 March 2024 of INR 160.02 million, including cash and cash equivalents of INR 839.80 million. Further, based on the current business plan and projections prepared by the management, the Company expects to achieve growth in its operations in the coming years with continuous improvement in operational efficiency. Management has made an assessment of the Company's ability to continue as a going concern and believes that the Company will continue to be a going concern considering, amongst other things, expected growth in operations, existing cash and cash equivalents and other available bank balances.

In view of the above, management has concluded that the going concern assumption is appropriate. Accordingly, the standalone 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 Company be unable to continue as a going concern.

40 Ratios -

Ratio/Measure	Methodology	As at 31 March 2024	As at 31 March 2023	Variance
(a) Current Ratio	Current assets/ Current liabilities	1.03	0.96	7%
(b) Debt-Equity Ratio	(Non current borrowings+Current borrowings)/ Total equity	1.39	1.29	8%
(c) Debt Service Coverage Ratio	EBITDA/(Interest expense+Borrowings)	0.13	(0.25)	-153%
(d) Return on Equity or Return on Investment Ratio	Profit(Loss) for the year/Total equity	0.05	(0.50)	-110%
(e) Trade Receivables turnover ratio	Revenue from operations/Average trade receivables	11.08	9.39	18%
(f) Trade payables turnover ratio	Other expenses/Average trade payables	4.38	5.70	-23%
(g) Net capital turnover ratio	Revenue from operations/Capital employed	2.04	1.40	45%
(h) Net profit ratio	Profit(Loss) for the year/Revenue from operations	0.01	(0.16)	-107%
(i) Return on Capital employed	Earnings before Interest and Taxes (EBIT)/Capital employed	7.36	(16.47)	-145%

Notes

Average Trade receivables = (Opening trade receivables + Closing trade receivables)/2

Average Trade payables = (Opening trade payables + Closing trade payables)/2

EBIT = (Losses)/Earnings Before Interest and Taxes

Capital employed = Total Equity + Borrowings (Non-current and Current)

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

- a) The Debt service coverage ratio has increased from (0.25) as at 31 March 2023 to 0.13 as at 31 March 2024 mainly due to relative increase in EBITDA as compared to previous year.
- b) The Return on Equity ratio increased from (0.50) as at 31 March 2023 to 0.05 as on 31 March 2024 mainly due to relative increase in EBITDA.
- c) The Net capital turnover ratio increased from 1.40 as at 31 March 2023 to 2.04 as at 31 March 2024 mainly due to substantial increase in capital employed which was partially offset by the increase in the revenue from operations.
- d) The Net profit ratio has increased from (0.16) as at 31 March 2023 to 0.01 as at 31 March 2024 mainly due to increase in revenue from financial services and correspondingly increase in margin for the company.
- e) The Return on capital employed ratio increased from (16.47) as at 31 March 2023 to 7.36 as at 31 March 2024 mainly due to increase in EBIT as compared to previous year.

41 The Board of Directors and shareholders of the Company at their meeting held on 20 June 2021 and 22 June 2021 respectively, had 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 Company for issuance of 3:1 bonus shares on fully paid equity shares having face value of INR 2 per share had 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.

42 During the year ended 31 March 2022, ESOP pool of 228,213 fully paid-up Equity Shares in the Company of face value of INR 10 each had been adjusted and increased to 4,564,260 fully paid-up Equity Shares in the Company of face value of INR 2 each to give effect of stock split and bonus issue of equity shares of the Company as mentioned above in note 41.

43 During the year ended 31 March 2022, the Company had converted the Cumulative Compulsory Convertible Preference Shares (CCPS) into Equity shares as mentioned below -

Particulars	Number of CCPS before conversion	Converted to number of equity shares
Conversion prior to share splits and bonus issue	36,201	36,201
Conversion post share splits and bonus issue	17,01,513	3,47,62,949
Total	17,37,714	3,47,99,150



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the standalone financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

44 During FY 2014 to FY 2017, there were some delays in RBI related filings for allotments made to 10 non-resident shareholders due to mismatches in KYC documents and FIRC's. Resubmissions were done with the RBI and approval have been received on all such submissions. In this regard, the Company has filed a compounding application dated 01 December 2023 and subsequent clarification sought by RBI was replied to on 11 December 2023 with the RBI for compounding of the same. The application is currently pending before the RBI.

45 Other notes

- a. No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- b. There are no transactions to report on Crypto Currency or Virtual Currency.
- c. The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- d. The Company has not entered into transactions with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, except in certain cases for which the details have been mentioned below:

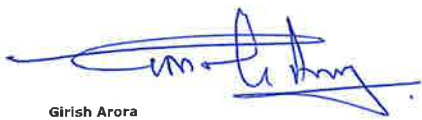
Company Name	Nature of transaction	Balance as at 31 March 2024	Balance as at 31 March 2023	Relationship with Struckoff Companies
Payload Technology Private Limited	Payables - Marketing Services	0.31	0.31	Creditor
Blitzkrieg Retail Private Limited*	Payables - Payment Services	0.00	0.00	Merchant
Travelur Solutions Private Limited*	Payables - Payment Services	0.00	0.00	Merchant
Scala Infotech Private Limited*	Payables - Payment Services	0.00	0.00	Merchant
Raje Retail Private Limited*	Payables - Payment Services	0.00	0.00	Merchant
Intelliplay Global Private Limited	Payables - Payment Services	0.01	0.01	Merchant

* Represents balances, rounded off to "0" on conversion to INR million.

- e. There are no transaction which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961
- f. There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- g. There are no funds which have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
 - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- h. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of layers) Rules 2017
- i. The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- j. The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) or intangible assets or both during the current or previous year
- k. The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.
- l. The Company does not have any immovable properties other than properties where the Company is a lessee and the lease agreements are duly executed in favour of the lessee.

For B S R & Associates LLP
Chartered Accountants

ICAI Firm Registration No. 116231W/W-100024



Girish Arora
Partner

Membership No.: 098652

UDIN: 24098652 BKA GIX 3027

Place: Gurugram
Date: 10 July 2024

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



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



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



Ankita Sharma
Company Secretary

Place: Gurugram
Date: 10 July 2024



Independent Auditor's Report

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditor on separate financial statements of such subsidiaries as were audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/audit reports of other auditor, we conclude that there is a material misstatement of this other information, we are

Registered Office:

B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Independent Auditor's Report (Continued)

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

required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities 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 in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.



Independent Auditor's Report (Continued)

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

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matter

- a. We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of INR 1,783.36 million as at 31 March 2024, total revenues (before consolidation adjustments) of INR 1,677.04 million and net cash flows (before consolidation adjustments) amounting to INR (75.40) million for the year ended on that date, 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, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

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



Independent Auditor's Report (Continued)

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

the other auditor on separate financial statements of such subsidiaries, as were audited by other auditor, as noted in the "Other Matter" paragraph, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor except as mentioned in para 2B(f) below.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company on various dates in April 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act
 - f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group. Refer Note 36 to the consolidated financial statements.
 - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.
 - c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2024.
 - d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary companies that, to the best of its knowledge and belief, other than as disclosed in the Note 51 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



Independent Auditor's Report (Continued)

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

- (ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary companies that, to the best of its knowledge and belief, other than as disclosed in the Note 51 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.
- f. Based on our examination which included test checks and that performed by the respective auditor of the subsidiary companies which are Companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiary companies have used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:
- (i) In respect of the Holding Company, the feature of audit trail (edit log) facility was not enabled for two accounting softwares used for maintaining the books of account at the database level throughout the year as the same was enabled on 23 May 2023 and 19 September 2023 respectively to log any direct data changes. Further, due to unavailability of logs of the audit trail functionality, we are unable to comment whether audit trail feature has operated for five accounting softwares in respect of the Holding Company and one accounting software for one of its subsidiary Company, used for maintaining the books of account at the database level throughout the year to log any direct data changes.
- (ii) In respect of the Holding Company and one of its subsidiary Company incorporated in India, for an accounting software used for maintaining the books of account relating to payroll records, which is operated by a third party software service provider, we are unable to comment whether audit trail feature of the said software was enabled and operated from 1 January 2024 to 31 March 2024 for all relevant transactions recorded in the software in the absence of an independent auditor's report of the software service provider in relation to controls at a service organisation for above referred period.
- Further, for the periods where audit trail (edit log) facility was enabled and operated for the respective accounting softwares, we did not come across any instance of audit trail feature being tampered with.



Independent Auditor's Report (Continued)

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

- C. In our opinion and according to the information and explanations given to us, the remuneration paid/payable during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director by the Holding Company and its is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us. All the subsidiary companies are private limited companies, accordingly the requirements as stipulated by the provisions of section 197(16) of the Act were not applicable to its subsidiary companies incorporated in India.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No.:116231WW-100024



Girish Arora

Partner

Place: Gurugram

Date: 10 July 2024

Membership No.: 098652

ICAI UDIN:24098652BKAGIY3914

B S R & Associates LLP

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) for the year ended 31 March 2024

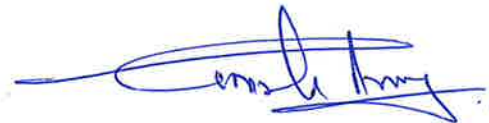
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.:116231W/W-100024



Girish Arora

Partner

Place: Gurugram

Date: 10 July 2024

Membership No.: 098652

ICAI UDIN:24098652BKAGIY3914

Annexure B to the Independent Auditor's Report on the consolidated financial statements of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) for the year ended 31 March 2024

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditor on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditor, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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



Annexure B to the Independent Auditor's Report on the consolidated financial statements of ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED) for the year ended 31 March 2024 (Continued)

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant subsidiary companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to four subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditor of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.: 116231W/W-100024



Girish Arora

Partner

Place: Gurugram

Date: 10 July 2024

Membership No.: 098652

ICAI UDIN: 24098652BKAGIY3914

ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Consolidated Balance Sheet as at 31 March 2024
(Amounts in INR millions, unless otherwise stated)

	Notes	As at 31 March 2024	As at 31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	4	59.65	21.16
Right-of-use assets	37	98.66	124.21
Goodwill	6	-	-
Other intangible assets	5	-	-
Financial assets			
(i) Investments	7(a)	46.05	16.21
(ii) Other financial assets	7(c)	25.24	17.66
Other tax assets (net)	18	291.07	117.29
Other non-current assets	8	1,124.36	1,339.49
Total non-current assets		1,645.03	1,636.02
Current assets			
Financial assets			
(i) Trade receivables	9	810.89	758.53
(ii) Cash and cash equivalents	10 (a)	928.53	936.78
(iii) Bank balances other than (ii) above	10 (b)	2,946.35	2,680.15
(iv) Other financial assets	7(c)	1,751.87	835.90
Other current assets	8	463.83	295.96
Total current assets		6,901.47	5,507.32
Total assets		8,546.50	7,143.34
Equity and liabilities			
Equity			
Equity share capital	11(a)	114.38	114.38
Other equity	12 (a)	1,511.51	1,312.56
Total equity		1,625.89	1,426.94
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13	423.49	224.96
(ii) Lease liabilities	37	91.59	113.78
(iii) Other financial liabilities	15	0.35	0.35
Provisions	16	25.16	22.04
Total non-current liabilities		540.59	361.13
Current liabilities			
Financial liabilities			
(i) Borrowings	13	1,693.50	1,697.77
(ii) Lease liabilities	37	22.19	19.19
(iii) Trade payables	14		
(a) Total outstanding dues of micro enterprise and small enterprises		94.35	94.26
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,176.33	1,084.07
(iv) Other financial liabilities	15	2,234.13	2,299.62
Other current liabilities	17	131.76	138.76
Provisions	16	27.76	21.60
Total current liabilities		6,380.02	5,355.27
Total liabilities		6,920.61	5,716.40
Total equity and liabilities		8,546.50	7,143.34

Summary of material accounting policies 2

The notes referred to above form an integral part of these 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

Girish Arora

Partner

Membership No.: 098652

UDIN: 24098652 BKA GI Y 3914

Place: Gurugram

Date : 10 July 2024

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

Ankita Sharma

Company Secretary

Place: Gurugram

Date : 10 July 2024

Upasana Rupkrishan Taku

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



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Consolidated Statement of Profit and Loss for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
Revenue from operations	19	8,750.03	5,394.67
Other income	20	153.12	216.49
Total Income		8,903.15	5,611.16
Expenses			
Payment gateway cost		2,017.16	1,566.52
Lending operational expenses		2,702.55	685.04
Financial guarantee expenses		326.55	1,095.93
Employee benefits expense	21	1,159.74	982.25
Other expenses	24	2,324.95	1,840.62
Total expenses		8,530.95	6,170.36
Earnings before finance cost, depreciation, amortisation and tax (EBITDA)		372.20	(559.20)
Finance costs	22	188.25	204.24
Depreciation and amortisation expense	23	43.15	42.82
Profit/(Loss) before tax		140.80	(806.26)
Current tax	26	0.01	0.73
Deferred tax	26	-	31.15
Total tax expense/(credit)		0.01	31.88
Profit/(Loss) for the year		140.79	(838.14)
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of net defined benefit liability	27	(0.60)	(1.42)
Fair value changes on equity investments through OCI	7(a)	4.63	5.84
Income tax relating to above item			
Other comprehensive income for the year		4.03	4.42
Total comprehensive income for the year		144.82	(833.72)
Earnings per share:			
(i) Basic	25	2.46	(14.66)
(ii) Diluted		2.38	(14.66)

Summary of material accounting policies

2

The notes referred to above form an integral part of these 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



Girish Arora

Partner

Membership No.: 098652

UDIN: 24098652BKAGIY3914

Place: Gurugram

Date : 10 July 2024

For and on behalf of the Board of Directors of

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



Bipin Preet Singh

Managing Director

& Chief Executive Officer

DIN:02019594



Upasana Rupkrishan Taku

Chairperson, Whole-time Director

& Chief Financial Officer

DIN:02979387



Ankita Sharma

Company Secretary

Place: Gurugram

Date : 10 July 2024



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Consolidated Statement of Cash Flows for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flow from operating activities			
Profit/(Loss) before tax		140.80	(806.26)
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	23	17.60	19.80
Depreciation of right-of-use asset	23	25.55	23.02
Gain on sale of property, plant and equipment	20	(0.25)	-
Bad debts	24	-	13.00
Advances written off	24	-	10.29
Interest income	20	(110.91)	(94.72)
Provision for doubtful advances	24	-	56.90
Employee Stock Options expense	21	54.13	95.24
Finance costs	22	188.25	204.24
Financial guarantee expense	24	326.55	1,095.93
Liabilities / provisions no longer required written back	20	(40.78)	(67.32)
Impairment loss on trade receivables	24	4.80	4.95
Operating Profit before working capital changes		605.74	555.07
Working capital adjustments :			
(Increase) in Trade receivables		(57.16)	(482.09)
Decrease/(increase) in Other financial assets		(940.78)	1,186.19
Decrease/(increase) in Other assets		47.26	(84.35)
Decrease/(increase) in Other bank balances (Escrow and Nodal accounts)		(465.60)	754.32
(Decrease) in Other financial liabilities		(371.16)	(2,303.91)
(Decrease) in Contract liabilities		-	(38.63)
Increase in Trade payables		1,133.15	497.21
Increase/(decrease) in Other liabilities		(7.00)	71.33
Increase in Provisions		8.68	2.88
Cash generated from/(used in) operating activities		(46.87)	158.02
Income tax (paid)/refund, net		(173.79)	112.11
Net cash generated from/(used in) operating activities		(220.66)	270.13
Cash flow from investing activities			
Purchase of property, plant and equipment	4	(56.33)	(14.51)
Proceeds from sale of property, plant and equipment		0.48	-
Investment in unquoted shares		(25.22)	-
Interest received on bank deposits		154.58	65.40
Investments in bank deposits		(355.03)	(1,199.65)
Proceeds from maturity of bank deposits		552.15	1,141.98
Net cash from/(used in) investing activities		270.63	(6.78)
Cash flow from financing activities			
Proceeds from issues of preference shares	11	-	0.04
Proceeds from borrowings		7,464.89	-
Repayment of borrowings		(7,406.48)	(95.08)
Proceeds of non-convertible debenture		496.25	543.04
Repayment of non-convertible debenture		(271.20)	(54.00)
Payment of lease liabilities	37	(31.50)	(25.44)
Share issue expenses		(45.04)	-
Interest and other borrowing cost		(172.07)	(188.88)
Net cash generated from financing activities		34.85	179.68
Net increase in cash and cash equivalents		84.82	443.03
Cash and cash equivalents at the beginning of the year	10 (a)	(293.54)	(736.57)
Cash and cash equivalents at the end of the year (note 10 (a))		(208.72)	(293.54)



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)**Consolidated Statement of Cash Flows for the year ended 31 March 2024**

(Amounts in INR millions, unless otherwise stated)

Notes

1. Changes in liabilities arising from financing activities

	As at 31 March 2024	As at 31 March 2023
<i>Non convertible debentures</i>		
Opening balance	492.41	-
Proceeds during the year	496.25	543.04
Amortisation of interest and other charges on borrowings	60.48	51.56
Repayments during the year - Principal	(271.20)	(54.00)
Repayments during the year - Interest	(56.61)	(48.19)
Closing balance	721.33	492.41
<i>Borrowings (excluding bank overdraft)</i>		
Opening balance	200.00	295.08
Proceeds during the year	7,464.89	-
Repayments during the year	(7,406.48)	(95.08)
Closing balance	258.41	200.00
<i>Share capital and instruments entirely equity in nature</i>		
Opening balance	11,657.78	11,657.78
Proceeds during the year	-	-
Adjustment on account of bonus, split and conversion of share capital	-	-
Closing balance	11,657.78	11,657.78

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 material accounting policies

2

The notes referred to above form an integral part of these 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)

Girish Arora

Partner

Membership No.: 098652

UDIN: 24098652BKA6IY3914


Bipin Preet Singh

Managing Director

& Chief Executive Officer

DIN:02019594


Upasana Rupkrishan Taku

Chairperson, Whole-time Director

& Chief Financial Officer

DIN:02979387

Place: Gurugram

Date : 10 July 2024


Ankita Sharma

Company Secretary

Place: Gurugram

Date : 10 July 2024



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Consolidated Statement of Changes in Equity for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

(a) Equity share capital

Equity shares of INR 2 each issued, subscribed and fully paid up	Amount
As at 1 April 2022	114.38
Changes in equity share capital during the year (refer note 11)	-
As at 31 March 2023	114.38
Changes in equity share capital during the year (refer note 11)	-
As at 31 March 2024	114.38

(b) Other equity

Particulars	Share application money pending allotment	Reserve and surplus			Other comprehensive income	Total other equity
		Securities premium	Employee share options reserve	Retained earnings		
As at 1 April 2022*	0.00	11,543.40	432.76	(9,927.79)	2.67	2,051.04
Total comprehensive loss for the year ended 31 March 2023						
Loss for the year ended	-	-	-	(838.14)	-	(838.14)
Remeasurement of net defined benefit liability	-	-	-	(1.42)	-	(1.42)
Fair value changes on equity investments through OCI	-	-	-	-	5.84	5.84
Total comprehensive loss	-	-	-	(839.56)	5.84	(833.72)
Transactions with owners, recorded directly in equity						
Employee stock options expense	-	-	95.24	-	-	95.24
As at 31 March 2023*	0.00	11,543.40	528.00	(10,767.35)	8.51	1,312.56
Total comprehensive income for the year ended 31 March 2024						
Profit for the year ended	-	-	-	140.79	-	140.79
Remeasurement of net defined benefit liability	-	-	-	(0.60)	-	(0.60)
Fair value changes on equity investments through OCI	-	-	-	-	4.63	4.63
Total comprehensive income	-	-	-	140.19	4.63	144.82
Transactions with owners, recorded directly in equity						
Employee stock options expense	-	-	54.13	-	-	54.13
Balance as at 31 March 2024*	0.00	11,543.40	582.13	(10,627.16)	13.14	1,511.51

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

The notes referred to above form an integral part of these 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

Girish Arora
Partner
Membership No.: 098652
UDIN: 24098652 BKA 6IY3914

Place: Gurugram
Date : 10 July 2024

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

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

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

Ankita Sharma
Company Secretary

Place: Gurugram
Date : 10 July 2024



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the consolidated financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

1. Corporate Information

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

The principal activities of the Group (i.e., the Holding Company and its subsidiaries) consist of issuing and operating prepaid payment instrument (Wallet Payment System) and providing payment gateway services. The Holding Company was authorised by Reserve Bank of India for issuance and operation of mobile based pre-payment instruments subject to terms and conditions detailed in the certificate of authorisation dated 18 July 2013 for five years, which was subsequently extended to 30 September 2024 vide renewal certificate dated 20 September 2023. 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 provides financial services platform facilitating various loans product in association with financing partners. The registered office of the Holding Company is situated at Unit no. 102, 1st Floor, Block – B, Pegasus One, Golf Course Road, Sector 53, Gurugram, Haryana.

2. Material accounting policies

2.1 Statement of compliance

The Consolidated Balance Sheet of the Company as at 31 March 2024 and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended 31 March 2024 and a summary of the material accounting policies and other explanatory information (together referred to as 'Consolidated Financial Statements') has been prepared under Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under Section 133 of the Companies Act, 2013 (the 'Act').

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

These Consolidated Financial Statements were authorised for issue in accordance with a resolution passed by Board of Directors on 10 July 2024.

2.2 Basis of preparation and presentation

A. Basis of measurement

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).

B. Measurement of Fair Values

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.



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the consolidated financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

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

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, 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.

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.

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.

Further information about the assumptions made in measuring fair values is included in note no 31

C. Functional and presentation currency

The Consolidated Financial Statements is presented in Indian Rupees (INR) millions, except where otherwise indicated.

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.

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.

When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.



ONE MOBIKWIK SYSTEMS LIMITED**(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)****Notes to the consolidated financial statements for the year ended 31 March 2024**

(Amounts in INR millions, unless otherwise stated)

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.

Name of the Company	Country of Incorporation	% of Holding	
		31 March 2024	31 March 2023
ZAAK EPAYMENT SERVICES PRIVATE LIMITED	India	100	100
MOBIKWIK FINANCE PRIVATE LIMITED	India	100	100
MOBIKWIK CREDIT PRIVATE LIMITED	India	100	100
MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as HARVEST FINTECH PRIVATE LIMITED)	India	100	100

Procedure of consolidation

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company.

Subsidiary:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the holding company with those of its subsidiaries.
- Offset (eliminate) the carrying amount of the holding company's investment in each subsidiary and the holding company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

2.4 Summary of material accounting policies

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

a) Current versus non-current classification

Basis on the time involved between the acquisition of assets for processing and their realisation in cash or cash equivalents, the group has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

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, activations fees, penalties and other such incomes on account of servicing of loans products through lending partners (Digital Financial Services)
- Revenue from technology platform services
- Payment gateway services
- Income from advertisement/sale of space



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the consolidated financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

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.

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 year 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.



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the consolidated financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

Revenue from share in interest income, processing fee, penalties and other such incomes on account of servicing of loans products through lending partners:

Share in interest income (net) 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. Penalty fees for customer defaults i.e. delayed payment of instalment of loan product, is recognised as revenue on receipt of payment from customer. Other such incomes on account of loan facilitation services, collection, monitoring etc is recognised in line with the period of service obligation.

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 year (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

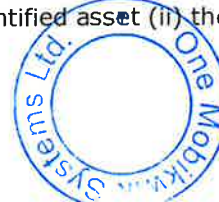
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section I) Financial instruments.

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



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the consolidated financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

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.

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

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

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

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

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

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

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

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

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

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

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

d) Cash and cash equivalents

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



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the consolidated financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

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 year, monetary items denominated in foreign currencies are translated using mean exchange rate prevailing on the last day of the reporting year. 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 year 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 year. 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 year 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 year of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the year 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

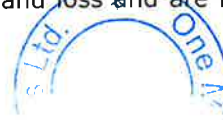
A liability is recognised for short-term employee benefits accruing to employees in respect of salaries, annual leave and sick leave, performance incentives etc. in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

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

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

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

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gain/loss are immediately taken to the statement of profit and loss and are not deferred.



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the consolidated financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

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 year 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 current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. 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. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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 on the initial recognition of assets or liabilities in a transaction that
 - a) is not a business combination; and
 - b) at the time of transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences
- 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.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as separate line items for the purpose of recognising deferred tax.



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the consolidated financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to apply to the year 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. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

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 them 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.

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably



ONE MOBIKWIK SYSTEMS LIMITED**(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)****Notes to the consolidated financial statements for the year ended 31 March 2024**

(Amounts in INR millions, unless otherwise stated)

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 are as depicted below:

Assets category	Estimated useful life
Computers	3 Years
Furniture & fixtures	10 Years
Plant and Machinery	2 Years
Office equipment	5 Years
Leasehold improvements	6 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.

Plant and Machinery comprises Sound Box and Electronic Data Capture "EDC" machines. With effect from 1st October 2023, the company has changed the useful life of Sound Box and EDC machines to 2 years. The impact on account of above change in estimate is considered for the current year

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

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

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 year, with the effect of any changes in estimate being accounted for on a prospective basis.

Assets category	Estimated useful life
Computer software	5 Years

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

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the consolidated financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

k) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

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

Financial assets

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

Classification of financial instruments

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

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

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

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

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.



ONE MOBIKWIK SYSTEMS LIMITED**(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)****Notes to the consolidated financial statements for the year ended 31 March 2024**

(Amounts in INR millions, unless otherwise stated)

Subsequent measurement of financial instruments

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

Impairment of financial assets

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

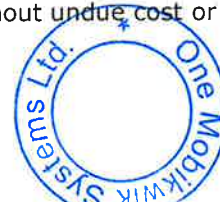
The Group always recognises lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic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

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.



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the consolidated financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

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 year end.

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

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

The measurement of all expected credit losses for financial guarantee contracts held at the reporting date are based on historical experience, current conditions, and reasonable and supportable forecasts. The measurement of ECL involves increased complexity and judgement, including estimation of PDs, LGD, a range of unbiased future economic scenarios, estimation of expected lives and estimation of EAD and assessing significant increases in credit risk.

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

(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.



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the consolidated financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

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

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

Derecognition of financial assets

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

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

Financial liabilities and equity instruments

Classification as debt or equity

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

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.



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the consolidated financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

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

Financial guarantee contract liabilities

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

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

- the amount of the loss allowance determined in accordance with Ind AS 109 (see section of impairment of financial assets above); and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

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



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the consolidated financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

l) Provisions and Contingent liabilities

Provisions

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

Contingent liabilities

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

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

m) Impairment of non – financials assets

At the end of each reporting year, 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.



ONE MOBIKWIK SYSTEMS LIMITED**(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)****Notes to the consolidated financial statements for the year ended 31 March 2024**

(Amounts in INR millions, unless otherwise stated)

n) Segment reporting

The Group operates in a single operating segment only which is financial and payment services. The Group has revenues primarily from customers in India.

p) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for bonus issue, bonus element in a rights issue to existing shareholders and share split

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

q) 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 finance cost, depreciation, amortisation and tax (EBITDA) as a separate line item on the face of the Consolidated Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, exceptional items and tax expense. Finance costs comprise interest expense on: borrowings, bank overdraft, lease liability and late payment of statutory dues.

r) Borrowing Cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the year in which they are incurred.

s) Share Capital

Equity shares

Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

Preference shares

The Group's redeemable preference shares are classified as financial liabilities, because they bear nondiscretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

t) Recognition of Dividend Income, Interest income or expense

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the consolidated financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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 year. 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 years. 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

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.

c) Financial Instruments

Classification and measurement – Refer note 2.4(I) and 31.

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.



ONE MOBIKWIK SYSTEMS LIMITED**(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)****Notes to the consolidated financial statements for the year ended 31 March 2024**

(Amounts in INR millions, unless otherwise stated)

a) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability the Group considers whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management assumptions are required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has tax business losses and unabsorbed depreciation carried forward amounting to INR 6,599.79 million (31 March 2023 : INR 7,612.93 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 26 for further details.

b) Defined benefit plans (gratuity benefit)

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

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

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

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

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of 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.

d) Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as stand-alone credit rating). Refer Note 37 for further details.

e) 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.



ONE MOBIKWIK SYSTEMS LIMITED

(formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)

Notes to the consolidated financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

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

Also refer to note 31.

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

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The 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.

g) Adoption of new accounting principles

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

The amendments clarify that lease transactions give rise to equal and offsetting temporary differences and financial statements should reflect the future tax impacts of these transactions through recognizing deferred tax. The group has adopted this amendment effective 1 April 2023. The group previously accounted for deferred tax on leases on a net basis. Following the amendments, the group has recognized a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. The adoption did not have any impact on the current and comparative year presented in the consolidated financial statements.

h) Recently issued accounting pronouncements

As on 31 March 2024, there are no new standards or amendments to the existing standards applicable to the group which has been notified by Ministry of Corporate Affairs.



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

Notes to the consolidated financial statements for the year ended 31 March 2024

(Amounts in INR millions, unless otherwise stated)

4 Property, plant and equipment

Cost	Computers	Plant & Machinery*	Office equipment	Furniture and fixtures	Server & Network Equipment	Leasehold improvements	Total
As at 1 April 2022	44.07	-	1.52	0.20	5.94	-	51.73
Additions	0.88	-	2.87	-	6.91	3.85	14.51
Disposals	(0.16)	-	-	-	-	-	(0.16)
As at 31 March 2023	44.79	-	4.39	0.20	12.85	3.85	66.08
Additions	5.06	50.70	0.55	0.02	-	-	56.33
Disposals	-	(0.25)	(0.08)	-	-	-	(0.33)
As at 31 March 2024	49.85	50.45	4.86	0.22	12.85	3.85	122.08
Accumulated depreciation							
As at 1 April 2022	19.66	-	1.13	0.04	4.45	-	25.28
Charge for the year	15.58	-	0.51	0.03	2.54	1.14	19.80
Disposals	(0.16)	-	-	-	-	-	(0.16)
As at 31 March 2023	35.08	-	1.64	0.07	6.99	1.14	44.92
Charge for the year	7.38	4.19	1.45	0.03	3.49	1.07	17.61
Disposals	-	(0.05)	(0.05)	-	-	-	(0.10)
As at 31 March 2024	42.46	4.14	3.04	0.10	10.48	2.21	62.43
Carrying amount							
As at 31 March 2023	9.71	-	2.75	0.13	5.86	2.71	21.16
As at 31 March 2024	7.39	46.31	1.82	0.12	2.37	1.64	59.65

* includes Sound Box and Electronic Data Capture (EDC) machines.



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)**Notes to the consolidated financial statements for the year ended 31 March 2024**

(Amounts in INR millions, unless otherwise stated)

5 Other intangible assets

	Software	Total
Cost		
As at 1 April 2022	0.32	0.32
Additions	-	-
As at 31 March 2023	0.32	0.32
Additions	-	-
As at 31 March 2024	0.32	0.32
Accumulated amortisation		
As at 1 April 2022	0.32	0.32
Amortisation for the year	-	-
As at 31 March 2023	0.32	0.32
Amortisation for the year	-	-
As at 31 March 2024	0.32	0.32
Carrying amount		
As at 31 March 2023	-	-
As at 31 March 2024	-	-



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the consolidated financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

6 Goodwill

	Total
Cost	
As at 31 March 2023	48.63
As at 31 March 2024	48.63
Accumulated amortisation and impairment	
As at 31 March 2023	48.63
As at 31 March 2024	48.63
Carrying amount	
As at 31 March 2023	-
As at 31 March 2024	-



	As at 31 March 2024	As at 31 March 2023
7(a) Investment		
Non-current		
Unquoted investments (fully paid)		
Investment in other equity instruments at Fair value through Other comprehensive income (FVTOCI)		
National Payment Corporation of India ("NPCI") (31 March 2024 : 6,132, 31 March 2023 : 6,132) equity shares of INR 1,256/- each) (refer note 1 below)	20.83	16.21
Blostem Fintech Pvt Ltd (31 March 2024 : 525, 31 March 2023 : Nil) equity shares of INR 28,610/- each) (refer note 1 below)	15.02	-
	<u>35.85</u>	<u>16.21</u>
Unquoted investments (fully paid)		
Investment in units of investment trust at Fair value through Other comprehensive income (FVTOCI)		
AL Trust (31 March 2024 : 1,00,000 31 March 2023 : Nil) units of INR 100/- each) (refer note 1 below)*	10.20	-
* The Company has invested in AL Trust on 26 March 2024 and the units have been allotted subsequently on 08 April 2024		
Aggregate amount of un-quoted investments	46.05	16.21
Aggregate amount of impairment in value of investments	-	-

Notes:

1. The investment in other equity instruments and units of investment trust 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.

2. No investments were disposed of and there were no transfers of any cumulative gain or loss within equity relating to these investments during the year ended 31 March 2024 and year ended 31 March 2023.

	As at 31 March 2024	As at 31 March 2023
7(b) Loans		
Unsecured, credit impaired		
Loan (Refer note 1 below)	1.01	1.01
Less: Loss allowance	(1.01)	(1.01)
Net loans	<u>-</u>	<u>-</u>

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 29.

	As at 31 March 2024	As at 31 March 2023
7(c) Other financial assets		
Non-current		
Unsecured, considered good unless stated otherwise		
Security deposits	22.96	17.66
Bank deposits with maturity for more than twelve months (refer note 10 (b))	2.28	-
	<u>25.24</u>	<u>17.66</u>
Current		
Unsecured, considered good unless stated otherwise		
Amount recoverable from payment gateway banks	880.32	373.69
Amount recoverable from users and business partners	721.83	349.11
Interest accrued on deposits	18.01	62.48
Share issue expenses (Refer note 2 below)	66.17	9.28
Security deposits	15.59	2.11
Other recoverables	49.95	39.23
	<u>1,751.87</u>	<u>835.90</u>
Unsecured, considered doubtful		
Amount recoverable from payment gateway banks	2.31	2.31
Security deposits	9.13	9.13
Recoverable from users (Refer note 1 below and note 36)	142.13	142.13
Less: Loss allowance	(153.57)	(153.57)
	<u>-</u>	<u>-</u>
	<u>1,751.87</u>	<u>835.90</u>
Total other financial assets	<u>1,777.11</u>	<u>853.56</u>

Notes:

1. Includes amounts receivable from users on account of a fraud in IMPS transactions during the year ended 31 March 2018. Pending collection of these amounts, the amounts have been fully provided for in the books of account. The Holding Company is in the process of recovering the amounts. The total amount of transfer through the above mode was INR 200.24 million, out of which INR 105.88 million has been recovered till date.

2. The Company has incurred share issue expenses of INR 66.17 million during the year ended 31 March 2024 in connection with public offer and offer for sale of equity shares. The amount of expenses will be adjusted against securities premium as permissible under Section 52 of the Companies Act, 2013 on successful completion of Initial Public Offer (IPO).

Out of total share issue expenses, recoverable amount from related parties is INR Nil (31 March 2023 : INR 1.01 million) (Refer Note 34).



8 Other assets	As at 31 March 2024	As at 31 March 2023
Non-current		
Unsecured, considered good unless otherwise stated		
Advance to suppliers (Refer note 1 below)	1112.03	1,326.99
Amount paid under protest	10.09	10.09
Prepaid expenses	0.84	1.01
Balances with government authorities	1.40	1.40
Total	1,124.36	1,339.49
Current		
Unsecured, considered good unless otherwise stated		
Advance to vendors (Aggregators)	119.32	125.95
Advance to suppliers (Refer note 1 below)	251.72	28.96
Advance to employees	4.53	2.82
Balances with government authorities (GST)	70.95	110.11
Prepaid expenses	17.31	28.12
Current		
Unsecured, considered doubtful		
Advance to vendors (Aggregators)	2.05	2.05
Advance to supplier	2.76	2.76
Advances to employees	0.03	0.03
Balances with government authorities	7.51	7.51
Less: Loss allowance	(12.35)	(12.35)
Total	463.83	295.96

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 to be availed by the Holding Company from such suppliers in the future.

9 Trade receivables	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good unless stated otherwise		
Trade receivables	821.39	764.23
Less: Loss allowance	(10.50)	(5.70)
Total	810.89	758.53

Notes:

- Trade receivables are non-interest bearing and the average credit period is between 0 to 30 days.
- 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.
- The Group writes off a trade receivable when there is information indicating that the customer is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the customer has been placed under liquidation or has entered into bankruptcy proceedings.

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

Ageing	Expected credit loss - Default Risk Rate (%)	
	As at 31 March 2024	As at 31 March 2023
Within the credit period	0.00%	0.00%
1-30 days past due	0.00%	0.00%
31-60 days past due	0.00%	0.00%
61-90 days past due	0.13%	0.11%
91-180 days past due	1.49%	1.66%
181-365 days past due	5.87%	5.59%
1 - 2 years past due	50.96%	42.28%
2 - 3 years past due	100.00%	100.00%
Over 3 years	100.00%	100.00%

Ageing	Expected credit loss - Delay Risk Rates(%)	
	As at 31 March 2024	As at 31 March 2023
Within the credit period	0.00%	0.00%
1-30 days past due	0.11%	0.12%
31-60 days past due	0.37%	0.39%
61-90 days past due	0.67%	0.72%
91-180 days past due	1.20%	1.30%
181-365 days past due	2.60%	2.76%
1 - 2 years past due	6.68%	7.53%
2 - 3 years past due	0.00%	0.00%
Over 3 years	0.00%	0.00%

Ageing	Expected credit loss	
	As at 31 March 2024	As at 31 March 2023
Within the credit period	0.00	0.00
1-30 days past due	0.01	0.01
31-60 days past due	0.02	0.01
61-90 days past due	-	0.00
91-180 days past due	0.92	1.14
181-365 days past due	0.63	0.87
1 - 2 years past due	2.76	3.58
2 - 3 years past due	6.16	0.05
Over 3 years	-	0.04
Total	10.50	5.70



Movement in the expected credit loss allowance

	As at 31 March 2024	As at 31 March 2023
Balance at beginning of the year	5.70	0.75
Movement in expected credit loss allowance on trade receivables	4.80	4.95
Balance at end of the year	10.50	5.70

Trade receivables ageing schedule

As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	625.03	125.72	52.28	7.41	4.51	6.36	0.08	821.39

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	537.04	159.79	49.68	* 10.44	7.20	0.05	0.03	764.23

10 (a) Cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Cash on hand*	-	0.00
Balance with bank		
- On current accounts	928.53	936.78
Total cash and cash equivalents	928.53	936.78
Notes		
Total cash and cash equivalents	928.53	936.78
Less: Bank overdraft (refer note 13)	(1,137.25)	(1,230.32)
Cash balance for the purposes of consolidated statement of cash flows	(208.72)	(293.54)

10 (b) Bank balances other than cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Deposits with		
- Maturity for less than twelve months**	1,013.10	1,212.50
- Maturity for more than twelve months**	2.28	-
	1,015.38	1,212.50
Less: Amount disclosed under non-current financial assets (refer note 7(c))	(2.28)	-
	1,013.10	1,212.50
Balances with banks:		
In Nodal account***	172.95	66.56
In Escrow account****	1,760.30	1,401.09
Total	2,946.35	2,680.15

* 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 961.56 million (31 March 2023 : INR 1,161.86 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 Group is required to maintain certain outstanding balances (i.e. the money collected against wallet balance from users in a separate account with a scheduled commercial bank) in escrow accounts. The amount received in these accounts, which are payable to users for settlement are restrictive in nature and cannot be used for general purposes. The amount in escrow account includes a balance in account of INR 850 million bearing interest rate of 4% p.a (31 March 2023 : INR 850 million bearing interest rate of 4% p.a).



11 Equity share capital

11(a) Equity share capital	Equity Shares (Face Value = INR 2/-)		Equity Shares (Face Value = INR 10/-)		Class A - Equity Shares (Face Value = INR 10/-)	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorised equity share capital						
As at 1 April 2022	8,00,00,000	160.00	-	-	-	-
Increase/decrease during the year	-	-	-	-	-	-
As at 31 March 2023	8,00,00,000	160.00	-	-	-	-
Increase/decrease during the year	-	-	-	-	-	-
As at 31 March 2024	8,00,00,000	160.00	-	-	-	-
Issued equity share capital (subscribed and fully paid)						
As at 1 April 2022	5,71,84,521	114.38	-	-	-	-
Increase/decrease during the year	-	-	-	-	-	-
As at 31 March 2023	5,71,84,521	114.38	-	-	-	-
Increase/decrease during the year	-	-	-	-	-	-
As at 31 March 2024	5,71,84,521	114.38	-	-	-	-

11(b) Instruments entirely equity in nature

Authorised preference share capital	Cumulative compulsory convertible preference shares (CCCPs) (Face value INR 100 per share)		Cumulative compulsory convertible preference share (CCCPs) (Face value INR 10 per share)	
	Number of shares	Amount	Number of shares	Amount
As at 1 April 2022	18,16,592	181.66	1,56,899	1.57
Increase/decrease during the year	-	-	-	-
As at 31 March 2023	18,16,592	181.66	1,56,899	1.57
Increase/decrease during the year	-	-	-	-
As at 31 March 2024	18,16,592	181.66	1,56,899	1.57

Notes:

1. Refer note 45 for CCPS issued and converted into equity shares.

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 to exercise voting rights on the series A 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 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 would have been entitled to, had each such holder of the Series A CCCPS elected to convert its Series A CCCPS into Equity shares based on the then applicable Series A Conversion Price 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, 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.

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 42).

11(e) Details of shareholders holding

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

	As at 31 March 2024		As at 31 March 2023	
	Number	% Holding	Number	% Holding
Equity shares of INR 2 each fully paid				
Bloin Preet Singh	1,14,30,478	19.99%	1,14,30,478	19.99%
Upasana Rupkrishan Taku	77,70,483	13.59%	77,70,483	13.59%
Bajaj Finance Limited	79,79,440	13.95%	79,79,440	13.95%
Sequoia Capital India Investments Iv	77,49,321	13.55%	77,49,321	13.55%
Net 1 Applied Technologies Netherlands B.V.	62,15,620	10.87%	62,15,620	10.87%

11(f) Other

a) Shares issued for consideration other than cash

Particulars	Bajaj Finance Limited*		New Delhi Television Limited*		Mobikwik Investment Adviser Private Limited (formerly known as Harvest Fintech Private Limited**)
For the year ended 31 March 2024	Number of shares	-	-	-	-
For the year ended 31 March 2023	Number of shares	-	-	-	-
For the year ended 31 March 2022	Number of shares	3,932	7,538	3,919	-
	Premium per share	8,134	9,930	12,350	-
For the year ended 31 March 2021	Number of shares	22,944	-	-	-
	Premium per share	8,134	-	-	-
For the year ended 31 March 2020	Number of shares	45,325	-	6,972	-
	Premium per share	8,134	-	8,134	-
For the year ended 31 March 2019	Number of shares	-	-	-	4,960
	Premium per share	-	-	-	10,297

* The Company issued CCCPS for INR 100 each at a premium mentioned above in lieu of extinguishment of outstanding trade payables.

** The Company issued equity shares for INR 10 each at a premium mentioned above in lieu of purchase of equity shares.



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the consolidated financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

b) **Share reserved for issue under contracts/ commitments:**

(i) The Company has reserved the following number of equity shares for creating a pool of employee stock options for the benefit of eligible employees on such terms and conditions as determined by the investors and the Board of Directors (Refer note 28).

Particulars	As at	As at
	31 March 2024	31 March 2023
Number of shares	45,64,260	45,64,260
Face value of shares	2	2
Amount	9.13	9.13
Percentage of capital	7.98%	7.98%

(ii) Also refer note 40, for CCCPS issued during the year ended 31 March 2023.

c) **Shares reserved for issue under options**

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

11(q) **Shareholding of promoters**

Shares held by promoters at the end of the year

Number of Shares	As at	As at
	31 March 2024	31 March 2023
Number of Shares		
Bipin Preet Singh	1,14,30,478	1,14,30,478
Upasana Rupkrishan Taku	77,70,483	77,70,483
Narinder Singh Family Trust	2,10,762	2,10,762
Koshur Family Trust	1,49,205	1,49,205
% of total shares		
Bipin Preet Singh	19.99%	19.99%
Upasana Rupkrishan Taku	13.59%	13.59%
Narinder Singh Family Trust	0.37%	0.37%
Koshur Family Trust	0.26%	0.26%
% Change during the year		
Bipin Preet Singh	0.00%	0.00%
Upasana Rupkrishan Taku	0.00%	0.00%
Narinder Singh Family Trust	0.00%	0.00%
Koshur Family Trust	0.00%	0.00%

12 **Other equity**

12 (a) **Other equity**

	As at	As at
	31 March 2024	31 March 2023
Securities premium	11,543.40	11,543.40
Other comprehensive income	13.14	8.51
Share application money pending allotment*	0.00	0.00
Employee share options reserve	582.13	528.00
Retained earnings	(10,627.16)	(10,767.35)
Total other equity	1,511.51	1,312.56

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

12 (b) **Movement in other equity**

	As at	As at
	31 March 2024	31 March 2023
Securities premium		
Balance as at the beginning of the year	11,543.40	11,543.40
Add: Received during the year	-	-
Balance as at the end of the year	11,543.40	11,543.40
Other comprehensive income		
Balance as at the beginning of the year	8.51	2.67
Add: Fair value changes on equity Investments through OCI	4.63	5.84
Balance as at the end of the year	13.14	8.51
Share application money pending allotment		
Balance as at the beginning of the year *	0.00	0.00
Add: Received during the year	-	-
Balance as at the end of the year	0.00	0.00
Employee share options reserve		
Balance as at the beginning of the year	528.00	432.76
Add: Employee stock options expense - equity settled (refer	54.13	95.24
Balance as at the end of the year	582.13	528.00
Retained earnings		
Balance as at the beginning of the year	(10,767.35)	(9,927.79)
Add: Profit/(loss) for the year	140.79	(838.14)
Add: Remeasurement of net defined benefit liability	(0.60)	(1.42)
Balance as at the end of the year	(10,627.16)	(10,767.35)

Notes :

- 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.
- Other comprehensive Income:- This represents the gain on fair value of investment in NPFI which have been classified to be valued under OCI.
- 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.
- Employee share options outstanding account:- Employee share option outstanding account is used to record the impact of employee stock option scheme. Refer note 28 for further detail of this plan.
- Retained earnings:- Retained earnings are the accumulated loss made by the Company till date.

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



	As at 31 March 2024	As at 31 March 2023
13 Borrowings		
Non-current		
Secured		
Non-convertible debentures (refer note 1 below)	721.33	492.41
Less: Current maturity of non-convertible debentures	(297.84)	(267.45)
Total Non-current	423.49	224.96
Current		
Unsecured		
Term loan from financial institution (refer note 3 below)	-	-
Secured		
From banks :		
Bank overdraft (refer note 2 below)	1,137.25	1,230.32
Term loan (refer note 2 below)	258.41	200.00
Current maturity of non-convertible debentures	297.84	267.45
Total Current	1,693.50	1,697.77

Notes:
1. The Holding Company had raised INR 500 million through issue of debentures (Non-convertible) during the year ended 31 March 2024 (31 March 2023 : INR 550 million). These debentures are secured by first pari passu charge created on present and future fixed and current & non current assets uncalled share capital and current and future cash flows of the Holding Company.

Fund Name	Face Value INR millions	No of Debentures	Year of maturity	ROI	EIR	Carrying Amount	
						As at 31 March 2024	As at 31 March 2023
Blacksoil Capital Private Limited	0.50	700	2024-25	14.00%	14.90%	140.22	306.24
Blacksoil India Credit Fund	0.50	200	2024-25	14.00%	14.90%	40.06	87.50
Karnation Fund I	1.00	100	2024-25	16.00%	17.91%	44.67	98.67
Blacksoil Capital Private Limited	0.50	800	2025-26	15.00%	15.87%	397.06	-
Blacksoil India Credit Fund	0.50	200	2025-26	15.00%	15.87%	99.27	-

2. Terms and repayment schedule related to bank overdraft and term loans.

Bank Name	Sanction Amount (INR million)	Year of maturity	Repayment terms	Security details	Effective Interest Rate charged per annum	
					As at 31 March 2024	As at 31 March 2023
Axis Bank - Bank overdraft	1,000.00	2023-24	Repayable on demand	Secured by way of first pari passu charge on all the present and future current assets (excluding the escrow balances), property plant and equipments	11.44%	11.26%
Axis Bank - Term Loan	200.00	2023-24	Repayable on demand	Secured by way of first pari passu charge on fixed deposit	11.61%	10.70%
SBI Bank - Bank overdraft	285.00	2023-24	Repayable on demand	Secured by way of first pari passu charge on all the present and future current assets (excluding the escrow balances)	7.37%	7.35%
ICICI Bank - Bank overdraft	150.00	2023-24	Repayable on demand	Secured by way of exclusive charge by way of hypothecation of assets procured using proceeds of facility.	11.17%	11.56%
Equentia Financial Service Private Limited	100.00	2024-25	Repayable in 12 instalment		13.25%	-

The unutilized sanction limits for bank overdrafts -

Bank Name	Nature of Facility	Amount 31 March 2024	As at 31 March 2023
AXIS Bank	Bank overdrafts	8.23	202.92
SBI Bank	Bank overdrafts	-	0.39
ICICI Bank	Bank overdrafts	4.52	1.37

3. The Holding Company had raised INR 163 million from DMI Finance Private Limited during the year ended 31 March 2022 as a Line of Credit at the interest rate of 16.00% p.a. with the validity of 1 year. The loan has been paid off on 15 October 2022.

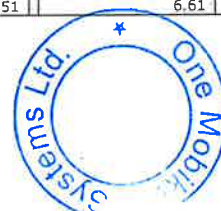
	As at 31 March 2024	As at 31 March 2023
14 Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (Refer note 38)	94.35	94.26
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,176.33	1,084.07
	2,270.68	1,178.33

Trade payables aging schedule
As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	80.35	3.76	1.32	-	-	85.43
Undisputed dues - Others	2,108.99	55.27	3.57	7.61	0.22	2,175.66
Disputed dues - MSME	-	8.92	0.00	-	-	8.92
Disputed dues - Others	-	-	-	-	0.67	0.67

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	71.08	22.78	0.00	0.10	0.30	94.26
Undisputed dues - Others	909.77	146.46	9.21	6.88	0.30	1,072.62
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	2.32	-	-	2.51	6.61	11.44



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the consolidated financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
15 Other financial liabilities		
Non-current		
Security deposits	0.35	0.35
	0.35	0.35
Current		
Security deposits	0.22	0.24
Advances from wallet users (user's balance)*	1,041.97	974.53
Financial guarantee obligation**	230.54	848.16
Payable to merchants	783.66	288.40
Payable to operators and aggregators	134.98	104.72
Others	42.76	83.57
	2,234.13	2,299.62
Total	2,234.48	2,299.97
* The user wallet balance is net off of INR 34.23 million (31 March 2023 : INR 16.01 million), which pertains to the transaction executed but have not been processed in the system due to payment cycle cut off.		
** For disclosure on inputs, assumptions and estimation techniques used in measurement of impairment loss on financial guarantee obligation, refer note 31		
16 Provisions	As at 31 March 2024	As at 31 March 2023
Non-current		
Provision for employee benefits		
Provision for gratuity*	25.16	22.04
Total	25.16	22.04
Current		
Provision for employee benefits		
Provision for gratuity*	10.28	6.71
Provision for leave encashment	17.48	14.89
Total	27.76	21.60
*For details of movement in provision for gratuity, refer note 27.		
17 Other liabilities	As at 31 March 2024	As at 31 March 2023
Current		
Statutory remittances	115.83	115.00
Deferred revenue	5.00	14.52
Customer incentives	8.38	6.98
Advance from customers	2.55	2.26
Total	131.76	138.76
18 Other tax assets (net)	As at 31 March 2024	As at 31 March 2023
Advance tax and tax deducted at source	292.30	117.59
Income tax payable	(1.23)	(0.30)
Total	291.07	117.29



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the consolidated financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

	For the year ended 31 March 2024	For the year ended 31 March 2023
19 Revenue from operations		
Financial Services	5,578.82	2,850.21
Payment Services	3,171.21	2,544.46
Total Revenue from operations	8,750.03	5,394.67
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.		
A. Financial services include MobiKwik Zip (which is flagship {upto 30-day} product), Zip EMI (which is a longer tenure credit product) and other credit products. It also includes revenue from wealthtech and fintech products, platform services specifically designed to drive credit business and amounts received from online promotions on such platforms.		
B. Payment services include revenue from merchant fee collected from a merchant and convenience fees collected from users under certain categories of services.		
19.1 Disaggregation of revenue based on timing of recognition of revenue:		
a Services transferred at point in time	8,740.51	5,378.73
b Services transferred over time	9.52	15.94
Total revenue from contract with customers	8,750.03	5,394.67
19.2 Reconciliation of revenue recognised in statement of profit and loss with contracted price:		
Revenue as per contracted price	8,786.78	5,414.68
Less: Variable consideration (including consideration payable to customer)	(36.75)	(20.01)
	8,750.03	5,394.67
19.3 For segment revenue from customers - Entity wide disclosure, refer note 32		
19.4 Transaction price allocated to the remaining performance obligations:		
The following table includes revenue expected to be recognised in the future related to performance obligation that are unsatisfied (or partially unsatisfied) at the reporting date:		
Sale of services	5.00	14.52
	5.00	14.52
Note: All the remaining performance obligation are expected to be recognised within one year		
19.5 Contract balances		
The following table provides information about contract liabilities from contract with customers		
	For the year ended 31 March 2024	For the year ended 31 March 2023
Deferred revenue (refer note 17)	5.00	14.52
Customer incentive (refer note 17)	8.38	6.98
Advances from customers (refer note 17)	2.55	2.26
Trade receivables (refer note 9)	810.89	758.53
Significant changes in the contract liabilities balances during the year are as follows:		
Deferred revenue	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance at the beginning of the year	14.52	24.01
Add: Amount received from customers during the year	-	3.50
Less: Revenue recognised during the year	(9.52)	(12.99)
Closing balance at the end of the year	5.00	14.52
Customer incentive	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance at the beginning of the year	6.98	12.69
Add: Created during the year	8.38	6.98
Less: Utilised during the year	(6.98)	(12.69)
Closing balance at the end of the year	8.38	6.98
Advance from customer	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance at the beginning of the year	2.26	1.93
Add: Received during the year	0.33	0.33
Less: Revenue recognised during the year	(0.04)	-
Closing balance at the end of the year	2.55	2.26
20 Other income	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income from financial assets measured at amortised cost		
- on bank deposits	110.11	92.53
- on security deposits	0.80	2.21
- on others	0.60	0.41
Interest on income tax refund	-	14.39
Liabilities / provisions no longer required written back*	40.78	106.20
Foreign exchange gain (net)	-	0.44
Miscellaneous income	0.83	0.31
Total	153.12	216.49

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



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the consolidated financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

	For the year ended 31 March 2024	For the year ended 31 March 2023
21 Employee benefits expense		
Salaries, allowance and bonus	1,059.21	850.39
Gratuity expense (refer note 27)	8.54	7.84
Leave encashment expense	7.12	7.48
Contribution to provident and other funds	27.01	15.51
Employee stock options expense - equity settled (refer note 28)	54.13	95.24
Staff welfare expenses	3.73	5.79
Total	1,159.74	982.25
22 Finance costs		
Interest expense on financial liabilities at amortised cost		
- on overdraft	89.45	111.91
- on non-convertible debentures	60.48	51.73
- on other borrowings	11.58	16.71
- on lease liability (refer note 37)	12.31	12.60
- others	-	2.08
Interest expense on delayed payment of statutory dues	0.03	0.01
Others	14.40	9.20
Total	188.25	204.24
23 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 4)	17.60	19.80
Depreciation on right-of-use assets (refer note 37)	25.55	23.02
Total	43.15	42.82
24 Other expenses		
Business promotion*	1,064.28	845.62
Franchisee cost	1.45	23.25
Advertisement	33.41	44.05
B2B commission expense	37.18	18.21
Lease rent (refer note 37)	24.10	12.74
Rates and taxes	4.54	19.26
Communication costs	132.34	74.17
Outsource service cost	298.51	281.00
Foreign exchange loss (net)	1.13	-
Power and fuel	1.81	1.27
Merchant related costs	165.68	64.77
Repair and maintenance:		
-Plant and machinery	0.25	0.41
-Others	16.38	13.40
Server and related cost	192.24	140.98
Travelling and conveyance	25.41	23.62
Legal and professional fees	201.69	115.25
Auditor's remuneration**	5.36	4.46
Insurance expenses	4.79	3.03
Software expenses	31.79	26.68
IMPS Expenses	31.19	8.59
Impairment loss on trade receivables	4.80	4.95
Provision for doubtful advances	-	56.90
Bad debts	-	13.00
Advances written off	-	10.29
Miscellaneous expenses	46.62	34.72
Total	2,324.95	1,840.62
*Includes user incentive expenses amounting to INR 540.03 million (31 March 2023: INR 514.19 million)		
**Includes payments to statutory auditors (exclusive of Goods and Service Tax)		
For audit	5.25	4.20
For reimbursement of expenses	0.11	0.26
	5.36	4.46



25 Earnings per share (EPS)

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

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

	For the year ended 31 March 2024	For the year ended 31 March 2023
Basic		
Profit/(Loss) for the year (A)	140.79	(838.14)
Weighted average number of equity shares and CCPS in calculating basic EPS (B) (refer note 1 below)	5,71,84,521	5,71,84,521
Basic profit/(loss) per equity share (A/B) (INR)	2.46	(14.66)
Diluted		
Profit/(Loss) for the year (A)	140.79	(838.14)
Weighted average number of equity shares and CCPS in calculating basic and diluted EPS (B)	5,71,84,521	5,71,92,579
Dilutive effect of share options	19,27,709	-
Weighted average number of equity shares in calculating diluted EPS (refer note 1 below)	5,91,12,230	5,71,92,579
Diluted profit/(loss) per equity share (A/B) (INR)	2.38	(14.66)

(1) There are potential equity shares as at 31 March 2024 and 31 March 2023 in the form of stock options granted to employees. As at 31 March 2023, these are anti dilutive, they are ignored in the calculation of diluted profit/(loss) per share and accordingly the diluted profit/(loss) per share is the same as basic profit/(loss) per share.



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the consolidated financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

26 Income tax

a) Income tax expense/(credit) recognised in consolidated statement of Profit and Loss:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax		
For the year	1.23	0.73
Changes in estimates related to prior years	(1.22)	-
	0.01	0.73
Deferred tax		
Relating to origination and reversal of temporary differences	-	31.15
	-	31.15
Total income tax expense	0.01	31.88

b) The income tax expense for the year can be reconciled to the Profit/(Loss) before tax as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit/(Loss) before tax	140.80	(806.26)
Accounting loss before income tax	140.80	(806.26)
Changes in estimates related to prior years	(1.22)	-
Tax expense using the Company's tax rate of 26.00% (31 March 2023: 26.00%)	36.61	(209.63)
Utilisation of tax losses	(204.50)	-
Effect of tax rates in other subsidiaries	(2.25)	(1.39)
Other non-deductible expenses	0.46	1.47
Temporary differences and tax losses on which no deferred tax was recognised	170.89	241.32
Tax expense at the effective income tax rate of 0.01% (31 March 2023: (3.94%))	0.01	31.78

c) Breakup of deferred tax recognised in the Consolidated Balance Sheet

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax asset		
Tax business losses and unabsorbed business losses	1,715.37	2,013.62
Property, plant and equipment and other intangible assets	3.66	3.16
Lease liabilities	29.58	34.58
Trade receivable	2.73	1.48
Impairment loss on Digital Financial Services	59.94	220.52
Provision for employee benefits	13.60	11.28
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	336.54	100.40
Total	2,161.42	2,385.04
Total deferred tax assets recognised (A) (refer note below)	26.56	33.23
Deferred tax liabilities		
Non-convertible debentures	0.91	0.93
Right-of-use assets	25.65	32.30
Total deferred tax liabilities (B)	26.56	33.23
Net deferred tax assets/(liabilities) (A-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) The major components of deferred tax assets/(liabilities) arising on account of temporary differences

	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	-	31.15
Recognised in Consolidated Statement of Profit and Loss :-		
Tax business losses and unabsorbed business losses	-	(31.15)
Recognised in Consolidated Statement of Profit and Loss	-	(31.15)
Recognised in other comprehensive income :-		
Tax business losses and unabsorbed business losses	-	-
Recognised in other comprehensive income	-	-
Balance at the end of the year	-	-

e) Detail of deductible temporary differences and unused tax losses for which no deferred tax asset is recognised in the Consolidated Balance Sheet

Particulars	As at 31 March 2024	As at 31 March 2023
Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised are attributable to the following:		
- tax business losses	6,509.45	7,538.08
- unabsorbed depreciation	90.33	74.85
- other deductible temporary differences	1,613.44	1,300.72
	8,213.22	8,913.65

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.

Expiry period of tax business losses 2024-32 2023-31

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.



27 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 27.01 million during the year ended 31 March 2024 (31 March 2023: INR 15.51 million) for provident fund and other funds in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

B Defined benefit plans

Gratuity - defined benefit plan

The Group's gratuity scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' basic salary payable for each completed year of service or part thereof in excess of 6 months, subject to a maximum limit of INR 2.00 million in terms of the provisions of Gratuity Act, 1972. Vesting occurs upon completion of 5 years of service.

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

The amount included in the consolidated financial statement arising from the Group's obligation in respect of its gratuity plan is as follows:

Gratuity - defined benefit plan

	As at 31 March 2024	As at 31 March 2023
Present value of un-funded defined benefit obligation	35.44	28.75

a) Reconciliation of the net defined benefit liability.

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

Reconciliation of present value of defined benefit obligation for Gratuity

	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	28.75	26.16
Benefits paid	(2.44)	(6.67)
Current service cost	6.47	6.22
Interest cost	2.07	1.62
Actuarial (gains) losses		
- changes in demographic assumptions	0.13	(0.20)
- changes in financial assumptions	0.15	(1.06)
- experience adjustments	0.31	2.68
Balance at the end of the year	35.44	28.75

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

	For the year ended 31 March 2024	For the year ended 31 March 2023
Current service cost	6.47	6.22
Net interest expense	2.07	1.62
Recognised in profit or loss	8.54	7.84
Remeasurement of the net defined benefit liability		
Actuarial (gain) loss on defined benefit obligation	0.59	1.42
Recognised in other comprehensive income	0.59	1.42

The most recent actuarial valuations of the present value of the defined benefit liability were carried out at 31 March 2024. The present value of the defined benefit liability, and the related current service cost and past service cost, were measured using the projected unit credit method.

c) Amount recognised in Restated Consolidated statement of assets and liabilities :

	As at 31 March 2024	As at 31 March 2023
Current benefit obligation	10.28	6.71
Non - Current benefit obligation	25.16	22.04
Liability recognised in provisions	35.44	28.75



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the consolidated financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

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

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

	As at 31 March 2024	As at 31 March 2023
Discount rate	7.09%-7.10%	7.26%-7.28%
Expected rate of salary increase	12.00%	12.00%
Retirement age	58 years	58 years
Attrition rate	28.00%-40.00%	40.00%
Mortality table	India Assured Life Mortality	India Assured Life Mortality

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

e) 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.

f) Sensitivity analysis

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

For the year ended 31 March 2024

	Increase	Decrease
Impact of change in discount rate by 1%	(0.86)	0.90
Impact of change in salary by 1%	0.78	(0.76)
Impact of change in employee turnover rate by 1%	(0.38)	0.39

For the year ended 31 March 2023

	Increase	Decrease
Impact of change in discount rate by 1%	(0.84)	0.89
Impact of change in salary by 1%	0.69	(0.68)
Impact of change in employee turnover rate by 1%	(0.20)	0.21

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.

g) The table below summarises the maturity profile and duration of the gratuity liability based on undiscounted expected future cashflows:

Particulars	As at 31 March 2024	As at 31 March 2023
1st following year	10.64	6.95
2nd following year	7.83	5.94
3rd following year	6.46	4.79
4th following year	5.71	4.43
5th following year	4.27	4.11
Sums of years 6 to 10	7.34	8.78
Total	42.25	34.99



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the consolidated financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

28 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.

The ESOP 2014 scheme was amended and 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.

ZAAK EPAYMENTS SERVICES PRIVATE LIMITED (hereinafter referred as "subsidiary company") established the ESOP Scheme 2020 ("Zaakpay ESOP Scheme 2020") which was approved by the shareholders vide their special resolution dated on 31 December 2020. 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 ranging from 3 to 4 years.

Exercise period:

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

(b) Movements during the year

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

ESOP 2014 Scheme :

	As at 31 March 2024		As at 31 March 2023	
	Number of Options	WAEP	Number of options	WAEP
Outstanding at the beginning of the year	1,08,081	2,565.85	1,18,737	2,689.44
Options forfeited during the year	(300)	8,143.79	(10,656)	3,942.93
Options outstanding at the end of the year	1,07,781	2,550.32	1,08,081	2,565.85
Vested options outstanding at the end of the year (Exercisable)	1,04,340	2,396.53	97,358	2,343.31

The share options outstanding at the end of the year had a weighted average exercise price of INR 2,550.32 (31 March 2023: INR 2,565.85), and a weighted average remaining contractual life of 3.16 years (31 March 2023: 3.98 years).

Amended ESOP 2014 Scheme :

	As at 31 March 2024		As at 31 March 2023	
	Number of Options	WAEP	Number of Options	WAEP
Outstanding at the beginning of the year	3,18,769	2.00	1,93,395	2.00
Options granted during the year	3,30,444	2.00	1,85,070	2.00
Options forfeited during the year	(1,55,795)	2.00	(59,696)	2.00
Options Outstanding at the end of the year	4,93,419	2.00	3,18,769	2.00
Vested Options Outstanding at the end of the year (Exercisable)	98,338	2.00	41,289	2.00

The share options outstanding at the end of the year had a weighted average exercise price of INR 2.00 (31 March 2023: INR 2.00), and a weighted average remaining contractual life of 8.34 years (31 March 2023: 8.53 years).

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

Zaakpay Employee Share Options Scheme

	As at 31 March 2024		As at 31 March 2023	
	Number of Options	WAEP	Number of Options	WAEP
Outstanding at the beginning of the year	169	1	383	5,054
Options forfeited during the year	(30)	1	(214)	9,044
Options outstanding at the end of the year	139	1	169	1
Vested options outstanding at the end of the year (Exercisable)	65	1	40.00	1

The share options outstanding at the end of the year had a weighted average exercise price of INR 1 (31 March 2023: INR 1), and a weighted average remaining contractual life of 10.26 years (31 March 2023: 11.92 years).

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

ESOP 2014 Scheme :

Exercise price (Amount in INR)	As at 31 March 2024	As at 31 March 2023
	10	21,045
40	15,214	15,231
695	32,483	32,483
2,884	82	82
4,475	9,404	9,404
5,708	2,374	2,374
6,587	6,066	6,088
7,307	19,427	19,427
8,024	1,602	1,758
9,960	86	191



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the consolidated financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

Amended ESOP 2014 Scheme :

Exercise price (Amount in INR)	As at 31 March 2024	As at 31 March 2023
2	4,93,419	3,18,769

Zaakpay Employee Share Options Scheme

Exercise price (Amount in INR)	As at 31 March 2024	As at 31 March 2023
1	139	169

d) The weighted average fair value of options granted under the ESOP 2014 scheme during the year was INR Nil per option (31 March 2023: INR Nil per option) and in case of subsidiary company under Zaakpay Employee Share Option Scheme was also INR Nil per option (31 March 2023: INR Nil per option) as no new grants were issued during the year under the aforesaid mentioned schemes. The weighted average fair value of options granted under the Amended ESOP 2014 scheme during the year was INR 664.10 per option (31 March 2023: INR 599.18 per option).

	For the year ended 31 March 2024	For the year ended 31 March 2023
e) Expense arising from equity-settled share-based payment transactions	54.13	95.24

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

Inputs for measurement of grant date fair values of ESOPs

Amended ESOP 2014 Scheme :

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Exercise price- (in INR)	2	2
Fair value at grant date- (in INR)	637 - 691	599
Expected Volatility (Standard Deviation - Annual)	42.0% - 59.7%	43.5% - 48.0%
Risk free rate	7.1% - 7.4%	7.0% - 7.6%
Dividend yield	0.00%	0.00%

The estimation of fair value on date of grant was made using the Black-Scholes model and the Monte Carlo Simulations (MCS) Method in the Subsidiary Company with the following assumption :

Zaakpay Employee Share Options Scheme

Inputs for measurement of grant date fair values of ESOPs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Exercise price- (in INR)	-	-
Fair value at grant date- (in INR)	-	-
Expected Volatility (Standard Deviation - Annual)	-	-
Risk free rate	-	-
Dividend yield	-	-



29 Fair value measurements

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

Level	As at	As at	
	31 March 2024	31 March 2023	
Financial assets			
a) Measured at fair value through other comprehensive income (FVTOCI)			
- Investment in NPCI (refer note 7(a))	Level 3	20.83	16.21
- Investment in AL Trust (refer note 7(a))	Level 3	10.20	-
- Investment in Blostem Fintech Pvt Ltd (refer note 7(a))	Level 3	15.02	-
		<u>46.05</u>	<u>16.21</u>
b) Measured at amortised cost			
- Trade receivable (refer note 9)	Level 3	810.89	758.53
- Cash and cash equivalents (refer note 10 (a))	Level 3	928.53	936.78
- Other bank balances (refer note 10 (a))	Level 3	2,946.35	2,680.15
- Others financial assets (refer note 7(c))	Level 3	<u>1,777.11</u>	<u>853.56</u>
		<u>6,462.88</u>	<u>5,229.02</u>
Total financial assets		<u>6,508.93</u>	<u>5,245.23</u>
Financial liabilities			
a) Not measured at fair value (Other financial liabilities)			
- Borrowings (refer note 13)	Level 3	2,116.99	1,922.73
- Lease liabilities (refer note 37)	Level 3	113.77	132.97
- Trade payables (refer note 14)	Level 3	2,270.68	1,178.33
- Security deposits (refer note 15)	Level 3	0.57	0.59
- Other financial liabilities (refer note 15)	Level 3	<u>2,233.91</u>	<u>2,299.38</u>
Total financial liabilities		<u>6,735.92</u>	<u>5,534.00</u>

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

- 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.
- 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.
- Fair value of Investment in NPCI is based on net asset value. Further the investment in AL Trust and Blostem Fintech Private Limited is made near the reporting date bases the fair value and accordingly, cost of investment represents fair value as at 31 March 2024.

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

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

Financial assets	Valuation techniques	Significant unobservable inputs	Sensitivity	Inter-relationship between significant observable inputs and fair value measurement
Investment in equity instruments of other entities National Payment Corporation of India ("NPCI")	Refer note below*	Net asset value	Refer note below**	Not applicable

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

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

Reconciliation of level 3 fair value measurements

	Investment in equity instruments of other entities	
	As at 31 March 2024	As at 31 March 2023
Opening balance	16.21	10.37
Additions	25.21	-
Gains recognised in OCI	4.63	5.84
Closing balance	<u>46.05</u>	<u>16.21</u>

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.



30 Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of net debt (note 13) offset by cash and bank balance (note 10) and total equity of the Group. The Group is not subject to any externally imposed capital requirements.

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

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

Gearing ratio

The Group monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents)
divided by
Total equity (as shown in the statement of assets and liabilities).
The gearing ratio at end of the reporting year was as follows.

	As at 31 March 2024	As at 31 March 2023
Borrowings	2,116.99	1,922.73
Cash and cash equivalents	(928.53)	(936.78)
Adjusted Net Debt (A)	1,188.46	985.95
Total equity (B)	1,625.89	1,426.94
	73%	69%

Net debt to equity ratio

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

31 Financial risk management objectives and policies

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

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

i) Credit risk management

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

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

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

Trade receivables

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

Ageing of receivables is as follows :

	As at 31 March 2024	As at 31 March 2023
Unbilled	625.03	537.04
Not Due	125.72	159.79
Less than 6 months	52.28	49.68
6 months - 1 year	7.41	10.44
1-2 years	4.51	7.20
2-3 years	6.36	0.05
More than 3 years	0.08	0.03
Total	821.39	764.23

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.

Impairment losses on financial assets recognised in Consolidated Statement of Profit and Loss are as follows.

	For the year ended 31 March 2024	For the year ended 31 March 2023
Impairment loss on trade receivables	4.80	4.95
Provision for doubtful advances	-	56.90
Total	4.80	61.85



Digital Financial Services

The Group exposure to credit risk is from the Digital financial services business in which the Group facilitates credit to its users through financing partners. The Group provides financial guarantees on the Digital financial services business to its financing partners to cover the loss on the credit extended to its users. Financial guarantees are capped to the extent agreed with the respective partner in line with Digital Lending guidelines issued by RBI.

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

The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual users and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

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

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

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

Concentration of credit risk

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

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on spreading its Digital Financial Services portfolio across various products/states/customer base with a cap on maximum limit of exposure for an individual/Group.

While Mobikwik has diversified partners to support platform for financial services products, one of the products that scaled rapidly during the year ended 31 March 2024, combined with the updated regulations over the past one year, led to two of Holding Company's lending partners contributing significantly to overall revenue. The Company is in process to substantially reduce this concentration risk over the next 12 months.

Expected credit loss on financial guarantee contract

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

Expected credit loss (ECL) methodology

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

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

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

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

Each financial guarantee contract is classified into (a) Stage 1, (b) Stage 2 and (c) Stage 3 (Default or Credit Impaired). Delinquency buckets have been considered as the basis for the staging of all credit exposure under the guarantee contract in the following manner:

- a) Stage 1: 0-30 days past due loans
- b) Stage 2: More than 30 and up to 90 days past due loans
- c) Stage 3: Above 90 days past due loans

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

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

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

Analysis of portfolio

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

Particulars	(A) Gross exposure at default (EAD)*	(B) Expected credit loss allowance (ECL)*	(C) Net carrying amount (financial guarantee obligation)*	(D) Impact on profit or loss**
As at 31 March 2024				
Where credit risk has not significantly increased from initial recognition (Stage 1)	36.07	0.59	0.59	326.55
Where credit risk has increased significantly but are not credit impaired (Stage 2)	3.14	1.39	1.39	
Where credit risk has increased significantly and are credit impaired (Stage 3)	230.65	228.56	228.56	
Total	269.86	230.54	230.54	326.55
As at 31 March 2023				
Where credit risk has not significantly increased from initial recognition (Stage 1)	1,511.86	19.63	19.63	1,095.93
Where credit risk has increased significantly but are not credit impaired (Stage 2)	174.52	79.20	79.20	
Where credit risk has increased significantly and are credit impaired (Stage 3)	804.94	749.33	749.33	
Total	2,491.32	848.16	848.16	1,095.93



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 Consolidated Statement of profit or loss (D)** is the loss allowance recognized during the financial year.

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

Particulars	Financial guarantee obligation where credit risk has not significantly increased from initial recognition (Stage 1)	Financial guarantee obligation where credit risk has increased significantly but are not credit impaired (Stage 2)	Financial guarantee obligation where credit risk has increased significantly and are credit impaired (Stage 3)	Total
ECL allowance as at 1 April 2022	64.05	181.81	244.01	489.87
- New credit exposures during the year, net of repayments	19.46	78.29	528.21	625.96
- Contracts settled during the year	(58.43)	(170.42)	(513.06)	(741.91)
- Transfer between stages during the year	(4.68)	32.76	18.16	46.24
- Financial guarantee contract obligations accrued but not settled (refer note below)	-	-	526.71	526.71
- Movement due to opening EAD and credit risk	(0.78)	(43.25)	(54.71)	(98.74)
ECL allowance as at 31 March 2023	19.62	79.19	749.33	848.13
- Contracts settled during the year	(18.95)	(79.12)	(520.76)	(618.82)
- Transfer between stages during the year	(0.06)	1.32	-	1.25
- Movement due to opening EAD and credit risk	(0.02)	(0.00)	(0.03)	(0.05)
ECL allowance as at 31 March 2024	0.59	1.39	228.56	230.51

Note - During the year ended 31 March 2024 and 31 March 2023, financial obligation amounting to INR 843.47 million and INR 1031.06 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 March 2024	As at 31 March 2023
Bank overdraft and term loan facility:		
- Amount utilised	1,395.66	1,430.32
- Amount unutilised	12.75	192.19

Maturities of financial liabilities

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

Contractual maturities of financial liabilities

As at 31 March 2024	Carrying amount	Within 1 year	Between 1 and 5 years	Total
Trade payables	2,270.68	2,270.68	-	2,270.68
Lease liabilities	113.77	32.43	105.75	138.18
Other financial liabilities	2,003.94	2,003.59	0.35	2,003.94
Financial guarantee obligation	230.54	230.54	-	230.54
Borrowings	2,116.99	1,697.38	423.08	2,120.46
	6,735.92	6,234.62	529.18	6,763.80
As at 31 March 2023	Carrying amount	Within 1 year	Between 1 and 5 years	Total
Trade payables	1,178.33	1,178.33	-	1,178.33
Lease liabilities	132.97	31.50	138.18	169.68
Other financial liabilities	1,451.81	1,451.46	0.35	1,451.81
Financial guarantee obligation	848.16	848.16	-	848.16
Borrowings	1,922.73	1,701.52	224.80	1,926.32
	5,534.00	5,210.97	363.33	5,574.30



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)**Notes to the consolidated financial statements for the year ended 31 March 2024**

(Amounts in INR millions, unless otherwise stated)

iii) Market risk

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

(a) Interest rate risk

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

Sensitivity

	Impact on profit/loss before tax	
	31 March 2024	31 March 2023
Fixed - rate instruments		
Financial liabilities	721.33	492.41
Financial assets	1,015.38	1,212.50
Variable - rate instruments		
Financial liabilities	1,395.66	1,430.32
Impact on equity before tax		
+ 0.5% change in interest rate (Bank overdraft & term loan)	(6.98)	(7.15)
- 0.5% change in interest rate (Bank overdraft & term loan)	6.98	7.15
Impact on equity after tax		
+ 0.5% change in interest rate (Bank overdraft & term loan)	(5.16)	(5.29)
- 0.5% change in interest rate (Bank overdraft & term loan)	5.16	5.29

(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:

Exposure in USD (absolute amount)	As at	As at
	31 March 2024	31 March 2023
Trade receivable	1,718.00	12,814.00
Other financial asset	-	63,312.27
Trade Payable	(15,000.00)	(1,01,211.00)
Exposure in INR (million)	As at	As at
	31 March 2024	31 March 2023
Trade receivable	0.14	1.05
Other financial asset	-	5.21
Trade Payable	(1.25)	(8.32)
Net exposure	(1.11)	(2.06)

Sensitivity**Receivable**

	Impact on profit/(loss) before tax	
	31 March 2024	31 March 2023
Impact on equity before tax		
+ 5% change in currency exchange rate	0.01	0.31
- 5% change in currency exchange rate	(0.01)	(0.31)
Impact on equity after tax		
+ 5% change in currency exchange rate	0.01	0.23
- 5% change in currency exchange rate	(0.01)	(0.23)

Payable

	Impact on profit/(loss) before tax	
	31 March 2024	31 March 2023
Impact on equity before tax		
+ 5% change in currency exchange rate	(0.06)	(0.42)
- 5% change in currency exchange rate	0.06	0.42
Impact on equity after tax		
+ 5% change in currency exchange rate	(0.05)	(0.31)
- 5% change in currency exchange rate	0.05	0.31

(c) Price risk

Investment of funds of the Company in National Payment Corporation of India (NPCI), Blostern Fintech Private Limited and AL Trust is categorized as 'low risk' product from liquidity risk perspectives.

Sensitivity

	Impact on profit/(loss) before tax	
	31 March 2024	31 March 2023
+ 5% change in fair value	2.30	0.81
- 5% change in fair value	(2.30)	(0.81)



32 Segment reporting

The Group operates in a single operating segment only which is financial and payment services. The Group has revenues primarily from customers in India.

Segment revenue from customers - Entity wide disclosure;

Particulars	Year ended	
	31 March 2024	31 March 2023
India	8,741.51	5,373.00
Outside India	8.52	21.67
Total Revenue	8,750.03	5,394.67

Total current liabilities from customers by geographic area based on location of the customers is as follows;

Particulars	Year ended	
	31 March 2024	31 March 2023
India	6,375.02	5,350.27
Outside India	5.00	5.00
Total Liabilities	6,380.02	5,355.27

Major Customers:

Revenues of INR 4,613.81 million (31 March 2023 :933.32) is derived from sales to a single customer exceeding 10% or more of the company's revenue during the year.

33 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the Entity	Net Assets i.e. Total Asset minus Total Liabilities		Share in profit or loss		Share in other comprehensive Income		Share in total comprehensive Income	
	As a % of Consolidated Net Assets	Amount INR million	As a % of consolidated profit or loss	Amount INR million	As a % of consolidated OCI	Amount INR million	As a % of consolidated Total OCI	Amount INR million
Parent								
ONE MOBIKWIK SYSTEMS LIMITED								
Balance as at 31 March 2024	110%	1,785.45						
Balance as at 31 March 2023	115%	1,639.90						
For the year ended 31 March 2024			64%	89.42	104%	4.18	65%	93.60
For the year ended 31 March 2023			99%	(825.95)	94%	4.17	99%	(821.78)
Subsidiaries - Indian								
ZAAK EPAYMENT SERVICES PRIVATE LIMITED								
Balance as at 31 March 2024	23%	381.32						
Balance as at 31 March 2023	26%	364.44						
For the year ended 31 March 2024			11%	14.84	-4%	(0.15)	10%	14.69
For the year ended 31 March 2023			-2%	16.88	6%	0.25	-2%	17.12
MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as HARVEST FINTECH PRIVATE LIMITED)								
Balance as at 31 March 2024	0%	6.77						
Balance as at 31 March 2023	1%	9.30						
For the year ended 31 March 2024			-7%	(10.53)	0%	-	-7%	(10.53)
For the year ended 31 March 2023			0%	(0.94)	0%	-	0%	(0.94)
MOBIKWIK CREDIT PRIVATE LIMITED								
Balance as at 31 March 2024	2%	32.97						
Balance as at 31 March 2023	2%	30.92						
For the year ended 31 March 2024			1%	2.05	0%	-	1%	2.05
For the year ended 31 March 2023			0%	0.80	0%	-	0%	0.80
MOBIKWIK FINANCE PRIVATE LIMITED								
Balance as at 31 March 2024	2%	33.57						
Balance as at 31 March 2023	2%	31.70						
For the year ended 31 March 2024			1%	1.87	0%	-	1%	1.87
For the year ended 31 March 2023			0%	0.93	0%	-	0%	0.93
Adjustment arising out of consolidation								
Balance as at 31 March 2024	-38%	(614.19)						
Balance as at 31 March 2023	-46%	(649.32)						
For the year ended 31 March 2024			31%	43.15	0%	-	30%	43.15
For the year ended 31 March 2023			4%	(29.86)	0%	-	4%	(29.86)
Total								
Balance as at 31 March 2024		1,625.89						
Balance as at 31 March 2023		1,426.94						
For the year ended 31 March 2024				140.79		4.03		144.82
For the year ended 31 March 2023				(838.14)		4.42		(833.72)



34 Related party transactions

i) Names of related parties and related party relationship with whom transactions have taken place:

a) Entity's subsidiaries

ZAAK EPAYMENTS SERVICES PRIVATE LIMITED
MOBIKWIK FINANCE PRIVATE LIMITED
MOBIKWIK CREDIT PRIVATE LIMITED
HARVEST FINTECH PRIVATE LIMITED

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

Name	Designation
Mr. Bipin Preet Singh	Managing Director & Chief Executive Officer
Ms. Upasana Rupkrishan Taku	Chairperson, Whole-time Director, Chief Financial Officer (w.e.f. 15 June 2023) and Chief Operating Officer (till 21 December 2023)
Mr. Chandan Joshi	Whole-time Director (w.e.f 23 June 2021, till 6 June 2023)
Mr. Dilip Bidani	Chief Financial Officer (w.e.f 29 June 2021, till 16 December 2022)
Mr. Rahul Luthra	Company Secretary (w.e.f 17 April 2021, till 14 March 2023)
Mr. Rajat Kayathwal	Company Secretary (w.e.f 12 September 2023 till 04 December 2023)
Ms. Ankita Sharma	Company Secretary (w.e.f. 05 December 2023)
Ms. Punita Kumar Sinha	Independent Director (w.e.f 7 July 2021)
Ms. Sayali Karanjkar	Independent Director (w.e.f 7 July 2021)
Mr. Navdeep Singh Suri	Independent Director (w.e.f 7 July 2021)
Mr. Raghuram Hiremagalur Venkatesh	Independent Director (w.e.f 7 July 2021)
Mr. Vineet Bansal	Non-Executive, Non-Independent Nominee director (w.e.f 5 December 2023)

b) Others

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

ii) Transactions with related parties

(a) Remuneration to Key Management Personnel (KMP)

	For the year ended 31 March 2024	For the year ended 31 March 2023
Short-term employee benefits	100.99	90.39
Post-employment gratuity	1.35	1.28
Other long term employee benefits	-	0.15
Share based payments	0.19	6.19
Director's sitting fees and remuneration	14.00	9.60

iii) Outstanding balances with related parties

(a) Salary Payable

	As at 31 March 2024	As at 31 March 2023
- Mr. Bipin Preet Singh	23.59	1.09
- Ms. Upasana Rupkrishan Taku	23.59	1.09
- Mr. Rahul Luthra	-	0.12
- Ms. Ankita Sharma	0.22	-
- Mr. Chandan Joshi	-	8.57

(b) Loans and Advances (Forex cards)

- Mr. Bipin Preet Singh	0.04	0.04
- Ms. Upasana Taku	1.79	1.79

(c) Payable to Independent directors

- Ms. Punita Kumar Sinha	0.63	0.50
- Ms. Sayali Karanjkar	0.92	0.56
- Mr. Navdeep Singh Suri	1.01	0.65
- Mr. Raghuram Hiremagalur Venkatesh	0.36	0.43

(d) Payable for expenses

- Utma Taku	1.64	1.64
-------------	------	------

(e) Share issue expense (recoverable)

- Mr. Bipin Preet Singh	-	0.67
- Ms. Upasana Taku	-	0.34

(iv) Terms and Conditions

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

(v) Disclosure required under Sec 186(4) of the Companies Act 2013

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

Investment Made

Particulars	No of shares held	As at 31 March 2024	As at 31 March 2023
ZAAK EPAYMENTS SERVICES PRIVATE LIMITED	31 March 2024 : 118,209, 31 March 2023 : 118,209 equity shares of INR 1/- each	564.51	564.51
MOBIKWIK FINANCE PRIVATE LIMITED	31 March 2024 : 2,500,000, 31 March 2023 : 2,500,000 equity shares of INR 10/- each	25.00	25.00
MOBIKWIK CREDIT PRIVATE LIMITED	31 March 2024 : 2,500,000, 31 March 2023 : 2,500,000 equity shares of INR 10/- each	25.00	25.00
MOBIKWIK INVESTMENT ADVISER PRIVATE LIMITED (formerly known as HARVEST FINTECH PRIVATE LIMITED)	31 March 2024 : 2,113,439, 31 March 2023 : 1,313,439 equity shares of INR 10/- each	83.49	75.49



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)
Notes to the consolidated financial statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

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

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Claims against the Group not acknowledged as debts:		
Other income tax matters	4.14	4.14
Amount paid under protest relating to the above matter	1.83	1.83
(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.		

36 During the year ended 31 March 2023, the Holding Company noted that due to some technical glitch on the MobiKwik platform some of the users were able to execute fraudulent transactions for the purchase of Gift cards. Based on the management assessment, the total amount of transactions executed is INR 69.49 million. The Holding Company was able to block the transactions worth INR 14.86 million. Accordingly, the loss on account of the above-mentioned matter is INR 54.63 million. No employees or officer of the Holding Company was involved in this fraud.

The Holding Company has filed a criminal complaint against the accused persons before the Cyber Cell, Gurgaon and the matter is under the police investigation. Further, the Holding Company has also been able to recover INR 6.88 million till date.

37 Right-of-use assets - Leases

The Group's leased assets primarily consist of lease of office space.

Group as a lessee

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

Particulars	Office space	Total
As at 1 April 2022 (A)	71.51	71.51
Additions	80.70	80.70
As at 31 March 2023 (A)	152.21	152.21
Additions	-	-
As at 31 March 2024 (A)	152.21	152.21
Accumulated depreciation		
Particulars	Office space	Total
As at 1 April 2022 (B)	4.98	4.98
Charge for the year	23.02	23.02
As at 31 March 2023 (B)	28.00	28.00
Charge for the year	25.55	25.55
As at 31 March 2024 (B)	53.55	53.55
Net carrying amount (A) - (B)		
As at 31 March 2024	98.66	98.66
As at 31 March 2023	124.21	124.21

Amounts recognised in Consolidated Statement of Profit and Loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on right-of-use assets	25.55	23.02
Interest expense on lease liability	12.31	12.60
Expense relating to short-term leases	24.10	12.74

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance	132.97	68.01
Additions	-	77.80
Amounts recognised in statement of profit and loss as interest expense	12.31	12.60
Payment of lease liabilities	(31.50)	(25.44)
Closing balance	113.78	132.97

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current	22.19	19.19
Non-current	91.59	113.78

Amounts recognised in Consolidated Statement of Cash Flows

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Total cash outflow for leases	31.50	25.44

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 31

38 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	For the year ended 31 March 2024	For the year ended 31 March 2023
1. Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	94.35	94.26
- Principal amount due to micro and small enterprises	92.52	93.47
- Interest due on above	1.83	0.79
2. Amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
3. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006		
4. Amount of interest accrued and remaining unpaid at the end of each accounting year.		
5. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006		



ONE MOBIKWIK SYSTEMS LIMITED (formerly known as ONE MOBIKWIK SYSTEMS PRIVATE LIMITED)**Notes to the consolidated financial statements for the year ended 31 March 2024**

(Amounts in INR millions, unless otherwise stated)

39 Till financial year 2022-23, the Group had incurred losses whereas in the current year there has been improvement in the financial performance of the Group. The Group has generated a profit after tax of INR 140.79 million. The Group has net worth of INR 1625.89 million and a positive working capital position (i.e. its current assets exceed its current liabilities) as at 31 March 2024 of INR 521.45 million, including cash and cash equivalents of INR 928.53 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. Management has 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 other available bank balances.

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.

40 During the Financial year ended 31 March 2023, the Company has issued 39,742 (Thirty-Nine Thousand Seven Hundred Forty Two) compulsorily convertible cumulative preference shares of a face value of INR 100 (Indian Rupees One Hundred only) at the Subscription Price of INR 1,132.30 (Indian Rupees One Thousand One Hundred Thirty Two point Thirty paise) per Series H CCCPS. Further, the Subscriber has subscribed to the partly paid-up Series H CCCPS of INR 1 (Indian Rupee One only) per share as on date and shall pay the remaining amounts on calls as per the mechanism mentioned in Securities subscription agreement ("the agreement").

During the year ended 31 March 2024, the Company has sent notice vide dated 5 December 2023 to the partly paid-up series H CCCPS Holder to call the unpaid money on 39,742 Series H CCCPS. Series H CCCPS holders relinquished their rights subject to the terms of the agreement and hence the amount has been forfeited.

The paid-up amount of INR 0.04 million has been categorized as liability and grouped under other financial liabilities. During the reporting period, the same amount has now been reversed from liabilities and recorded as other income due to forfeiture of above mentioned shares.

41 Ratios

Ratio/Measure	Methodology	31 March 2024	31 March 2023	Variance
(a) Current Ratio	Current assets/ Current liabilities	1.08	1.03	5%
(b) Debt-Equity Ratio	(Non current borrowings+Current borrowings)/ Total equity	1.30	1.35	3%
(c) Debt Service Coverage Ratio	EBITDA/(Interest expense+Borrowings)	0.16	(0.27)	161%
(d) Return on Equity or Return on Investment Ratio	Profit(Loss) for the year/Total equity	0.09	(0.59)	-115%
(e) Trade Receivables turnover ratio	Revenue from operations/Average trade receivables	11.15	10.25	9%
(f) Trade payables turnover ratio	Other expenses/Average trade payables	4.27	5.39	-21%
(g) Net capital turnover ratio	Revenue from operations/Capital employed	2.34	1.61	45%
(h) Net profit ratio	Profit(Loss) for the year/Revenue from operations	0.02	(0.16)	110%
(i) Return on Capital employed	Earnings before Interest and Taxes (EBIT)/Capital employed	8.79	(17.97)	149%

Notes

Average Trade receivables = (Opening trade receivables + Closing trade receivables)/2

Average Trade payables = (Opening trade payables + Closing trade payables)/2

EBIT = Profit/Earnings Before Interest and Taxes

Capital employed = Total Equity + Borrowings (Non-current and Current)

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

- a) The Debt service coverage ratio has increased from (0.27) as at 31 March 2023 to 0.16 as at 31 March 2024 mainly due to relative increase in EBITDA as compared to previous year.
- b) The Return on Equity ratio increased from (0.59) as at 31 March 2023 to 0.09 as on 31 March 2024 mainly due to relative increase in EBITDA.
- c) The Net capital turnover ratio increased from 1.61 as at 31 March 2023 to 2.34 as at 31 March 2024 mainly due to substantial increase in capital employed which was partially offset by the increase in the revenue from operations.
- d) The Net profit ratio has increased from (0.16) as at 31 March 2023 to 0.02 as at 31 March 2024 mainly due to increase in Revenue from operations as well as the profits during the year.
- e) The Return on capital employed ratio increased from (17.97) as at 31 March 2023 to 8.79 as at 31 March 2024 mainly due to increase in EBIT as compared to previous year.

42 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.

43 During FY 2014 to FY 2017, there were some delays in RBI related filings for allotments made to 10 non-resident shareholders due to mismatches in KYC documents and FIRC's. Resubmissions were done with the RBI and approval have been received on all such submissions. In this regard, the Company has filed a compounding application dated 01 December 2023 and subsequent clarification sought by RBI was replied to on 11 December 2023 with the RBI for compounding of the same. The application is currently pending before the RBI.

44 During the year ended 31 March 2022, 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 42.



45 During the year ended 31 March 2022, the Holding Company had converted the Cumulative Compulsory Convertible Preference Shares (CCPS) into Equity shares as mentioned below -

Particulars	Number of CCPS before conversion	Converted to number of equity shares
Conversion prior to share splits and bonus issue	36,201	36,201
Conversion post share splits and bonus issue	17,01,513	3,47,62,949
Total	17,37,714	3,47,99,150

46 Other notes

- a. No proceeding has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- b. There are no transactions to report on Crypto Currency or Virtual Currency.
- c. The Group has not been declared as wilful defaulter by any bank or financial institution or other lender.
- d. The Group has not entered into transactions with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, except in certain cases for which the details have been mentioned below:

Company Name	Nature of transaction	Balance as at 31 March 2024	Balance as at 31 March 2023	Relationship with Struckoff Companies
Payloud Technology Private Limited	Payables - Marketing Services	0.31	0.31	Creditor
Blitzkrieg Retail Private Limited*	Payables - Payment Services	0.00	0.00	Merchant
Travelur Solutions Private Limited*	Payables - Payment Services	0.00	0.00	Merchant
Scala Infotech Private Limited*	Payables - Payment Services	0.00	0.00	Merchant
Raje Retail Private Limited*	Payables - Payment Services	0.00	0.00	Merchant
Intelliply Global Private Limited	Payables - Payment Services	0.01	0.01	Merchant
Global Software Private Limited	Payables - Payment Services	0.28	0.46	Merchant

* Represents balances, rounded off to "0" on conversion to INR million.

- e. There are no transaction which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
 - f. There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
 - g. There are no funds which have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by Group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Group or
 - ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
- i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- h. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of layers) Rules 2017
 - i. The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
 - j. The Group has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) or intangible assets or both during the current or previous year
 - k. The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.
 - l. The Group does not have any immovable properties other than properties where the Group is a lessee and the lease agreements are duly executed in favour of the lessee.
- 47 ZAAK EPAYMENT SERVICES PRIVATE LIMITED ("Zaak") had initially submitted the Payment Aggregator ("PA") application on 8 May 2021. The said application was returned by the RBI on 11 March 2022, stating reasons for non-fulfilment of the prescribed net worth criteria of INR 150 million as on 31 March 2021. Subsequently on 28 July 2022, a window to re-apply for PA's was opened for the entities which existed as on 17 March 2020 with the net worth of INR 150 million (as on 31 March 2022). Zaak, has re-submitted the PA application on 7 September 2022 and got the In-Principle authorisation from the RBI to operate as a Payment Aggregator under the Payment and Settlement Systems Act, 2007 dated 13 October 2023.

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



Girish Arora
Partner
Membership No.: 098652
UDIN: 24098652 BKA GI43914

Place: Gurugram
Date : 10 July 2024

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



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



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



Ankita Sharma
Company Secretary

Place: Gurugram
Date : 10 July 2024

