

## INDEPENDENT AUDITOR'S REPORT

### To The Members of One Mobikwik Systems Private Limited Report on the Audit of the Standalone Financial Statements

#### Qualified Opinion

We have audited the accompanying standalone financial statements of **One Mobikwik Systems Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2019, and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its loss and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

During the previous year ended March 31, 2018 as set out in note 38 of the standalone financial statements, out of proceeds of Rs. 70,75,01,150 received by the Company by way of preferential allotment, an amount of Rs. 45,17,27,995 was utilised for payments towards business purposes before allotment of shares to the investors in contravention of section 42 of the Companies Act, 2013. This matter was qualified in our report on the standalone financial statements for the year ended 31 March 2018.

Further, during the year ended 31 March 2017, out of proceeds of Rs. 47,25,19,586 received by the Company by way of preferential allotment, an amount of Rs. 10,00,00,000 was utilised for payments towards business purposes before allotment of shares to the investors in contravention of section 42 of the Companies Act, 2013. This matter was qualified in our report on the standalone financial statements for the year ended 31 March 2017.

As such, the above contraventions, can result into material penalty, which has not been provided for by the Company for the reasons stated in the said note. We are unable to comment on the consequential impact of this matter on the standalone financial statements.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) 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 made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit



evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion on the standalone financial statements.

### **Material uncertainty related to Going Concern**

We draw attention to Note 37 to the standalone financial statements, wherein it is indicated that the Company has incurred a net loss of 1,25,89,18,196 during the year ended 31 March, 2019 and its accumulated losses aggregate to Rs. 6,17,59,17,300 as at the year end. In view of the Management, the Company's operations have significantly improved resulting in increase in revenue from Rs. 69,28,69,288 in the previous year to Rs. 130,49,41,660 in the current year. Further the losses have also reduced from Rs. 203,25,26,159 in the previous year to Rs 125,89,18,196 in the current year. As referred to in the note, the Company's ability to continue as a going concern is significantly dependent upon raising further capital and improvement in its operations. These events or conditions, along with other matters as set forth in Note 37, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the standalone financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of this matter.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not and will 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 during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is 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 financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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



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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 Section 143(3) of the Act, based on our audit 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) Except for the possible effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) Except for the possible effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) The matter described in the Basis for Qualified Opinion section above and Material uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on 31 March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section above.



## **Deloitte Haskins & Sells LLP**

- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration not applicable.

- j) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 25a to the standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 25b to the standalone financial statements.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company - Refer Note 25c to the standalone financial statements
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No.117366 W / W-100018)



  
**RASHIM TANDON**

(Partner)

(Membership No. 095440)

(UDIN 19095540AAAADH5666)

Place: Gurugram

Date: 09 December, 2019

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of One Mobikwik Systems Private Limited ("the Company") as of 31 March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting 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". 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 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 Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 qualified audit opinion on the Company's internal financial controls system over financial reporting.



**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting 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 control over financial reporting includes 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 Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019, based on "the criteria for internal financial control over financial reporting 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".

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No.117366 W / W-100018)



  
**RASHIM TANDON**

(Partner)

(Membership No. 095440)

(UDIN 19095540AAAADH5666)

Place: Gurugram

Date: 09 December, 2019

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

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

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - (b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals and no material discrepancies were noticed on such verification.
  - (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted loans, unsecured, to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans and making investments as applicable. The Company has not granted any guarantees or security in terms of the Section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public. The Company does not have any unclaimed deposits and accordingly the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- (vi) According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.



(vii) According to the information and explanations given to us and the records of the Company examined by us, in respect of statutory dues:

(a) Other than for few delays, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax, Goods and Service Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

We are informed the operations of the Company during the year did not give rise to any liability for Sales Tax, Custom Duty, Excise Duty and Value Added Tax.

(b) There were no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance, Income-tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at 31 March, 2019 for a period of more than six months from the date they became payable. Also refer to Note 40 to the standalone financial statements.

(c) There are no dues of Goods and Services Tax, which have not been deposited as on 31 March, 2019 on account of any disputes. Details of dues of Income-tax which have not been deposited as on 31 March, 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Demand Amount (Rs.)	Amount paid under protest (Rs.)
Income Tax Act, 1961	Income Tax	CIT (A)	AY 2015-16 to AY 2017-18	41,43,861	8,28,772

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders. The Company has not taken any loans or borrowings from financial institutions or government.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.



## **Deloitte Haskins & Sells LLP**

- (xiv) According to the information and explanations given to us, the Company has made preferential allotment of equity shares and cumulative convertible preference shares during the year under review.

In respect of the above issue, we further report that:

- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
- b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary companies or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No.117366 W / W-100018)



  
**RASHIM TANDON**

(Partner)

(Membership No. 095440)

(UDIN 19095540AAAADH5666)

Place: Gurugram

Date: 09 December, 2019

## INDEPENDENT AUDITOR'S REPORT

### To The Members of One Mobikwik Systems Private Limited Report on the Audit of the Standalone Financial Statements

#### Qualified Opinion

We have audited the accompanying standalone financial statements of **One Mobikwik Systems Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2019, and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its loss and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

During the previous year ended March 31, 2018 as set out in note 38 of the standalone financial statements, out of proceeds of Rs. 70,75,01,150 received by the Company by way of preferential allotment, an amount of Rs. 45,17,27,995 was utilised for payments towards business purposes before allotment of shares to the investors in contravention of section 42 of the Companies Act, 2013. This matter was qualified in our report on the standalone financial statements for the year ended 31 March 2018.

Further, during the year ended 31 March 2017, out of proceeds of Rs. 47,25,19,586 received by the Company by way of preferential allotment, an amount of Rs. 10,00,00,000 was utilised for payments towards business purposes before allotment of shares to the investors in contravention of section 42 of the Companies Act, 2013. This matter was qualified in our report on the standalone financial statements for the year ended 31 March 2017.

As such, the above contraventions, can result into material penalty, which has not been provided for by the Company for the reasons stated in the said note. We are unable to comment on the consequential impact of this matter on the standalone financial statements.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) 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 made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit



evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion on the standalone financial statements.

### **Material uncertainty related to Going Concern**

We draw attention to Note 37 to the standalone financial statements, wherein it is indicated that the Company has incurred a net loss of 1,25,89,18,196 during the year ended 31 March, 2019 and its accumulated losses aggregate to Rs. 6,17,59,17,300 as at the year end. In view of the Management, the Company's operations have significantly improved resulting in increase in revenue from Rs. 69,28,69,288 in the previous year to Rs. 130,49,41,660 in the current year. Further the losses have also reduced from Rs. 203,25,26,159 in the previous year to Rs 125,89,18,196 in the current year. As referred to in the note, the Company's ability to continue as a going concern is significantly dependent upon raising further capital and improvement in its operations. These events or conditions, along with other matters as set forth in Note 37, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the standalone financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of this matter.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not and will 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 during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is 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 financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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



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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 Section 143(3) of the Act, based on our audit 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) Except for the possible effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) Except for the possible effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) The matter described in the Basis for Qualified Opinion section above and Material uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on 31 March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section above.



## **Deloitte Haskins & Sells LLP**

- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration not applicable.

- j) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 25a to the standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 25b to the standalone financial statements.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company - Refer Note 25c to the standalone financial statements
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No.117366 W / W-100018)



  
**RASHIM TANDON**

(Partner)

(Membership No. 095440)

(UDIN 19095540AAAADH5666)

Place: Gurugram

Date: 09 December, 2019

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of One Mobikwik Systems Private Limited ("the Company") as of 31 March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting 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". 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 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 Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 qualified audit opinion on the Company's internal financial controls system over financial reporting.



**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting 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 control over financial reporting includes 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 Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019, based on "the criteria for internal financial control over financial reporting 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".

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No.117366 W / W-100018)



  
**RASHIM TANDON**

(Partner)

(Membership No. 095440)

(UDIN 19095540AAAADH5666)

Place: Gurugram

Date: 09 December, 2019

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

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

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - (b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals and no material discrepancies were noticed on such verification.
  - (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted loans, unsecured, to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans and making investments as applicable. The Company has not granted any guarantees or security in terms of the Section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public. The Company does not have any unclaimed deposits and accordingly the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- (vi) According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.



(vii) According to the information and explanations given to us and the records of the Company examined by us, in respect of statutory dues:

(a) Other than for few delays, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax, Goods and Service Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

We are informed the operations of the Company during the year did not give rise to any liability for Sales Tax, Custom Duty, Excise Duty and Value Added Tax.

(b) There were no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance, Income-tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at 31 March, 2019 for a period of more than six months from the date they became payable. Also refer to Note 40 to the standalone financial statements.

(c) There are no dues of Goods and Services Tax, which have not been deposited as on 31 March, 2019 on account of any disputes. Details of dues of Income-tax which have not been deposited as on 31 March, 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Demand Amount (Rs.)	Amount paid under protest (Rs.)
Income Tax Act, 1961	Income Tax	CIT (A)	AY 2015-16 to AY 2017-18	41,43,861	8,28,772

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders. The Company has not taken any loans or borrowings from financial institutions or government.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.



## **Deloitte Haskins & Sells LLP**

- (xiv) According to the information and explanations given to us, the Company has made preferential allotment of equity shares and cumulative convertible preference shares during the year under review.

In respect of the above issue, we further report that:

- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
- b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary companies or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No.117366 W / W-100018)



  
**RASHIM TANDON**

(Partner)

(Membership No. 095440)

(UDIN 19095540AAAADH5666)

Place: Gurugram

Date: 09 December, 2019

**ONE MOBIKWIK SYSTEMS PRIVATE LIMITED**  
**STANDALONE BALANCE SHEET AS AT MARCH 31, 2019**

	<u>Note No.</u>	<u>As at March 31, 2019 (Rupees)</u>	<u>As at March 31, 2018 (Rupees)</u>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	1373,32,830	1340,95,130
(b) Reserves and surplus	4	1896,75,088	11382,16,051
(c) Money received against Share Warrants	3(d)(iv)	97,50,000	97,50,000
		<u><b>3367,57,918</b></u>	<u><b>12820,61,181</b></u>
<b>2 Non-current liabilities</b>			
(a) Long term borrowings	5	1300,00,000	
(b) Other long term liabilities	6	103,21,961	
(c) Long term provisions	7	228,62,081	205,03,624
		<u><b>1631,84,042</b></u>	<u><b>205,03,624</b></u>
<b>3 Current Liabilities</b>			
(a) Short term borrowings	8	5947,03,757	3011,36,096
(b) Trade payables	9	77,90,996	
- Total outstanding dues of Micro enterprises and Small enterprises		7641,00,977	4517,78,694
- Total outstanding dues of creditors other than Micro enterprises and Small enterprises		13366,04,939	7071,71,489
(c) Other current liabilities	10	13,18,871	18,16,699
(d) Short term provisions	11	<u><b>27045,19,540</b></u>	<u><b>14618,72,978</b></u>
<b>TOTAL</b>		<u><b>32044,61,500</b></u>	<u><b>27644,37,783</b></u>
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant & equipment			
- Tangible assets	12(a)	116,66,142	63,37,313
(b) Intangible assets	12(b)	12,982	1,87,851
(c) Non Current Investment	13	1147,77,217	251,38,269
(d) Long term loans and advances	14	685,69,607	538,50,215
		<u><b>1950,25,948</b></u>	<u><b>855,14,248</b></u>
<b>2 Current assets</b>			
(a) Trade receivables	15	1530,05,083	118,87,318
(b) Cash and other bank balances	16	18125,16,800	20240,13,275
(c) Short term loans and advances	17	6344,76,383	5415,71,073
(d) Other current assets	18	4094,37,286	1014,51,869
		<u><b>30094,35,552</b></u>	<u><b>26789,23,535</b></u>
<b>TOTAL</b>		<u><b>32044,61,500</b></u>	<u><b>27644,37,783</b></u>

See accompanying notes forming part of the standalone financial statements 1-41

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants


  
**RASHIM TANDON**  
Partner



**Place:** Gurugram  
**Date:** December 09, 2019

For and on behalf of the Board of Directors of  
**ONE MOBIKWIK SYSTEMS PRIVATE LIMITED**

  
**BIPIN PREET SINGH**  
Managing Director  
DIN - 02019594

  
**UPASANA TAKU**  
Director  
DIN - 02979387

**Place:** Gurugram  
**Date:** December 09, 2019

  
**ROHIT SHADEJA**  
Company Secretary

**Place:** Gurugram  
**Date:** December 09, 2019



**ONE MOBIKWIK SYSTEMS PRIVATE LIMITED**  
**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2019**

	<b>Note No.</b>	<b>Year ended March 31, 2019 (Rupees)</b>	<b>Year ended March 31, 2018 (Rupees)</b>
<b>1 Income</b>			
(a) Revenue from operations	19	11037,50,304	5372,47,963
(b) Other income	20	2011,91,356	1556,21,325
<b>Total revenue</b>		<b>13049,41,660</b>	<b>6928,69,288</b>
<b>2 Expenses</b>			
(a) Employee benefits expense	21	5289,11,235	4928,29,613
(b) Finance cost	22	741,84,595	210,99,202
(c) Depreciation and amortization expenses	23	64,34,106	52,82,151
(d) Other expenses	24	19543,29,920	22061,84,481
(e) Provision for diminution of asset			
<b>Total expenses</b>		<b>25638,59,856</b>	<b>27253,95,447</b>
<b>3 Loss before tax</b>		<b>(12589,18,196)</b>	<b>(20325,26,159)</b>
(a) Tax expense			
(i) Current tax		-	-
(ii) Deferred tax charge/(credit)	35	-	-
<b>4 Total tax expense</b>		<b>-</b>	<b>-</b>
<b>5 Loss for the year</b>		<b>(12589,18,196)</b>	<b>(20325,26,159)</b>
<b>6 Earnings per share (in rupees)</b> (nominal value of rupees 10 per share)			
- Loss per share (Basic and Diluted)	31	(1,257.87)	(2,032.46)

See accompanying notes forming part of the standalone financial statements

1-41

In terms of our report attached.


For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

  
**RASHIM TANDON**  
Partner



**Place:** Gurugram  
**Date:** December 09, 2019

For and on behalf of the Board of Directors  
**ONE MOBIKWIK SYSTEMS PRIVATE LIMITED**

  
**BIPIN PREET SINGH**  
Managing Director  
DIN - 02019594

  
**UPASANA TAKU**  
Director  
DIN - 02979387

**Place:** Gurugram  
**Date:** December 09, 2019

  
**ROHIT SHADEJA**  
Company Secretary

**Place:** Gurugram  
**Date:** December 09, 2019



**ONE MOBIKWIK SYSTEMS PRIVATE LIMITED**  
**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

	Year ended March 31, 2019 (Rupees)	Year ended March 31, 2018 (Rupees)
<b>1 CASH FLOW FROM OPERATING ACTIVITIES</b>		
(a) Loss before tax	(12589,18,196)	(20325,26,159)
Adjustments for:		
-Depreciation and amortisation expense	64,34,106	52,82,151
-Provision for bad and doubtful debts	-	1189,21,120
-Expense on Provision for Loss (NPA)	305,11,667	-
-Loss on Sale of Property, plant & equipment	88,990	-
-Interest income	(1020,88,171)	(752,87,883)
-Interest and other borrowing costs	735,46,172	195,63,537
-Receivables written Off	34,36,586	-
-Liabilities written back	(148,04,697)	(190,55,664)
-Excess provision written back	(215,91,978)	-
<b>Operating loss before working capital changes</b>	<b>(12833,85,521)</b>	<b>(19831,02,898)</b>
(b) Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:	(1411,17,765)	(118,87,318)
-Trade receivables	2566,97,507	(923,92,407)
-Short term loans and advances	(3039,03,177)	639,35,551
-Other current assets	(147,19,392)	44,17,544
-Long term loans and advances	-	-
(c) Adjustments for increase / (decrease) in operating liabilities:	3259,98,289	224,24,673
-Trade Payable	4990,63,072	1568,88,089
-Other current liabilities	103,21,961	-
-Other long term liabilities	(4,97,828)	2,19,034
-Short term provisions	23,58,457	32,22,800
-Long term provisions	-	-
<b>Net cash flow (used in) operating activities (A)</b>	<b>(6491,84,397)</b>	<b>(18362,74,932)</b>
<b>2 CASH FLOW FROM INVESTING ACTIVITIES</b>		
(a) Capital expenditure on Property, plant & equipment	(119,04,233)	(65,51,855)
(b) Proceeds from sale of Property, plant & equipment	2,27,777	-
(c) Investment in Mobikwik Finance Pvt. Ltd.	-	(250,00,000)
(d) Investment in Mobikwik Credit Pvt. Ltd.	(250,00,000)	-
(e) Investment in Harvest Fintech Private Limited	(35,17,778)	-
(f) Investment in Pivotchain Solution Technologies Private Limited	(99,98,450)	-
(g) Loans to Subsidiaries	(3496,02,818)	(2736,78,199)
(h) Interest on loans and advances	278,04,806	-
(i) Amount Deposited in Escrow Bank Account	(4237,62,676)	(1520,48,746)
(j) Amount (Deposited)/Withdrawal in Nodal Bank Account	605,57,668	(614,16,147)
(k) Other bank balances not considered as Cash and cash equivalents	-	-
-Purchased	(5569,50,000)	(4379,99,585)
-Proceeds from Sale	9791,69,585	-
-Interest on fixed deposits	667,64,539	698,04,000
<b>Net cash flow (used in) investing activities (B)</b>	<b>(2462,11,580)</b>	<b>(8368,90,533)</b>
<b>3 CASH FLOW FROM FINANCING ACTIVITIES</b>		
(a) Proceeds from issue of preference shares (including premium)	2624,92,213	30833,47,243
(b) Share Application Money Pending Allotment	3,70,378	-
(c) Conversion of Share Warrant to Equity Shares	-	(97,50,000)
(d) Proceeds from borrowings	5935,97,660	1896,37,229
(e) Repayment of long term borrowings	(400,00,000)	(360,00,000)
(f) Interest and other borrowing costs	(735,46,172)	(195,63,537)
<b>Net cash flow from financing activities (C)</b>	<b>7429,14,079</b>	<b>32076,70,935</b>
<b>4 Net increase in Cash and cash equivalents (A)+(B)+(C)</b>	<b>(1524,81,898)</b>	<b>5345,05,471</b>
Cash and cash equivalents at the beginning of the year	7241,24,753	1896,19,282
<b>5 Cash and cash equivalents at the end of the year (Refer note 16)</b>	<b>5716,42,855</b>	<b>7241,24,753</b>

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants


  
**RASHIM TANDON**  
Partner



**Place:** Gurugram  
**Date:** December 09, 2019

For and on behalf of the Board of Directors  
**ONE MOBIKWIK SYSTEMS PRIVATE LIMITED**

  
**BIPIN PREET SINGH**  
Managing Director  
DIN - 02019594

  
**UPASANA TAKU**  
Director  
DIN - 02979387

**Place:** Gurugram  
**Date:** December 09, 2019

  
**ROHIT SHADEJA**  
Company Secretary

**Place:** Gurugram  
**Date:** December 09, 2019



**ONE MOBIKWIK SYSTEMS PRIVATE LIMITED**  
**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

## **1. Company background**

One Mobikwik Systems Private Limited ("the Company") was incorporated on March 20, 2008. The Company's registered office is situated in Gurgaon. The Company is in the business of issuing and operating prepaid payment instrument (Wallet Payment System) which allows it to issue digital wallets to users. The Company is operating semi closed wallet presently. 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 18th July 2013 for five years, which was subsequently extended to 30th September, 2020 vide renewal certificate dated 26th September, 2019. The users use their Mobikwik wallet for transferring money, for paying their utility bills (prepaid recharge, postpaid mobile, landline, electricity, TV, etc.) and for shopping online on e-commerce websites. The Company has also rolled out financial services platform facilitating short term loans and trading of gold for its users.

## **2. Significant accounting policies**

### **2.1 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### **2.2 Use of Estimates**

The preparation of Financial Statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and differences between the actual results and the estimates are recognised in the period in which the results are known / materialised.

### **2.3 Cash and cash equivalents (for purposes of Cash Flow Statement)**

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.

### **2.4 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### **2.5 Depreciation and amortisation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on Property, plant & equipment has been provided on the written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

<b>Assets</b>	<b>Estimated useful life of asset</b>
Computers	3 Years
Furniture and Fixtures	10 Years
Office Equipment	5 Years
Server & Network Equipment	6 Years

Intangible assets are amortised over their estimated useful life on straight line method as follows:



**ONE MOBIKWIK SYSTEMS PRIVATE LIMITED**  
**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

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The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.  
Wallet Payment System is amortised over a period of four year on straight line method from the year of acquisition

## **2.6 Revenue recognition**

Revenue is recognised on accrual basis, when the amount of revenue and its related costs can be reliably measured and it is probable that future economic benefits will flow to the entity as per the terms of the contracts entered into with different customers.

### **(i) Commission Income from sale of recharges and payments:**

The Company facilitates recharge of talk time, utility bill payments and earns commission for the respective services. Commission income is recognized on completion of the Company's obligation as per the terms of contract with its customer (i.e. User).

### **(ii) Income from Merchants:**

The Company earns service fee from merchants and recognises such revenue when the services have been provided by the Company. Such fee is generally determined as a percentage of transaction value executed by the merchants.

The one time setup fee is recognized on registration of the merchants with the Company as per the terms of agreement entered into with the respective Merchants.

### **(iii) Commission Income from allowing user to withdraw money from wallet :**

IMPS (Immediate Payment Service) commission represents the amount earned from users in the form of commission on the withdrawal of money by the user from their wallet and transfer the same to the bank account of their choice using the IMPS facility. IMPS Commission is recognised on the basis of the standard agreement entered into with the respective users.

### **(iv) Income from Processing of loans :**

Processing fees is recognised when the amount of loan is transferred to the user's wallet based on standard agreements entered into with the respective lenders. Interest income is earned on the loans to users by respective service providers. This income is shared with the Company as per terms of agreement with service providers and accounted on accrual basis.

### **(v) Income from advertisement/Sale of Space :**

Revenue from sale of advertisement space is recognised (net of estimated volume discounts), as and when the relevant advertisement is displayed on the application.

## **2.7 Other income**

Interest income is recognised on time proportionate basis. Dividend income is accounted for when the right to receive is established.

## **2.8 Property, plant & equipment (Tangible)**

Property, plant & equipment are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of Property, plant & equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use.

Subsequent expenditure on Property, plant & equipment after its purchase is capitalised only, if such expenditure results in an increase in the future benefits from such asset beyond its previously completed assessed standard of performance.

Property, plant & equipment under construction for tangible assets and cost of assets not ready to use before the year end, are disclosed as capital work-in-progress.



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## **2.9 Intangible assets**

Softwares which are not integral part of the hardware are classified as Intangible assets and are carried at cost less accumulated amortisation and impaired losses, if any.

## **2.10 Foreign currency transactions**

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the balance sheet date

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

## **2.11 Employee benefits**

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

### Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme is considered as defined contribution plans and is charged as an expense as they fall due based on the amount of contribution required to be made.

### Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets, where funded. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes. (See also note 33)

### Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short term compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences when the absences occur

### Long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.



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## **2.12 Employee share based payments**

The Company has constituted an Employee Stock Option Plan - 2014. Employee Stock Options granted on or after 5 August, 2014 are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India. (See also note 36)

## **2.13 Leases**

Operating Lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over period of lease, including the optional period of lease.

## **2.14 Earnings per Share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results are anti-dilutive.

## **2.15 Taxes on Income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability. (See also note 35)

## **2.16 Impairment of assets**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

## **2.17 Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for contingent liability is made where it is more likely than not that a present obligation or a possible obligation may result in or involve an outflow of resources. When no present or possible obligation exist and possibility of an outflow is of resources is remote, no disclosure is made.

Contingent assets are not recognised in the financial statements.



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**2.18 Share issue expenses**

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account.

**2.19 Investments**

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Investments are reviewed for diminution if events or changes in circumstances indicate that the carrying amount may not be recoverable. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

**2.20 GST/ Service tax input credit**

GST/ Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

**2.21 Operating Cycle**

Based on the nature of Business Activities, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



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**3. Share capital**

	As at March 31, 2019		As at March 31, 2018	
	Numbers	(Rupees)	Numbers	(Rupees)
<b>Authorised Shares</b>				
<b>Equity Shares</b>				
Equity Shares of Rupees 10/- each (Previous year Rupees 10/- each)	11,06,741	110,67,410	11,06,741	110,67,410
Equity Shares- Class A of Rupees 10/- each (Previous year Rupees 10/- each)	20	200	20	200
<b>Preference Shares</b>				
0.0001% Cumulative Compulsory Convertible Preference Shares (CCCPS) - Series A of Rupees 10/- each (Previous year Rupees 10/- each)	1,09,779	10,97,790	1,09,779	10,97,790
0.0001% Cumulative Compulsory Convertible Preference Shares- Series A1 of Rupees 100/- each (Previous year Rupees 100/- each)	1,72,536	172,53,600	1,72,536	172,53,600
0.001% Cumulative Compulsory Convertible Preference Shares- Series A2 of Rupees 100/- each (Previous year Rupees 100/- each)	23,620	23,62,000	23,620	23,62,000
0.001% Cumulative Compulsory Convertible Preference Shares- Series A3 of Rupees 100/- each (Previous year Rupees 100/- each)	17,806	17,80,600	17,806	17,80,600
0.001% Cumulative Compulsory Convertible Preference Shares- Series B1 of Rupees 100/- each (Previous year Rupees 100/- each)	1,75,922	175,92,200	1,75,922	175,92,200
0.001% Cumulative Compulsory Convertible Preference Shares- Series B2 of Rupees 10/- each (Previous year Rupees 10/- each)	47,120	4,71,200	47,120	4,71,200
0.001% Cumulative Compulsory Convertible Preference Shares- Series B3 of Rupees 100/- each (Previous year Rupees 100/- each)	52,834	52,83,400	52,834	52,83,400
0.001% Cumulative Compulsory Convertible Preference Shares- Series B4 of Rupees 100/- each (Previous year Rupees 100/- each)	89,844	89,84,400	89,844	89,84,400
0.001% Cumulative Compulsory Convertible Preference Shares- Series C1 of Rupees 100/- each (Previous year Rupees 100/- each)	84,469	84,46,900	84,469	84,46,900
0.001% Cumulative Compulsory Convertible Preference Shares- Series C2 of Rupees 100/- each (Previous year Rupees 100/- each)	1,81,007	181,00,700	1,81,007	181,00,700
0.001% Cumulative Compulsory Convertible Preference Shares- Series C3 of Rupees 100/- each (Previous year Rupees 100/- each)	1,81,007	181,00,700	1,81,007	181,00,700
0.001% Cumulative Compulsory Convertible Preference Shares- Series C4 of Rupees 100/- each (Previous year Rupees 100/- each)	1,20,671	120,67,100	1,20,671	120,67,100
0.001% Cumulative Compulsory Convertible Preference Shares- Series C5 of Rupees 100/- each (Previous year Rupees 100/- each)	7,204	7,20,400	7,204	7,20,400
0.001% Cumulative Compulsory Convertible Preference Shares- Series C6 of Rupees 100/- each (Previous year Rupees 100/- each)	5,067	5,06,700	5,067	5,06,700
0.001% Cumulative Compulsory Convertible Preference Shares- Series C7 of Rupees 100/- each (Previous year Rupees 100/- each)	31,955	31,95,500	31,955	31,95,500
0.001% Cumulative Compulsory Convertible Preference Shares- Series C8 of Rupees 100/- each (Previous year Rupees 100/- each)	17,876	17,87,600	17,876	17,87,600
0.001% Cumulative Compulsory Convertible Preference Shares- Series C9 of Rupees 100/- each (Previous year Rupees 100/- each)	5,810	5,81,000	5,810	5,81,000
0.001% Cumulative Compulsory Convertible Preference Shares- Series D of Rupees 100/- each (Previous year Rupees 100/- each)	2,71,050	271,05,000	2,71,050	271,05,000
0.001% Cumulative Compulsory Convertible Preference Shares- Series E1 of Rupees 100/- each (Previous year Nil)	25,000	25,00,000	-	-
0.001% Cumulative Compulsory Convertible Preference Shares- Series E2 of Rupees 100/- each (Previous year Nil)	9,200	9,20,000	-	-
0.001% Cumulative Compulsory Convertible Preference Shares- Series E3 of Rupees 100/- each (Previous year Nil)	55,185	55,18,500	-	-
0.001% Cumulative Compulsory Convertible Preference Shares- Series E4 of Rupees 100/- each (Previous year Nil)	3,643	3,64,300	-	-
0.001% Cumulative Compulsory Convertible Preference Shares- Series E5 of Rupees 100/- each (Previous year Nil)	6,972	6,97,200	-	-
	<b>28,02,338</b>	<b>1665,04,400</b>	<b>27,02,338</b>	<b>1565,04,400</b>



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	As at March 31, 2019		As at March 31, 2018	
	Numbers	(Rupees)	Numbers	(Rupees)
<b>Issued, subscribed and fully paid up shares</b>				
<b>Equity Shares</b>				
Equity Shares of Rupees 10/- each (Previous year Rupees 10/- each)	10,04,974	100,49,740	10,00,014	100,00,140
Equity Shares- Class A of Rupees 10/- each (Previous year Rupees 10/- each)	20	200	20	200
<b>Preference Shares</b>				
0.0001% Cumulative Compulsory Convertible Preference Shares- Series A of Rupees 10/- each (Previous year Rupees 10/- each)	1,09,779	10,97,790	1,09,779	10,97,790
0.0001% Cumulative Compulsory Convertible Preference Shares- Series A1 of Rupees 100/- each (Previous year Rupees 100/- each)	1,72,536	172,53,600	1,72,536	172,53,600
0.001% Cumulative Compulsory Convertible Preference Shares- Series A2 of Rupees 100/- each (Previous year Rupees 100/- each)	23,615	23,61,500	23,615	23,61,500
0.001% Cumulative Compulsory Convertible Preference Shares- Series A3 of Rupees 100/- each (Previous year Rupees 100/- each)	17,806	17,80,600	17,806	17,80,600
0.001% Cumulative Compulsory Convertible Preference Shares- Series B1 of Rupees 100/- each (Previous year Rupees 100/- each)	1,75,922	175,92,200	1,75,922	175,92,200
0.001% Cumulative Compulsory Convertible Preference Shares- Series B2 of Rupees 10/- each (Previous year Rupees 10/- each)	47,120	4,71,200	47,120	4,71,200
0.001% Cumulative Compulsory Convertible Preference Shares- Series B3 of Rupees 100/- each (Previous year Rupees 100/- each)	52,834	52,83,400	52,834	52,83,400
0.001% Cumulative Compulsory Convertible Preference Shares- Series B4 of Rupees 100/- each (Previous year Rupees 100/- each)	89,844	89,84,400	89,844	89,84,400
0.001% Cumulative Compulsory Convertible Preference Shares- Series C1 of Rupees 100/- each (Previous year Rupees 100/- each)	84,469	84,46,900	84,469	84,46,900
0.001% Cumulative Compulsory Convertible Preference Shares- Series C2 of Rupees 100/- each (Previous year Rupees 100/- each)	1,81,007	181,00,700	1,81,007	181,00,700
0.001% Cumulative Compulsory Convertible Preference Shares- Series C3 of Rupees 100/- each (Previous year Rupees 100/- each)	1,20,665	120,66,500	1,20,665	120,66,500
0.001% Cumulative Compulsory Convertible Preference Shares- Series C5 of Rupees 100/- each (Previous year Rupees 100/- each)	7,204	7,20,400	7,204	7,20,400
0.001% Cumulative Compulsory Convertible Preference Shares- Series C6 of Rupees 100/- each (Previous year Rupees 100/- each)	5,067	5,06,700	5,067	5,06,700
0.001% Cumulative Compulsory Convertible Preference Shares- Series C7 of Rupees 100/- each (Previous year Rupees 100/- each)	17,429	17,42,900	17,429	17,42,900
0.001% Cumulative Compulsory Convertible Preference Shares- Series C9 of Rupees 100/- each (Previous year Rupees 100/- each)	5,810	5,81,000	5,810	5,81,000
0.001% Cumulative Compulsory Convertible Preference Shares- Series D of Rupees 100/- each (Previous year Rupees 100/- each)	2,71,050	271,05,000	2,71,050	271,05,000
0.001% Cumulative Compulsory Convertible Preference Shares- Series E1 of Rupees 100/- each (Previous year Nil)	20,040	20,04,000	-	-
0.001% Cumulative Compulsory Convertible Preference Shares- Series E2 of Rupees 100/- each (Previous year Nil)	9,109	9,10,900	-	-
0.001% Cumulative Compulsory Convertible Preference Shares- Series E3 of Rupees 100/- each (Previous year Nil)	2,732	2,73,200	-	-
	<b>24,19,032</b>	<b>1373,32,830</b>	<b>23,82,191</b>	<b>1340,95,130</b>

**3(a)(i) Reconciliation of equity shares outstanding as at the beginning and at the end of the reporting year**

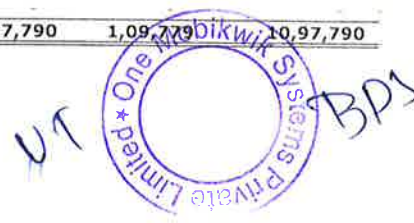
	As at March 31, 2019		As at March 31, 2018	
	Numbers	(Rupees)	Numbers	(Rupees)
At the beginning of the year	10,00,014	100,00,140	10,00,004	100,00,040
Issued during the year (As part of purchase consideration of Harvest Fintech Private Limited - Refer Note - 13)	4,960	49,600	10	100
<b>Outstanding at the end of the year</b>	<b>10,04,974</b>	<b>100,49,740</b>	<b>10,00,014</b>	<b>100,00,140</b>

**3(a)(ii) Reconciliation of equity shares- Class A outstanding as at the beginning and at the end of the reporting year**

	As at March 31, 2019		As at March 31, 2018	
	Numbers	(Rupees)	Numbers	(Rupees)
At the beginning of the year	20	200	20	200
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>20</b>	<b>200</b>	<b>20</b>	<b>200</b>

**3(a)(iii) Reconciliation of Preference Shares- Series A outstanding as at the beginning and at the end of the reporting year**

	As at March 31, 2019		As at March 31, 2018	
	Numbers	(Rupees)	Numbers	(Rupees)
At the beginning of the year	1,09,779	10,97,790	1,09,779	10,97,790
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,09,779</b>	<b>10,97,790</b>	<b>1,09,779</b>	<b>10,97,790</b>



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**3(a)(iv) Reconciliation of Preference Shares- Series A1 outstanding as at the beginning and at the end of the reporting year**

	As at March 31, 2019		As at March 31, 2018	
	Numbers	(Rupees)	Numbers	(Rupees)
At the beginning of the year	1,72,536	172,53,600	1,72,536	172,53,600
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,72,536</b>	<b>172,53,600</b>	<b>1,72,536</b>	<b>172,53,600</b>

**3(a)(v) Reconciliation of Preference Shares- Series A2 outstanding as at the beginning and at the end of the reporting year**

	As at March 31, 2019		As at March 31, 2018	
	Numbers	(Rupees)	Numbers	(Rupees)
At the beginning of the year	23,615	23,61,500	23,615	23,61,500
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>23,615</b>	<b>23,61,500</b>	<b>23,615</b>	<b>23,61,500</b>

**3(a)(vi) Reconciliation of Preference Shares- Series A3 outstanding as at the beginning and at the end of the reporting year**

	As at March 31, 2019		As at March 31, 2018	
	Numbers	(Rupees)	Numbers	(Rupees)
At the beginning of the year	17,806	17,80,600	17,806	17,80,600
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>17,806</b>	<b>17,80,600</b>	<b>17,806</b>	<b>17,80,600</b>

**3(a)(vii) Reconciliation of Preference Shares- Series B1 outstanding as at the beginning and at the end of the reporting year**

	As at March 31, 2019		As at March 31, 2018	
	Numbers	(Rupees)	Numbers	(Rupees)
At the beginning of the year	1,75,922	175,92,200	1,75,922	175,92,200
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,75,922</b>	<b>175,92,200</b>	<b>1,75,922</b>	<b>175,92,200</b>

**3(a)(viii) Reconciliation of Preference Shares- Series B2 outstanding as at the beginning and at the end of the reporting year**

	As at March 31, 2019		As at March 31, 2018	
	Numbers	(Rupees)	Numbers	(Rupees)
At the beginning of the year	47,120	4,71,200	47,120	4,71,200
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>47,120</b>	<b>4,71,200</b>	<b>47,120</b>	<b>4,71,200</b>

**3(a)(ix) Reconciliation of Preference Shares- Series B3 outstanding as at the beginning and at the end of the reporting year**

	As at March 31, 2019		As at March 31, 2018	
	Numbers	(Rupees)	Numbers	(Rupees)
At the beginning of the year	52,834	52,83,400	52,834	52,83,400
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>52,834</b>	<b>52,83,400</b>	<b>52,834</b>	<b>52,83,400</b>

**3(a)(x) Reconciliation of Preference Shares- Series B4 outstanding as at the beginning and at the end of the reporting year**

	As at March 31, 2019		As at March 31, 2018	
	Numbers	(Rupees)	Numbers	(Rupees)
At the beginning of the year	89,844	89,84,400	89,844	89,84,400
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>89,844</b>	<b>89,84,400</b>	<b>89,844</b>	<b>89,84,400</b>

**3(a)(xi) Reconciliation of Preference Shares- Series C1 outstanding as at the beginning and at the end of the reporting year**

	As at March 31, 2019		As at March 31, 2018	
	Numbers	(Rupees)	Numbers	(Rupees)
At the beginning of the year	84,469	84,46,900	84,469	84,46,900
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>84,469</b>	<b>84,46,900</b>	<b>84,469</b>	<b>84,46,900</b>

**3(a)(xii) Reconciliation of Preference Shares- Series C2 outstanding as at the beginning and at the end of the reporting year**

	As at March 31, 2019		As at March 31, 2018	
	Numbers	(Rupees)	Numbers	(Rupees)
At the beginning of the year	1,81,007	181,00,700	1,81,007	181,00,700
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,81,007</b>	<b>181,00,700</b>	<b>1,81,007</b>	<b>181,00,700</b>



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**3(a)(xiii) Reconciliation of Preference Shares- Series C3 outstanding as at the beginning and at the end of the reporting year**

	As at March 31, 2019		As at March 31, 2018	
	Numbers	(Rupees)	Numbers	(Rupees)
At the beginning of the year	1,20,665	120,66,500	-	-
Issued during the year	-	-	1,20,665	120,66,500
<b>Outstanding at the end of the year</b>	<b>1,20,665</b>	<b>120,66,500</b>	<b>1,20,665</b>	<b>120,66,500</b>

**3(a)(xiv) Reconciliation of Preference Shares- Series C5 outstanding as at the beginning and at the end of the reporting year**

	As at March 31, 2019		As at March 31, 2018	
	Numbers	(Rupees)	Numbers	(Rupees)
At the beginning of the year	7,204	7,20,400	7,204	7,20,400
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>7,204</b>	<b>7,20,400</b>	<b>7,204</b>	<b>7,20,400</b>

**3(a)(xv) Reconciliation of Preference Shares- Series C6 outstanding as at the beginning and at the end of the reporting year**

	As at March 31, 2019		As at March 31, 2018	
	Numbers	(Rupees)	Numbers	(Rupees)
At the beginning of the year	5,067	5,06,700	-	-
Issued during the year	-	-	5,067	5,06,700
<b>Outstanding at the end of the year</b>	<b>5,067</b>	<b>5,06,700</b>	<b>5,067</b>	<b>5,06,700</b>

**3(a)(xvi) Reconciliation of Preference Shares- Series C7 outstanding as at the beginning and at the end of the reporting year**

	As at March 31, 2019		As at March 31, 2018	
	Numbers	(Rupees)	Numbers	(Rupees)
At the beginning of the year	17,429	17,42,900	-	-
Issued during the year	-	-	17,429	17,42,900
<b>Outstanding at the end of the year</b>	<b>17,429</b>	<b>17,42,900</b>	<b>17,429</b>	<b>17,42,900</b>

**3(a)(xvii) Reconciliation of Preference Shares- Series C9 outstanding as at the beginning and at the end of the reporting year**

	As at March 31, 2019		As at March 31, 2018	
	Numbers	(Rupees)	Numbers	(Rupees)
At the beginning of the year	5,810	5,81,000	-	-
Issued during the year	-	-	5,810	5,81,000
<b>Outstanding at the end of the year</b>	<b>5,810</b>	<b>5,81,000</b>	<b>5,810</b>	<b>5,81,000</b>

**3(a)(xviii) Reconciliation of Preference Shares- Series D outstanding as at the beginning and at the end of the reporting year**

	As at March 31, 2019		As at March 31, 2018	
	Numbers	(Rupees)	Numbers	(Rupees)
At the beginning of the year	2,71,050	271,05,000	-	-
Issued during the year	-	-	2,71,050	271,05,000
<b>Outstanding at the end of the year</b>	<b>2,71,050</b>	<b>271,05,000</b>	<b>2,71,050</b>	<b>271,05,000</b>

**3(a)(xix) Reconciliation of Preference Shares- Series E1 outstanding as at the beginning and at the end of the reporting year**

	As at March 31, 2019		As at March 31, 2018	
	Numbers	(Rupees)	Numbers	(Rupees)
At the beginning of the year	-	-	-	-
Issued during the year	20,040	20,04,000	-	-
<b>Outstanding at the end of the year</b>	<b>20,040</b>	<b>20,04,000</b>	<b>-</b>	<b>-</b>

**3(a)(xx) Reconciliation of Preference Shares- Series E2 outstanding as at the beginning and at the end of the reporting year**

	As at March 31, 2019		As at March 31, 2018	
	Numbers	(Rupees)	Numbers	(Rupees)
At the beginning of the year	-	-	-	-
Issued during the year	9,109	9,10,900	-	-
<b>Outstanding at the end of the year</b>	<b>9,109</b>	<b>9,10,900</b>	<b>-</b>	<b>-</b>

**3(a)(xxi) Reconciliation of Preference Shares- Series E3 outstanding as at the beginning and at the end of the reporting year**

	As at March 31, 2019		As at March 31, 2018	
	Numbers	(Rupees)	Numbers	(Rupees)
At the beginning of the year	-	-	-	-
Issued during the year	2,732	2,73,200	-	-
<b>Outstanding at the end of the year</b>	<b>2,732</b>	<b>2,73,200</b>	<b>-</b>	<b>-</b>



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**3(a)(xxii)**

During the current year, the Company has issued fresh equity share capital to investors of Harvest Fintech Private Limited (Harvest) towards purchase consideration for acquisition of Harvest on January 31, 2019 through allotment of 4,960 Equity Shares of Rs 10 each at a premium of Rs. 10,297 per share.

The Company raised fresh preference share capital of Rs. 26,24,92,214 through allotment of Cumulative Compulsory Convertible Preference Shares (CCCPS) including premium of Rs 25,93,04,113 to the following investors:

- a. 1,748 CCCPS on November 15, 2018 to GMO Global Payment Fund Investment Partnership of Rs 100 each at a premium of Rs 8,133.50 per share.
- b. 18,218 CCCPS on November 15, 2018 to Sequoia Capital India Investments IV of Rs 100 each at a premium of Rs 8,133.50 per share.
- c. 74 CCCPS on December 14, 2018 to GMO Global Payment Fund Investment Partnership of Rs 100 each at a premium of Rs 8,133.50 per share.
- d. 9,109 CCCPS on December 14, 2018 to Net1 Applied Technologies Netherlands B.V. of Rs 100 each at a premium of Rs 8,133.50 per share.
- e. 1,366 CCCPS on March 01, 2019 to Gaurav Manglik of Rs 100 each at a premium of Rs. 8,133.50 per share.
- f. 1,366 CCCPS on March 01, 2019 to The Fu Family Trust of Rs 100 each at a premium of Rs. 8,133.50 per share.

During the previous year, the Company had raised fresh equity share capital to Bajaj Finance Limited on August 8, 2017 of Rs. 83,007 through allotment of 10 Equity Shares at a premium of Rs. 82,907.50.

The Company had raised fresh Preference Share capital of Rs. 3,07,35,14,236 through allotment of CCCPS including premium of Rs 3,04,12,62,135.50 during the year ending March 31, 2018 to the following investors:

- a. 5,067 CCCPS on June 14, 2017 to American Express Travel Related Services Company, Inc. of Rs 100 each at a premium of Rs 5,494.
- b. 5,810 CCCPS on July 06, 2017 to GMO Global Payment Fund Investment Partnership of Rs 100 each at a premium of Rs 5,494.
- c. 1,20,665 CCCPS on July 21, 2017 to Net1 Applied Technologies Netherlands B.V. of Rs 100 each at a premium of Rs 5,494.
- d. 2,71,050 CCCPS on August 08, 2017 to Bajaj Finance Limited of Rs 100 each at a premium of Rs 8,200.75.
- e. 17,429 CCCPS on March 28, 2018 to Bennett, Coleman and Company Limited of Rs 100 each at a premium of Rs. 5,494.

**3(b) Shares held by shareholders holding more than 5% shares in the Company.**

Name of the share holders	March 31, 2019			March 31, 2018	
	Class of Share	Numbers	% held	Numbers	% held
Bipin Preel Singh	Equity	5,85,000	58.2%	5,85,000	58.5%
Upasana Rupkrishan Taku	Equity	4,15,000	41.3%	4,15,000	41.5%
Sequoia Capital India Investment Holdings III	Equity Class A	10	50.0%	10	50.0%
Sequoia Capital India Investments IV	Equity Class A	10	50.0%	10	50.0%
Sequoia Capital India Investment Holdings III	Preference Series A	1,09,779	100.0%	1,09,779	100.0%
Sequoia Capital India Investments IV	Preference Series A1	1,72,536	100.0%	1,72,536	100.0%
Sequoia Capital India Investments IV	Preference Series A2	23,615	100.0%	23,615	100.0%
Sequoia Capital India Investments IV	Preference Series A3	17,806	100.0%	17,806	100.0%
Sequoia Capital India Investments IV	Preference Series B1	87,864	49.9%	87,864	49.9%
TreeLine Asia Master Fund	Preference Series B1	88,058	50.1%	88,058	50.1%
American Express Travel Related Services Co.	Preference Series B2	47,120	100.0%	47,120	100.0%
Cisco Systems (USA) PTE Ltd	Preference Series B3	52,834	100.0%	52,834	100.0%
Sequoia Capital India Investments IV	Preference Series B4	62,341	69.4%	62,341	69.4%
TreeLine Asia Master Fund	Preference Series B4	27,503	30.6%	27,503	30.6%
Sequoia Capital India Investments IV	Preference Series C1	12,067	14.3%	12,067	14.3%
TreeLine Asia Master Fund	Preference Series C1	12,067	14.3%	12,067	14.3%
GMO Global Payment Fund Investment Partnership	Preference Series C1	24,134	28.6%	24,134	28.6%
Cloud Ranger Limited	Preference Series C1	36,201	42.9%	36,201	42.9%
Net1 Applied Technologies	Preference Series C2	1,81,007	100.0%	1,81,007	100.0%
Cisco Systems (USA) Pte. Ltd.	Preference Series C5	7,204	100.0%	7,204	100.0%
Net1 Applied Technologies	Preference Series C3	1,20,665	100.0%	1,20,665	100.0%
American Express Travel Related Services Co.	Preference Series C6	5,067	100.0%	5,067	100.0%
Bennett, Coleman and Company Limited	Preference Series C7	17,429	100.0%	17,429	100.0%
GMO Global Payment Fund Investment Partnership	Preference Series C9	5,810	100.0%	5,810	100.0%
Bajaj Finance Limited	Preference Series D	2,71,050	100.0%	2,71,050	100.0%
GMO Global Payment Fund Investment Partnership	Preference Series E1	1,822	9.1%	-	-
Sequoia Capital India Investments IV	Preference Series E1	18,218	90.9%	-	-
Net1 Applied Technologies Netherlands B.V.	Preference Series E2	9,109	100.0%	-	-
Gaurav Manglik	Preference Series E3	1,366	50.0%	-	-
The Fu Family Trust	Preference Series E3	1,366	50.0%	-	-
		<b>24,14,058</b>		<b>23,82,177</b>	

**3(c) Share reserved for issue under contracts/ commitments for the sale of shares**

(i) The Company has reserved 228,213 (Previous year 128,912) number of equity shares for creating a pool of employee stock options representing 9.43% (Previous year 6.57%) of share capital for the benefit of eligible employees on such terms and conditions as determined by the investors and the Board of Directors. (Refer note 36). For details of shares reserved for issue on conversion of CCCPS, please refer note 3(d)(iii) regarding terms of conversion/redemption of Preference shares.

(ii) Pursuant to the advertisement agreement and share cum warrant subscription agreement between the Company and Bennett, Coleman and Company Limited (BCCL) the Company shall allot such number of series C7 CCCPS to BCCL against the exercise of warrants by BCCL and against the amounts payable to BCCL by the Company under line of credit in accordance with the conversions basis agreed in the aforesaid agreements.



**3(d)(i) Terms/rights attached to equity shares**

**Voting**

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

**Dividend**

The Company declares and pays 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.

**3(d) (ii) Terms/rights attached to equity shares- Class A**

**Voting**

To the extent that, and at all times when, applicable laws do not permit the holders of the series A CCCPS or the Series A1 CCCPS to exercise voting rights on the series A CCCPS or the Series A1 CCCPS in the manner contemplated in schedule 2 hereto, the class A equity shares shall carry such number of votes as may be necessary to permit each holder of the Series A CCCPS or Series A1 CCCPS to vote, on all matters submitted to the vote of the shareholders of Company, in such manner and such proportion as each such holder of the Series A CCCPS or Series A1 CCCPS would have been entitled to, had each such holder of the Series A CCCPS or Series A1 CCCPS elected to convert its Series A CCCPS or Series A1 CCCPS into Equity shares based on the then applicable Series A Conversion Price or Series A1 Conversion Price. At all other times and in all other events, including the event that a holder of Class A Equity Shares does not hold any Series A CCCPS or Series A1 CCCPS, then the Class A Equity Shares held by such Shareholder shall carry one(1) vote each.

**Dividend**

The Company declares and pays 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.

**3(d) (iii) Terms/rights attached to Cumulative Compulsory Convertible Preference Shares (CCCPS) towards Series A, A1, A2, A3, B1, B2, B3, B4, C1, C2, C3, C5, C6, C7, C9, D, E1, E2 and E3**

**Voting**

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

**Dividend**

The Preference share of series A and A1 carry cumulative dividend rights at 0.0001% and series A2, A3, B1, B2, B3, B4, C1, C2, C5, C7, C6, C9, D, E1, E2 and E3 carry cumulative dividend rights at 0.001%

**Conversion**

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

**Liquidation**

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



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**3(d) (iv) Terms/rights attached to Share Warrants towards Series C7**

**Terms of Issue and exercise of the Warrants**

Each Warrant entitles BCCL to subscribe to and be allotted such number of Shares and/or Series C7 CCCPS, at its sole discretion, calculated as specified in the said Share Cum Warrant Subscription Agreement dated February 11, 2017. BCCL, at its sole discretion, shall be entitled to (i) exercise all or some of the Warrants; and (ii) upon such exercise, subscribe to either the Shares or Series C7 CCCPS in accordance with the proviso to Article 2.3.1(b) and as per the procedure laid down in the agreement.

**Conversion**

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

**3(e)** The Company did not have any bonus shares and shares bought back for the five years immediately preceding the reporting date.

**3(f) Shares issued for consideration other than cash**

The Company has acquired Harvest on 31 January, 2019 through purchase of Harvest's equity shares and CCCPS for a total consideration of Rs 5,46,40,498. The consideration has been paid through issue of 4960 equity shares of Rs 10 each at a premium of Rs. 10,297 per share to the holders of the Equity Shares and CCCPS in Harvest and balance through bank payment of Rs 35,17,778 (Also refer note -13)



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	As at March 31, 2019 (Rupees)	As at March 31, 2018 (Rupees)
<b>4 Reserves and surplus</b>		
(a) <b>Securities premium account</b>		
Opening balance	60552,15,155	30138,70,112
Add: Securities premium on shares issued during the year (refer note 3 (a)(xxii))		
- Equity Shares	510,73,120	82,907
- CCCPS	2593,04,113	30412,62,136
<b>Closing balance</b>	<b>63655,92,388</b>	<b>60552,15,155</b>
(b) <b>Deficit in Statement of Profit and Loss</b>		
Opening balance	(49169,99,104)	(28844,72,945)
Add: loss for the year	(12589,18,196)	(20325,26,159)
	<b>(61759,17,300)</b>	<b>(49169,99,104)</b>
<b>Total Reserves and surplus</b>	<b>1896,75,088</b>	<b>11382,16,051</b>
<b>5 Long term borrowings*</b>		
<b>Secured</b>		
(a) Loan from body corporate	2600,00,000	
Less: Current maturity of long-term borrowings	(1300,00,000)	
	<b>1300,00,000</b>	
* The Company has raised Rs 30 crores from Trifecta Venture Debt Fund - I through issue of 300 Series-A debentures (Non-convertible) having face value of Rs 10,00,000 at the interest rate of 14.25% p.a. during the year. These debentures are secured by first pari passu charge created on present and future fixed and current assets of the Company. These debentures are repayable over 30 installments starting from November, 2018.		
<b>6 Other long term liabilities</b>		
<b>Unsecured</b>		
(a) Security deposits	3,50,000	
(b) Advance against services	99,71,961	
	<b>103,21,961</b>	
<b>7 Long term provisions</b>		
(a) Provision for employee benefits		
(i) Provision for gratuity (refer note 33)	169,08,866	129,94,241
(ii) Provision for compensated absences	59,53,215	75,09,383
	<b>228,62,081</b>	<b>205,03,624</b>
<b>8 Short term borrowings</b>		
<b>Secured</b>		
(a) Bank overdrafts*	4947,03,757	3011,06,096
(b) Short term loan from Bank*	1000,00,000	
	<b>5947,03,757</b>	<b>3011,06,096</b>
* The Bank overdrafts and Short term loan repayable on demand, is secured by way of charge on all the present and future current assets, fixed deposit and movable fixed assets.		
<b>9 Trade payables</b>		
(a) Total outstanding dues of Micro enterprises and Small enterprises	77,90,996	
(b) Total outstanding dues of creditors other than Micro enterprises and Small enterprises	7641,00,977	4517,78,694
	<b>7718,91,973</b>	<b>4517,78,694</b>
Note :- Subsequent to the year end, the Company has issued 17,506 CCCPS of Rs 100 each to vendors at a premium of Rs 8,133.50 in lieu of payable balance.		
<b>10 Other current liabilities</b>		
(a) Current maturity of long-term borrowings (including interest of Rs 31,46,712) (Refer Note - 5 above)	1331,46,712	
(b) Share application money pending allotment*	3,70,378	
(c) Other payables		
(i) Statutory remittances	273,69,164	115,12,481
(ii) Advances from customers (User's balance)	9779,72,727	5655,54,991
(iii) Other payables - payable to merchants	999,68,256	1301,04,017
(iv) Other payables - Others	565,05,431	
(v) Advance from related party	412,72,271	
	<b>13366,04,939</b>	<b>7071,71,489</b>
* The amount has subsequently been paid in May 2019 except for Rs 3,039 because of pending KYC between the investors and the bank.		
<b>11 Short term provisions</b>		
(a) Provision for employee benefits:		
(i) Provision for gratuity (refer note 33)	7,51,990	11,40,474
(ii) Provision for Compensated absences	5,66,881	6,76,225
	<b>13,18,871</b>	<b>18,16,699</b>



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**12 Property, plant & equipment (At cost)**

Particulars	Gross block			Accumulated depreciation and amortization			Net Block	
	As at April 1, 2018	Additions	Disposal/ adjustments	As at March 31, 2019	As at April 1, 2018	Depreciation/ Amortization for the year	As at March 31, 2019	As at March 31, 2018
<b>(a) Tangible assets (Owned)</b>								
Computers	205,23,588	36,81,199	32,91,538	209,13,249	155,48,111	43,52,591	167,83,886	
Office Equipment	36,40,635	15,98,495	5,245	52,33,885	25,30,040	8,75,862	34,02,650	41,29,363
Furniture and Fixtures	8,19,462	-	4,27,662	3,91,800	5,67,621	51,200	3,31,211	18,31,235
Server & Network Equipment	-	66,24,539	-	66,24,539	-	9,79,584	9,79,584	60,589
<b>Total</b>	<b>249,83,685</b>	<b>119,04,233</b>	<b>37,24,445</b>	<b>331,63,473</b>	<b>186,45,772</b>	<b>62,59,237</b>	<b>214,97,331</b>	<b>56,44,955</b>
<b>(b) Intangible assets (Owned)</b>								
Software	23,52,819	-	-	23,52,819	21,64,968	1,74,869	23,39,837	
Wallet Payment System	35,97,803	-	-	35,97,803	35,97,803	-	35,97,803	12,982
<b>Total</b>	<b>59,50,622</b>	<b>-</b>	<b>-</b>	<b>59,50,622</b>	<b>57,62,771</b>	<b>1,74,869</b>	<b>59,37,640</b>	<b>1,87,851</b>
<b>Grand Total</b>	<b>309,34,307</b>	<b>119,04,233</b>	<b>37,24,445</b>	<b>391,14,095</b>	<b>244,08,543</b>	<b>64,34,106</b>	<b>274,34,971</b>	<b>116,79,124</b>

Particulars	Gross block			Accumulated depreciation and amortization			Net Block	
	As at April 1, 2017	Additions	Disposal/ adjustments	As at March 31, 2018	As at April 1, 2017	Depreciation/ Amortization for the year	As at March 31, 2018	As at March 31, 2017
<b>(a) Tangible assets (Owned)</b>								
Computers	145,03,673	60,19,915	-	205,23,588	117,31,582	38,16,529	155,48,111	49,75,477
Office Equipment	31,08,695	5,31,940	-	36,40,635	18,13,358	7,16,682	25,30,040	11,10,595
Furniture and Fixtures	8,19,462	-	-	8,19,462	4,79,658	87,963	5,67,621	2,51,841
<b>Total</b>	<b>184,31,830</b>	<b>65,51,855</b>	<b>-</b>	<b>249,83,685</b>	<b>140,24,598</b>	<b>46,21,174</b>	<b>186,45,772</b>	<b>63,37,913</b>
<b>(b) Intangible assets (Owned)</b>								
Software	23,52,819	-	-	23,52,819	15,03,991	6,60,977	21,64,968	
Wallet Payment System	35,97,803	-	-	35,97,803	35,97,803	-	35,97,803	8,48,828
<b>Total</b>	<b>59,50,622</b>	<b>-</b>	<b>-</b>	<b>59,50,622</b>	<b>51,01,794</b>	<b>6,60,977</b>	<b>57,62,771</b>	<b>1,87,851</b>
<b>Grand Total</b>	<b>243,82,452</b>	<b>65,51,855</b>	<b>-</b>	<b>309,34,307</b>	<b>191,26,392</b>	<b>52,82,151</b>	<b>244,08,543</b>	<b>52,56,060</b>



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	As at March 31, 2019 (Rupees)	As at March 31, 2018 (Rupees)
<b>13 Non current investments</b>		
<b>Trade investments (valued at cost unless stated otherwise)</b>		
(a) Unquoted equity instruments		
(i) Investment in subsidiaries		
(1) Zaak ePayment Services Private Limited (100% Subsidiary)	1,38,269	1,38,269
10,100 (Previous year - 10,100) Equity shares of 10/- each		
(2) Mobikiwk Finance Private Limited (100% Subsidiary)	250,00,000	250,00,000
25,00,000 (Previous year 25,00,000) Equity shares of 10/- each		
(3) Mobikiwk Credit Private Limited (100% Subsidiary)	250,00,000	-
2,500,000 (Previous year Nil) Equity shares of 10/- each - (Refer Note-1 below)		
(4) Harvest Fintech Private Limited (100% Subsidiary) (Refer Note-2 below)		
(a) 5,23,226 (Previous year Nil) Equity shares of 10/- each	68,06,731	-
(b) 1,12,184 (Previous year Nil) CCCPS of 10/- each	478,33,767	-
(ii) Investment in other entities		
(1) Pivotchain Solution Technologies Private Limited (Refer Note -3 below)		
(a) 10 (Previous year Nil) Equity shares of 10/- each	37,100	-
(b) 2,685 (Previous year Nil) CCCPS of 10/- each	99,61,350	-
	<b>1147,77,217</b>	<b>251,38,269</b>
<b>Note-1:-</b> Mobikiwk Credit Private Limited was incorporated during the year on 1st June, 2018. Investment has been made at par.		
<b>Note-2:-</b> The Company has acquired Harvest on 31 January, 2019 through purchase of Harvest's equity shares and CCCPS for a total consideration of Rs 5,46,40,498. The investment was made at a premium of Rs 3 per equity share and Rs 416.4 per CCCPS. The consideration has been paid through issue of 4960 equity shares of Rs 10 each at a premium of Rs. 10,297 per share to the holders of the Equity Shares and CCCPS in Harvest and balance through bank payment of Rs 35,17,778 (Also refer note -3)		
<b>Note -3:-</b> The Company invested in Pivotchain Solution Technologies Private Limited on 1 September, 2018 through purchase on CCPS and Equity shares at a premium of Rs 3700/- each. The agreement is for total investment of Rs 2 Crore in Pivotchain for 35% of the share capital.		
<b>14 Long term loans and advances</b>		
<b>Unsecured, considered good</b>		
(a) Security deposits	165,27,455	271,96,200
(b) Advance tax and tax deducted at source	498,60,554	244,25,567
(c) Amount paid under protest (TDS) (Refer Note - 25)	8,28,772	8,28,772
(d) Equalisation levy	13,52,826	13,99,676
	<b>685,69,607</b>	<b>538,50,215</b>
<b>15 Trade receivables</b>		
Unsecured, considered good		
(a) Outstanding for a period exceeding six months from the date they are due for payment	229,15,745	-
(b) Other trade receivables	1300,89,338	118,87,318
	<b>1530,05,083</b>	<b>118,87,318</b>
<b>16 Cash and other bank balances</b>		
(a) Cash and cash equivalents (as per AS 3 Cash Flow Statements)		
(i) Cash on hand	280	6,946
(ii) Balances with banks:		
In current accounts	3216,42,575	1893,87,392
In other deposit accounts	2500,00,000	5347,30,415
<b>Total - Cash and cash equivalents (as per AS 3 Cash Flow Statements) (a)</b>	<b>5716,42,855</b>	<b>7241,24,753</b>
(b) Other bank balances (Refer Note 2 below)		
In other deposit accounts		
- original maturity more than 3 months	722,44,706	4944,64,291
Balances with banks:		
In Nodal account (Refer Note 3 below)	8,58,479	614,16,147
In Escrow account (Refer Note 1 below)	11677,70,760	7440,08,084
<b>Total - Other bank balances (b)</b>	<b>12408,73,945</b>	<b>12998,88,522</b>
<b>Total Cash and other bank balances (a)+(b)</b>	<b>18125,16,800</b>	<b>20240,13,275</b>

**Note 1:-** A charge has been created by bank against the balance lying in the escrow account as per the RBI regulations for semi closed wallet. The amount in escrow account includes a fixed deposit of Rs 50 Crores.

**Note 2:-** Other bank balances include deposits with remaining maturity of more than 12 months from the balance sheet date. These deposits include lien marked FDs of Rs 6,22,44,706 (Previous year Rs 7,99,94,706)

**Note 3:-** The Company uses the Nodal account to receive money when wallet is used as payment gateway for settlement of the transactions with the merchants.



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	As at March 31, 2019 (Rupees)	As at March 31, 2018 (Rupees)
<b>17 Short term loans and advances</b>		
<b>Unsecured, considered good</b>		
(a) Security deposits.	216,76,200	37,08,977
(b) Balances with Government authorities		
(i) GST/ Service Tax credit	1697,72,065	1536,45,063
(ii) GST/ Service Tax credit not due	159,12,910	127,29,377
(iv) Advance tax and tax deducted at source	3	178,13,173
(c) Other loans and advances		
(i) Advance to suppliers	110,88,641	212,50,278
(ii) Advance to vendors (Aggregators)	582,80,874	809,15,899
(iii) Loans and advances to employees	4,74,132	-
(d) Loan to subsidiaries (Refer Note -34)(Refer Note 2 below)	3496,02,818	2236,78,199
(e) Receivable from others	17,32,739	-
(f) Receivable from users (Refer Note 1)	59,36,001	278,30,107
<b>Unsecured, considered doubtful</b>		
(a) Loans and Advances to employees	27,985	7,30,645
(b) Other loans and advances		
(i) Advance to vendors	20,44,277	73,73,446
(ii) Service Tax Receivables	75,10,622	75,10,622
Less: Provision for Doubtful Advances	(95,82,884)	(156,14,713)
(c) Receivable from users (Refer Note 1)	953,87,165	1128,30,085
Less: Provision for Doubtful Advances	(953,87,165)	(1128,30,085)
	<b>6344,76,383</b>	<b>5415,71,073</b>

**Notes :-**

- 1 Represents amounts receivable from users on account of a fraud in IMPS transactions in 2017-18. 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 Rs. 19,02,68,006, out of which Rs. 10,48,57,515 has been recovered till the end of the year. This Including Rs 59,36,001 recovered subsequent to year ended March 31, 2019
- 2 The Company has been extending unsecured demand loans to its wholly owned subsidiary Zaak Epayment Services Private Limited for working capital requirements. The outstanding balance amounting to Rs. 34.81 crore as at the end of the year, carries a 10.75% p.a. interest charge.

**18 Other current assets**

**Unsecured, considered good**

(a) Unbilled revenue	184,35,602	128,57,802
(b) Accruals		
(i) Interest accrued on Fixed Deposits	164,19,627	89,00,801
(c) Others		
(i) Receivable from Payment Gateways	2962,27,418	619,22,973
(ii) Receivable from contractual arrangements	591,22,045	114,75,117
(iii) Prepaid expenses	44,13,497	62,95,176
(iv) Receivable from VCC (Virtual Credit Card)	147,72,671	-
(v) Others	46,426	-

**Unsecured, considered doubtful**

(a) (i) Receivable from Payment Gateways -Doubtful	23,05,942	23,05,942
Less: Provision for doubtful receivables	(23,05,942)	(23,05,942)
	<b>4094,37,286</b>	<b>1014,51,869</b>



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	Year ended March 31, 2019 (Rupees)	Year ended March 31, 2018 (Rupees)
<b>19 Revenue from operations</b>		
(a) Revenue from services rendered		
(i) Commission Income- Recharge transactions *	994,37,903	1286,65,679
(ii) Commission Income- Merchant transactions *	3290,31,681	2528,28,151
(iii) Commission on IMPS*	5754,79,051	1553,69,533
(b) Other operating revenues		
(i) Advertisement revenue	446,00,000	-
(ii) Income from loan processing	490,34,808	3,84,600
(iii) Other revenues	61,66,861	-
	<b>11037,50,304</b>	<b>5372,47,963</b>
* Commission amount has been earned on a Gross Merchandise Value of Rs 5303.98 Crores (PY Rs 3703.66 Crores).		
<b>20 Other income</b>		
(a) Liabilities no longer required written back (Refer Note - 1 below)	148,04,697	190,55,664
(b) Provisions no longer required written back (Refer Note - 2 below)	215,91,978	-
(c) Interest on fixed deposits	742,83,365	611,72,536
(d) Interest on loans and advances (Refer Note -34)(Refer Note - 3 below)	278,04,806	141,15,347
(e) Interest on income tax refund	-	29,27,142
(f) Service Income (Refer Note - 4 below)	602,88,078	582,08,713
(g) Miscellaneous Income	24,18,432	1,41,923
	<b>2011,91,356</b>	<b>1556,21,325</b>
<b>Note - 1:</b> The Company has entered into settlement contracts with certain vendors during the year in relation to their outstanding balances withheld by the Company. Basis these settlement agreements, the Company has written back the liabilities aggregating to Rs 95, 82,277 during the year.		
<b>Note - 2:</b> With respect to amount receivables from the users on account of fraud on IMPS transactions in the year 2017 18, the Company has recovered Rs 1,15,06,919 till March 31, 2019 and Rs 59,36,001 till October 31, 2019 from the respective users. Accordingly, provision aggregating to Rs. 17,442,920 created in earlier years, has been written back during the year and shown as Provisions, no longer required written back. Refer Note 1 in Note 17 for details.		
<b>Note - 3:</b> This interest income relates to the interest earned on the loans provided to subsidiary's Zaak Epayment Services Private Limited and Harvest Fintech Private Limited, which are disclosed In Short term loans and advances under the head "Loans to Subsidiaries". Refer Note 2 in Note 17 for details.		
<b>Note - 4:</b> Service income represents the costs recovered with a markup from wholly owned subsidiaries for common services provided by the Company.		
<b>21 Employee benefits expense</b>		
(a) Salaries,wages and bonus and other benefits	5078,26,978	4757,56,676
(b) Contribution to provident fund (refer note 33 and 40)	111,21,841	97,93,375
(c) Gratuity expenses (refer note 33)	39,31,874	27,29,887
(d) Staff welfare expenses	60,30,542	45,49,675
	<b>5289,11,235</b>	<b>4928,29,613</b>
<b>22 Finance cost</b>		
(a) Interest cost		
(i) Interest on borrowings	397,00,890	18,04,932
(ii) Interest on Bank overdrafts and Short term loan	325,95,629	100,12,013
(b) Others		
(i) Interest on delayed payment of income tax	87,421	15,18,233
(ii) Others	5,51,002	17,432
(c) Bank charges	12,49,653	6,41,592
(d) Other borrowing cost	-	71,05,000
	<b>741,84,595</b>	<b>210,99,202</b>
<b>23 Depreciation and amortisation expenses</b>		
(a) Depreciation on tangible assets	62,59,237	46,21,174
(b) Amortisation of intangible assets	1,74,869	6,60,977
	<b>64,34,106</b>	<b>52,82,151</b>



**ONE MOBIKWIK SYSTEMS PRIVATE LIMITED**  
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	Year ended March 31, 2019 (Rupees)	Year ended March 31, 2018 (Rupees)
<b>24 Other expenses</b>		
(a) Business promotion	7015,77,532	10666,96,280
(b) Payment gateway cost	6598,72,711	4025,37,589
(c) BFL Franchisee cost (Including Prior period expense of Rs. 1,55,85,536)	1318,15,300	-
(d) Advertisement	738,03,302	1611,52,453
(e) Communication	518,06,053	640,43,076
(f) Legal & professional (Refer Note 1 below)	581,50,301	684,57,198
(g) Merchant acquisition fees	510,92,812	1496,93,767
(h) GST / Service tax disallowance	104,44,858	216,26,146
(i) Server maintenance	409,20,932	318,59,773
(j) Travelling and conveyance expenses (Including Prior period expense of Rs. 3,43,650)	311,82,152	418,66,762
(k) NPA expense (Refer Note - 2 below)	305,11,667	-
(l) Lease rent	244,09,101	234,71,194
(m) Software usage expenses	193,00,407	125,49,875
(n) Outsource service cost	63,45,901	25,36,184
(o) Rates and taxes	17,74,655	40,94,974
(p) B2B commission expense	111,76,460	122,26,539
(q) Repairs and maintenance - Building	114,45,619	101,91,156
(r) Repairs and maintenance - others	25,68,086	6,72,342
(s) Integration expenses	68,94,187	1,50,000
(t) Foreign exchange loss (net)	22,61,242	7,15,897
(u) Insurance	21,24,486	18,15,355
(v) Loss on sale of fixed assets (net)	88,990	-
(w) Provision for doubtful receivable (Refer note 17)	-	1189,21,120
(x) Electricity	21,77,487	16,74,241
(y) IMPS expenses	98,20,690	49,75,597
(z) Write off of receivables	34,36,586	-
(aa) Miscellaneous	93,28,403	42,56,963
	<b>19543,29,920</b>	<b>22061,84,481</b>

**Note - 1: Payment to auditor (excluding GST/service tax)**

(a) Statutory audit fee	30,00,000	23,00,000
	<b>30,00,000</b>	<b>23,00,000</b>

**Note - 2:** During the year, the Company has started the business of processing of loans wherein the Company receives a share of interest income as per the agreement with the lenders. In terms of the agreement with one of the lenders, the Company shall be liable to pay 100% of the loss incurred by the lender including interest accrued for each non-performing loan. Accordingly, the Company has expensed Rs. 30,511,667 during the year towards non-performing loans.



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**25 Contingent liabilities (to the extent not provided for)**

(a) Claims against the Company not acknowledged as debts:

<b>Particulars</b>	<b>As at March 31, 2019 (Rupees)</b>	<b>As at March 31, 2018 (Rupees)</b>
Income tax matter	41,43,861	41,43,861
Amount paid under protest relating to the above matter	8,28,772	8,28,772

- (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.
- (d) The Company has other commitments for purchase/ sales orders which are issued after considering requirements per operating cycle for purchase/ sale of goods and services and employee benefits, in the normal course of business.

**26 Capital and other commitments**

The Company did not have any capital commitment as at March 31, 2019 and March 31, 2018.

The Company entered into a contract with Bajaj Finance Limited (BFL) for the integration of services provided by BFL and its group companies with those provided on Mobikwik platform to enable end to end facilitation of digital transactions through BFL EMI Card on the Mobikwik platform.

In terms of the agreement, the Company is required to pay Franchisee cost up to Rs 300 crore for the increase in business in the Company consequent to the BFL customers coming on Mobikwik platform and capabilities that would get created due to BFL being a strategic partner.

The Franchise cost will be incurred by the company over the period of contract and accrued to BFL based on percentage of fees earned by the company which will be paid to BFL.

With respect to above, the Company earns revenues from EMI Card onboarding and transaction fees, Personal loan sourcing, credit card sourcing fees and Extended warranty fees from Bajaj Finance Limited for providing leads and enabling Bajaj's customers to pay using Mobikwik platform.

For the year ended 31 March, 2019, the Company has fulfilled Rupees 24,98,40,450 towards the above commitments. Also Refer note 24.

Also refer Note 3 in Note 13 for commitment related to investment in other entity

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

Based on the information available with the Company, the balance due to Micro and Small enterprises as defined under the MSMED Act, 2006 is Rupees Nil and no interest during the period has been paid or is payable under the terms of MSMED Act, 2006. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

	<b>Year ended March 31, 2019 (Rupees)</b>	<b>Year ended March 31, 2018 (Rupees)</b>
(a) (i) the principal amount remaining unpaid to any supplier	77,90,996	-
(ii) interest due thereon	-	-
(b) interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and the amount of payment made to the supplier beyond the appointed day.	-	-
(c) interest due and payable for the period of delay in making payment other than the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) interest accrued and remaining unpaid	-	-
(e) further interest remaining due and payable even in the succeeding years for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-



**ONE MOBIKWIK SYSTEMS PRIVATE LIMITED**  
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**28 Expenditure in foreign currency**

Particulars	Year ended March 31, 2019 (Rupees)	Year ended March 31, 2018 (Rupees)
Advertisement expenses	47,20,737	41,43,933
Foreign travelling expenses	59,594	2,45,252
Business promotion	81,20,832	1294,28,123
Software usage expenses	89,36,061	31,56,452
Others	7,32,441	18,16,938
<b>Total</b>	<b>225,69,666</b>	<b>1387,90,698</b>

**29 Earnings in foreign currency:**

Advertisement revenue	16,73,155	-
	<b>16,73,155</b>	-

**30 Leases**

The Company has hired office space on leases under cancellable operating lease. The lease rental expense recognized in the Statement of Profit and Loss for the year in respect of such leases is Rs. 23,015,316 (previous year Rs. 22,499,787).

Particulars	As at March 31, 2019	As at March 31, 2018 (Rupees)
Not later than one year	265,42,360	90,84,150
Later than one year but not later than five years	543,21,676	57,63,150
<b>Total</b>	<b>808,64,036</b>	<b>148,47,300</b>

**31 Earnings per share**

Particulars	Year ended March 31, 2019 (Rupees)	Year ended March 31, 2018 (Rupees)
Loss for the year (A)(In Rs.)	(12589,18,196)	(20325,26,159)
Loss for the year from continuing operations attributable to the equity shareholders	(12589,18,196)	(20325,26,159)
Weighted average number of equity shares for basic earnings per share(B)(Nos.)	10,00,836	10,00,030
Basic earnings per share (A/B)(In Rs.)	(1,257.87)	(2,032.46)

**Diluted Earnings Per Share**

Loss attributable to equity shareholders(A)(In Rs.)	(12589,18,196)	(20325,26,159)
Loss for the year from continuing operations attributable to the equity shareholders	(12589,18,196)	(20325,26,159)
Weighted average number of equity shares for basic earnings per share(B)(Nos.)	10,00,836	10,00,030
Effect of the dilutive equivalent share option from ESOP, CCPS & Warrants	13,99,439	12,52,933
Weighted average number of equity shares for diluted earnings per share(Nos.)	24,00,275	22,52,964
Basic/Diluted earnings per share (A/B)(In Rs.)	(1,257.87)	(2,032.46)
The potential equity shares are anti dilutive.		

**32 Segment Reporting**

As the Company's business activity consists of operating prepaid payment instruments, there are no separate reportable segments as per the requirements of Accounting Standard (AS-17) "Segment Reporting".



**ONE MOBIKWIK SYSTEMS PRIVATE LIMITED**  
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**33 Employee Benefit Plans:**

**(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 Rs. 1,11,21,841 in FY 18-19 and Rs. 97,93,375 in FY 17-18 for provident fund in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**(b) Defined-Benefits Plans**

Gratuity 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 Rs. 20,00,000 (PY 10,00,000) 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 balance sheet date.

Particulars	As at March 31, 2019 (Rupees)	As at March 31, 2018 (Rupees)
<b>i. Movement in net liability</b>		
Present value of obligation at the beginning of the year	141,34,715	116,21,174
Interest Cost	11,09,575	7,90,240
Past service cost*	-	17,95,876
Current service cost	64,36,047	61,52,828
Benefits paid	(4,05,733)	(2,16,346)
Actuarial (Gain) / Loss on obligations	(36,13,748)	(60,09,057)
Present value of obligations at the end of the year	<b>176,60,856</b>	<b>141,34,715</b>
Present value of unfunded obligation	176,60,856	141,34,715
Amounts in the Balance Sheet		
a. Liabilities	176,60,856	141,34,715
b. Assets	-	-
c. Net liability/(asset) recognised in the balance sheet	<b>176,60,856</b>	<b>141,34,715</b>
Current liability	7,51,990	11,40,474
Non-current liability	169,08,866	129,94,241
	<b>176,60,856</b>	<b>141,34,715</b>
<b>ii. Expense recognised in Statement of Profit and Loss</b>		
Particulars	Year ended March 31, 2019 (Rupees)	Year ended March 31, 2018 (Rupees)
Service cost	64,36,047	61,52,828
Past Service Cost*	-	17,95,876
Interest cost	11,09,575	7,90,240
Net Actuarial (Gain)/Loss	(36,13,748)	(60,09,057)
<b>Amount charged to Statement of Profit and Loss</b>	<b>39,31,874</b>	<b>27,29,887</b>
<b>iii. Principal actuarial assumptions for Gratuity &amp; Compensated absences</b>		
Rate for discounting liabilities	7.70%	7.85%
Expected salary increase rate	10%	10%
Retirement age	58 years	58 years
Mortality table used	IALM (2006-08) Ult.	IALM (2006-08) Ult.

The discount rate is based on the prevailing market yields of Indian Government bonds as at the balance sheet date for the estimated term of obligations.

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

**iv. Change in fair value of plan assets**

Information in relation to this clause has not been provided as the fair value of plan assets is nil since the gratuity plan is wholly unfunded as on 31 March, 2019.

**v. Experience Adjustments:**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016	(Amount in Rupees) Year ended March 31, 2015
Present value of DBO	176,60,856	141,34,715	116,21,174	45,57,556	21,55,809
Fair value of plan assets	-	-	-	-	-
Funded status [surplus/(deficit)]	(176,60,856)	(141,34,715)	(116,21,174)	(45,57,556)	(21,55,809)
Experience (gain) / loss adjustments on plan liabilities	36,13,748	60,09,057	(39,09,288)	(11,35,416)	-

\* The Past Service Cost is due to the change in the Gratuity ceiling from INR 10 Lakhs to INR 20 Lakhs.



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**34 Related Party Disclosures:**

Disclosures as required by the Accounting Standard (AS) 18 – “Related Party Disclosures” are as below:

**(a) Description of relationship**

**Name of related parties**

Subsidiaries  
(100% Subsidiaries of One Mobikwik Systems Private Limited)

Zaak Epayment Services Private Limited  
Mobikwik Finance Private Limited  
Mobikwik Credit Private Limited  
Harvest Fintech Private Limited

Key Management Personnel (KMP)

Mr. Bipin Preet Singh (Managing Director)  
Ms. Upasana Taku (Director)

**(b) Transactions during the year with related parties:**

Particulars	Year ended March 31, 2019 (Rupees)	Year ended March 31, 2018 (Rupees)
<b>Investment in Subsidiary</b>		
- Mobikwik Credit Private Limited	250,00,000	-
- Harvest Fintech Private Limited	546,40,498	-
- Mobikwik Finance Private Limited	-	250,00,000
<b>Payment Gateway Cost</b>		
- Zaak Epayment Services Private Limited	6466,09,430	3858,63,696
<b>Advisory Cost</b>		
- Harvest Fintech Private Limited	5,00,000	-
<b>Revenue from Processing transactions</b>		
- Zaak Epayment Services Private Limited	37,57,248	10,61,077
<b>Funds transferred to Subsidiary Company :-</b>		
- Zaak Epayment Services Private Limited	4662,00,000	1879,27,219
- Harvest Fintech Private Limited	15,00,000	-
<b>Funds received from Subsidiary Company :-</b>		
- Zaak Epayment Services Private Limited	4630,00,600	980,20,637
<b>Advance received from Subsidiary Company :-</b>		
- Mobikwik Finance Private Limited	206,82,441	-
- Mobikwik Credit Private Limited	205,89,830	-
<b>Cost recovery(expenses incurred by Company on behalf of):-</b>		
- Zaak Epayment Services Private Limited	602,88,078	577,04,713
- Mobikwik Finance Private Limited	-	5,04,000
<b>Interest income from loan to the Subsidiary Company :-</b>		
- Zaak Epayment Services Private Limited	277,06,530	141,15,347
- Harvest Fintech Private Limited	15,536	-
<b>Managerial Remuneration</b>		
- Mr. Bipin Preet Singh	133,30,650	215,23,800
- Ms. Upasana Taku	135,87,760	215,23,800



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**(c) Balances outstanding as at year end**  
**Particulars**

	<b>As at March 31, 2019 (Rupees)</b>	<b>As at March 31, 2018 (Rupees)</b>
<b>Salary Payable</b>		
- Mr. Bipin Preet Singh	6,65,204	48,90,166
- Ms. Upasana Taku	6,78,360	39,35,491
<b>Advances from Subsidiary</b>		
- Mobikwik Finance Private Limited	206,82,441	-
- Mobikwik Credit Private Limited	205,89,830	-
<b>RECEIVABLES:</b>		
<b>Receivable from Payment Gateway Companies</b>		
- Zaak Epayment Services Private Limited	2841,25,374	593,57,325
<b>Loan to Subsidiary</b>		
- Zaak Epayment Services Private Limited	3480,88,836	2236,78,199
- Harvest Fintech Private Limited	15,13,982	-
<b>Unbilled Revenue</b>		
- Zaak Epayment Services Private Limited	2,88,078	27,04,713
- Mobikwik Finance Private Limited	-	5,04,000



**ONE MOBIKWIK SYSTEMS PRIVATE LIMITED**  
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**35 Deferred Tax (liabilities)/assets**

Deferred tax assets and liabilities are attributable to the following:

	As at March 31, 2019 (Rupees)	As at March 31, 2018 (Rupees)
<b>(a) Deferred tax (liabilities) / assets</b>		
On difference between book balance and tax balance of fixed assets	4,80,215	5,14,551
Tax effect of items constituting deferred tax liabilities	<b>4,80,215</b>	<b>5,14,551</b>
Provision for compensated absences, gratuity and other employee benefits	62,87,048	68,96,980
Provision for doubtful debts / advances	-	4,75,697
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	33,24,018	72,29,549
Brought forward business losses	-	-
Tax effect of items constituting deferred tax assets	<b>96,11,065</b>	<b>146,02,226</b>
<b>Deferred tax (liabilities) / assets (net)</b>	<b>-</b>	<b>-</b>

The Company has carried out its tax computation in accordance with the mandatory Accounting Standard (AS) 22 on "Accounting for Taxes on Income" and in the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which deferred tax assets on unabsorbed depreciation or carryforward of losses can be realised, the Company has not recognised deferred tax assets during the year.



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**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

**36 Employee Stock Option Plan – 2014 ("The 2014 Plan"):**

(a) The Company established the Employees Stock Option Scheme 2014 ("ESOP 2014") which was approved by the shareholders vide their special resolution dated on August 5, 2014. Under the plan, the Company is authorised to issue up to 228,213 equity shares of Rupees 10 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.

(b) The salient terms of the scheme are set out hereunder:

**ESOP 2014 issued during the financial year 2014-15.**

Particulars	ESOP 2014	
Date of Grant	05-Aug-14	31-Dec-14
Exercise Price	Rupees 695 per option	Rupees 695 per option
<b>Vesting dates:</b>		
Tranche I	05-Aug-15	31-Dec-15
Tranche II	05-Aug-16	31-Dec-16
Tranche III	05-Aug-17	31-Dec-17
Tranche IV	05-Aug-18	31-Dec-18

**Vesting Condition:**

Vesting of options would be subject to continued employment with the Company and satisfaction of certain performance criteria which the Board may specify.

**Exercise Period**

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

**Total Options granted**

41,969

Weighted average fair value of options granted on the date of grant is **Rupees 125.76.**

**ESOP 2014 issued during the financial year 2018-19.**

Particulars	ESOP 2014					
Date of Grant	23-Apr-18	23-Apr-18	23-Apr-18	23-Apr-18	22-Jun-18	02-Jul-18
Exercise Price Per Option	695	4475	4475	5708	5708	5708
<b>Vesting dates:</b>						
Tranche I	23-Apr-19	23-Apr-19	23-Apr-19	23-Apr-19	22-Jun-19	02-Jul-19
Tranche II			22-Apr-20	22-Apr-20	21-Jun-20	01-Jul-20
Tranche III			22-Apr-21	22-Apr-21	21-Jun-21	01-Jul-21
Tranche IV			22-Apr-22	22-Apr-22	21-Jun-22	01-Jul-22

Particulars	ESOP 2014					
Date of Grant	20-Aug-18	17-Sep-18	18-Oct-18	01-Mar-19	19-Mar-19	26-Mar-19
Exercise Price Per Option	5708	5708	5708	5708	10	10
<b>Vesting dates:</b>						
Tranche I	20-Aug-19	17-Sep-19	18-Oct-19	29-Feb-20	18-Mar-20	25-Mar-20
Tranche II	19-Aug-20	16-Sep-20	17-Oct-20	28-Feb-21	18-Mar-21	25-Mar-21
Tranche III	19-Aug-21	16-Sep-21	17-Oct-21	28-Feb-22	18-Mar-22	25-Mar-22
Tranche IV	19-Aug-22	16-Sep-22	17-Oct-22	28-Feb-23	18-Mar-23	25-Mar-23

**Vesting Condition:**

Vesting of options would be subject to continued employment with the Company and satisfaction of certain performance criteria which the Board may specify.

**Exercise Period**

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

**Total Options granted**

27,698

(c) Employee stock option details as on the Balance sheet date are as follows:

Particulars	(Amount in Rupees)			
	March 31, 2019		March 31, 2018	
	Number of options	Amount	Number of options	Amount
Outstanding at the beginning of the year	60,568	1287,65,306	34,869	36,18,573
Granted during the year	19,710	1141,50,381	25,737	1251,50,010
Forfeited during the year	2,840	136,03,814	38	3,277
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	77,438	2293,11,873	60,568	1287,65,306



**ONE MOBIKWIK SYSTEMS PRIVATE LIMITED**  
**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

- (d) The fair value of the options, calculated by an external value, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

**(i) Grant date- 5 August, 2014**

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Stock price- Rupees	373.7	373.7	373.7	373.7
Expected Volatility (Standard Deviation - Annual)	13.68%	13.68%	13.68%	13.68%
Risk free rate	8.70%	8.70%	8.71%	8.71%
Exercise price-Rupees	695	695	695	695

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	15%	20%	30%	35%
Option fair value- Rupees	69.83	88.54	107.34	125.83
Life of the options granted (Vesting and exercise period) in years	8	9	10	11

**(ii) Grant date- 31 December, 2014**

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Stock price- Rs.	545.74	545.74	545.74	545.74
Expected Volatility (Standard Deviation - Annual)	13.68%	13.68%	13.68%	13.68%
Risk free rate	8.70%	8.70%	8.71%	8.71%
Exercise price-Rupees	695	695	695	695

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	15%	20%	30%	35%
Option fair value- Rupees	191.71	216.55	239.97	261.97
Life of the options granted (Vesting and exercise period) in years	8	9	10	11

**(iii) Grant date- 22 November, 2017**

Particulars	ESOP 2014		
	Vest - 1	Vest - 2	Vest - 3
Stock price- Rs.	7136	7136	7136
Expected Volatility (Standard Deviation - Annual)	13.68%	13.68%	13.68%
Risk free rate	7.96%	7.96%	7.96%
Exercise price-Rupees	4475	4475	4475

Particulars	ESOP 2014		
	Vest - 1	Vest - 2	Vest - 3
Dividend yield	0.00%	0.00%	0.00%
Vesting	35%	30%	35%
Option fair value- Rupees	4769.80	4950.84	5118.01
Life of the options granted (Vesting and exercise period) in years	8	9	10

**(iv) Grant date- 22 November, 2017**

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Stock price- Rs.	7136	7136	7136	7136
Expected Volatility (Standard Deviation - Annual)	13.68%	13.68%	13.68%	13.68%
Risk free rate	7.96%	7.95%	7.94%	7.93%
Exercise price-Rupees	5708	5708	5708	5708

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	15%	20%	30%	35%
Option fair value- Rupees	4124.67	4354.39	4566.59	4762.64
Life of the options granted (Vesting and exercise period) in years	8	9	10	11



**ONE MOBIKWIK SYSTEMS PRIVATE LIMITED**  
**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

**(v) Grant date- 06 February, 2018**

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Stock price- Rs.	7136	7136	7136	7136
Expected Volatility (Standard Deviation - Annual)	13.68%	13.68%	13.68%	13.68%
Risk free rate	7.96%	7.95%	7.94%	7.93%
Exercise price-Rupees	5708	5708	5708	5708

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	15%	20%	30%	35%
Option fair value- Rupees	4124.67	4354.39	4566.59	4762.64
Life of the options granted (Vesting and exercise period) in years	8	9	10	11

**(vi) Grant date- 05 March, 2018**

Particulars	ESOP 2014	
	Vest - 1	Vest - 2
Stock price- Rs.	7136	7136
Expected Volatility (Standard Deviation - Annual)	13.68%	13.68%
Risk free rate	7.96%	7.95%
Exercise price-Rupees	5708	5708

Particulars	ESOP 2014	
	Vest - 1	Vest - 2
Dividend yield	0.00%	0.00%
Vesting	15%	20%
Option fair value- Rupees	4124.67	4354.39
Life of the options granted (Vesting and exercise period) in years	8	9

**(vii) Grant date- 13 March, 2018**

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Stock price- Rs.	7136	7136	7136	7136
Expected Volatility (Standard Deviation - Annual)	13.68%	13.68%	13.68%	13.68%
Risk free rate	7.96%	7.95%	7.94%	7.93%
Exercise price-Rupees	5708	5708	5708	5708

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	15%	20%	30%	35%
Option fair value- Rupees	4124.67	4354.39	4566.59	4762.64
Life of the options granted (Vesting and exercise period) in years	8	9	10	11

**(viii) Grant date- 23 April, 2018**

Particulars	ESOP 2014	
	Vest - 1	
Stock price- Rs.	8024.89	
Expected Volatility (Standard Deviation - Annual)	14.85%	
Risk free rate	7.35%	
Exercise price-Rupees	695	

Particulars	ESOP 2014	
	Vest - 1	
Dividend yield	0.00%	
Vesting	100%	
Option fair value- Rupees	7638.86	
Life of the options granted (Vesting and exercise period) in years	8	

**(ix) Grant date- 23 April, 2018**

Particulars	ESOP 2014	
	Vest - 1	
Stock price- Rs.	8024.89	
Expected Volatility (Standard Deviation - Annual)	14.85%	
Risk free rate	7.35%	
Exercise price-Rupees	4475	

Particulars	ESOP 2014	
	Vest - 1	
Dividend yield	0.00%	
Vesting	100%	
Option fair value- Rupees	5540.76	
Life of the options granted (Vesting and exercise period) in years	8	



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**(x) Grant date- 23 April, 2018**

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Stock price- Rs.	8024.89	8024.89	8024.89	8024.89
Expected Volatility (Standard Deviation - Annual)	14.85%	14.85%	14.85%	14.85%
Risk free rate	7.35%	7.35%	7.35%	7.35%
Exercise price-Rupees	4475	4475	4475	4475

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	15%	20%	30%	35%
Option fair value- Rupees	5540.76	5716.90	5880.51	6032.50
Life of the options granted (Vesting and exercise period) in years	8	9	10	11

**(x) Grant date- 23 April, 2018**

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Stock price- Rs.	8024.89	8024.89	8024.89	8024.89
Expected Volatility (Standard Deviation - Annual)	14.85%	14.85%	14.85%	14.85%
Risk free rate	7.35%	7.35%	7.35%	7.35%
Exercise price-Rupees	5708	5708	5708	5708

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	15%	20%	30%	35%
Option fair value- Rupees	4864.33	5088.14	5295.99	5489.05
Life of the options granted (Vesting and exercise period) in years	8	9	10	11

**(xi) Grant date- 22 June, 2018**

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Stock price- Rs.	8024.89	8024.89	8024.89	8024.89
Expected Volatility (Standard Deviation - Annual)	14.85%	14.85%	14.85%	14.85%
Risk free rate	7.35%	7.35%	7.35%	7.35%
Exercise price-Rupees	5708	5708	5708	5708

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	15%	20%	30%	35%
Option fair value- Rupees	4864.33	5088.14	5295.99	5489.05
Life of the options granted (Vesting and exercise period) in years	8	9	10	11

**(xii) Grant date- 02 July, 2018**

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Stock price- Rs.	8024.89	8024.89	8024.89	8024.89
Expected Volatility (Standard Deviation - Annual)	14.85%	14.85%	14.85%	14.85%
Risk free rate	7.35%	7.35%	7.35%	7.35%
Exercise price-Rupees	5708	5708	5708	5708

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	15%	20%	30%	35%
Option fair value- Rupees	4864.33	5088.14	5295.99	5489.05
Life of the options granted (Vesting and exercise period) in years	8	9	10	11

**(xiii) Grant date- 20 August, 2018**

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Stock price- Rs.	8024.89	8024.89	8024.89	8024.89
Expected Volatility (Standard Deviation - Annual)	14.85%	14.85%	14.85%	14.85%
Risk free rate	7.35%	7.35%	7.35%	7.35%
Exercise price-Rupees	5708	5708	5708	5708

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	15%	20%	30%	35%
Option fair value- Rupees	4864.33	5088.14	5295.99	5489.05
Life of the options granted (Vesting and exercise period) in years	8	9	10	11



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**(xiv) Grant date- 17 September, 2018**

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Stock price- Rs.	8024.89	8024.89	8024.89	8024.89
Expected Volatility (Standard Deviation - Annual)	14.85%	14.85%	14.85%	14.85%
Risk free rate	7.35%	7.35%	7.35%	7.35%
Exercise price-Rupees	5708	5708	5708	5708

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	15%	20%	30%	35%
Option fair value- Rupees	4864.33	5088.14	5295.99	5489.05
Life of the options granted (Vesting and exercise period) in years	8	9	10	11

**(xv) Grant date- 18 October, 2018**

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Stock price- Rs.	8024.89	8024.89	8024.89	8024.89
Expected Volatility (Standard Deviation - Annual)	14.85%	14.85%	14.85%	14.85%
Risk free rate	7.35%	7.35%	7.35%	7.35%
Exercise price-Rupees	5708	5708	5708	5708

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	15%	20%	30%	35%
Option fair value- Rupees	4864.33	5088.14	5295.99	5489.05
Life of the options granted (Vesting and exercise period) in years	8	9	10	11

**(xvi) Grant date- 01 March, 2019**

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Stock price- Rs.	8024.89	8024.89	8024.89	8024.89
Expected Volatility (Standard Deviation - Annual)	14.85%	14.85%	14.85%	14.85%
Risk free rate	7.35%	7.35%	7.35%	7.35%
Exercise price-Rupees	5708	5708	5708	5708

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	15%	20%	30%	35%
Option fair value- Rupees	4864.33	5088.14	5295.99	5489.05
Life of the options granted (Vesting and exercise period) in years	8	9	10	11

**(xvii) Grant date- 19 March, 2019**

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Stock price- Rs.	8024.89	8024.89	8024.89	8024.89
Expected Volatility (Standard Deviation - Annual)	14.85%	14.85%	14.85%	14.85%
Risk free rate	7.35%	7.35%	7.35%	7.35%
Exercise price-Rupees	10	10	10	10

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	15%	20%	30%	35%
Option fair value- Rupees	8019.34	8019.73	8020.09	8020.43
Life of the options granted (Vesting and exercise period) in years	8	9	10	11

**(xviii) Grant date- 26 March, 2019**

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Stock price- Rs.	8024.89	8024.89	8024.89	8024.89
Expected Volatility (Standard Deviation - Annual)	14.85%	14.85%	14.85%	14.85%
Risk free rate	7.35%	7.35%	7.35%	7.35%
Exercise price-Rupees	10	10	10	10

Particulars	ESOP 2014			
	Vest - 1	Vest - 2	Vest - 3	Vest - 4
Dividend yield	0.00%	0.00%	0.00%	0.00%
Vesting	15%	20%	30%	35%
Option fair value- Rupees	8019.34	8019.73	8020.09	8020.43
Life of the options granted (Vesting and exercise period) in years	8	9	10	11



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- (e) Details of weighted average share price, fair value of the stock options granted and outstanding as at the end of the year and weighted average remaining contractual life are as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Total options granted (in Numbers)	1,15,407	87,709
Total options outstanding at the end of the Year	77,438	60,568
Weighted average share price for options granted during the year (in Rupees)	2,961.23	2,125.96
Average Exercise price (Rupees)	2,975.44	2,552.41
Weighted average remaining contractual life (years)	6.41	6.42

- (f) The Company has got the fair market valuation of fully paid equity share done as of August 5, 2014 and December 31, 2014 for granting of options under ESOP 2014 scheme.
- (g) The Company applies the intrinsic value-based method of accounting for determining compensation cost for its stock-based compensation plans. Had the compensation cost been determined using the fair value approach, the Company's net profit and basic and diluted earnings per share as reported would have reduced to the proforma amounts as indicated:

Particulars	Units	Year ended March 31, 2019	Year ended March 31, 2018
(i). Net Loss after tax as reported	Rupees	(12589,18,196)	(20325,26,159)
- Add: Stock based employee compensation expense debited to Statement of Profit and Loss	Rupees		
- Less: Stock based employee compensation expense based on fair value	Rupees	415,63,646	168,60,060
(ii) Difference between add and less	Rupees	(415,63,646)	(168,60,060)
(iii) Adjusted proforma profit/(loss)	Rupees	(13004,81,842)	(20493,86,218)
(iv) Difference between (i) and (iii)	Rupees	(415,63,646)	(168,60,060)
(v) Basic earnings per share as reported	Rupees	(1,258)	(2,032)
(vi) Proforma basic earnings per share	Rupees	(1,258)	(2,032)
(vii) Diluted earnings per share as reported	Rupees	(524)	(902)
(viii) Proforma diluted earnings	Rupees	(524)	(902)

### 37 Going Concern

The Revenue for the year ended March 31, 2019 has significantly increased from Rs. 69,28,69,288 to Rs. 130,49,41,660. Further the losses in the current year have reduced from Rs. 203,25,26,159 to Rs. 125,89,18,196. The accumulated losses in the Company aggregate to Rs. 6,17,59,17,300 (previous Year Rs. 491,69,99,104). In the opinion of Management, the business will continue to grow aggressively in the future based on the new business operations / initiatives relating to digital financial services. Users, Transactions, Revenue and EBITDA continue to improve significantly year on year. The management is confident of its ability to secure further funding for its future operations and its ability to generate positive cash flows in near future and continue as a going concern.

Based on management assessment these financial statements have been continued to be prepared on a going concern basis and do not require any adjustment relating to the recoverability and classification of asset or the amounts and classification of liabilities that might be necessary if the Company is unable to continue as a going concern.

- 38 During the previous year ended March 31, 2018, out of proceeds of Rs. 70,75,01,150 (2016-17 - Rs. 47,25,19,586) received by the Company by way of preferential allotment, the Company had not kept the amount in a separate bank account and an amount of Rs. 45,17,27,995 (2016-17 - Rs. 10,00,00,000) was inadvertently utilised for payments towards business purposes before allotment of shares to the investors. The Management believes that by allotting shares to respective investors within the time frame of 60 days, the intent and spirit of Section 42 was complied with. The management based on its assessment and in the absence of available precedence, believes that the penalty under Section 42 may not be levied.

- 39 The Company received a show cause notice (SCN) dated 15th February, 2019 from RBI seeking explanation as to why a penalty of Rs 15 lac should not be imposed on the Company under Section 30 of Payment and Settlement Act (PSS), 2007 for non compliance with para 11(c) of Master Direction on Issuance and Operation of Prepaid Payment Instruments (PPIs) dated October, 2017 (as updated on December 29, 2017). The submissions made by the Company against such SCN were not accepted by the RBI and a speaking order dated 17th May, 2019 was issued levying a penalty of Rs 15 Lac. Company has paid the penalty of Rs. 15 lacs on June 14, 2019.

Further, the Company is now in full compliance with Master Direction and such incidents have not been reported by RBI in Audit conducted in February - March 2019.

- 40 The Hon'ble Supreme Court of India has passed a judgement on the definition and scope of Basic wages under the 'Employees Provident Fund and Miscellaneous Provisions Act, 1952' in a recent ruling. Pending issuance of guidelines by the Regulatory authorities on the application of this ruling, the Company has estimated the liability on account of provident fund contribution in respect of its employees and have provided the same in the books of account for the period up to March 31, 2019.



**ONE MOBIKWIK SYSTEMS PRIVATE LIMITED**  
**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

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- 41** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

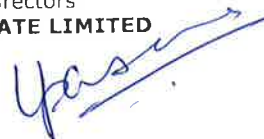


For and on behalf of the Board of Directors

**ONE MOBIKWIK SYSTEMS PRIVATE LIMITED**

  
**BIPIN PREET SINGH**

Managing Director  
DIN - 02019594



**UPASANA TAKU**

Director  
DIN - 02979387

**Place:** Gurugram

**Date:** December 09, 2019

  
**ROHIT SHADEJA**  
Company Secretary

**Place:** Gurugram

**Date:** December 09, 2019

