

INDEPENDENT AUDITOR'S REPORT

To the Members of Thumbworks Technologies Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Thumbworks Technologies Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 39 to the financial statements, which describes that the extent to which the COVID-19 pandemic will impact the Company's business and financial metrics will depend on future developments, which are highly uncertain. Our opinion is not modified in respect of this matter.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Director's report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charge with Governance for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting

Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021;
 - (h) 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 financial statements – Refer Note 28 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Rutushtra Patell
Partner
Membership Number: 123596
UDIN: 21123596AAAAKZ6364

Mumbai
September 4, 2021

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date

Re: Thumbworks Technologies Private Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) Undisputed statutory dues including income-tax, service tax, goods and services tax, provident fund, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there have been slight delays in a few cases. As informed, the provisions of employees' state insurance, sales tax, duty of customs, duty of excise and value added tax are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed, provisions of employees' state insurance, sales tax, duty of customs, duty of excise and value added tax are not applicable to the Company.
- (c) According to the records of the Company, the dues of income-tax, goods and service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of statute	Nature of dues	Amount (Rs.)	Period to which amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	102,842,172	AY 2017-18	Commissioner of Income Tax (Appeals)	The Company has paid an amount of Rs.6,196,120 under protest.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution. The Company did not have any outstanding loans or borrowing dues in respect of a bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer, further public offer and debt instruments.
- Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence, reporting under clause 3(xi) is not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Rutushtra Patell
Partner
Membership Number: 123596
UDIN: 21123596AAAAKZ6364

Mumbai
September 4, 2021

Annexure 2 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

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

We have audited the internal financial controls with reference to financial statements of Thumbworks Technologies Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the 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 ("ICAI"). 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 Company's internal financial controls with reference to these financial statements 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") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to these Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements 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 with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, 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 issued by the ICAI.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Rutushtra Patell
Partner
Membership Number: 123596
UDIN: 21123596AAAAKZ6364

Mumbai
September 4, 2021

Thumbworks Technologies Private Limited			
Balance Sheet as at March 31, 2021			
(All amount in INR millions, unless otherwise stated)			
Particulars	Notes	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	4	0.93	2.74
Right of Use Assets	5	-	1.22
Income Tax Assets (net)		8.04	8.14
Total non-current assets		8.97	12.10
Current assets			
Financial assets			
(i) Cash and cash equivalents	6	3.54	0.40
(ii) Bank Balances other than cash and cash equivalents above	7	13.22	12.60
(iii) Loans	8	-	0.22
(iv) Other financial assets	9	0.84	0.73
Other current assets	10	79.74	61.01
Total current assets		97.34	74.96
Total assets		106.31	87.06
Equity and liabilities			
Equity			
Equity share capital	11	1.29	1.29
Other equity	12	(1,375.80)	(873.62)
Total equity		(1,374.51)	(872.33)
Liabilities			
Non-current liabilities:			
Financial Liabilities			
(i) Borrowing	13	624.36	336.29
Provisions	14	22.36	6.77
Total non-current liabilities		646.72	343.06
Current liabilities:			
Financial Liabilities			
(i) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	15	25.52	8.38
(ii) Other financial liabilities	16	767.25	578.56
Provisions	17	36.98	27.53
Other current liabilities	18	4.35	1.86
Total current liabilities		834.10	616.33
Total liabilities		1,480.82	959.39
Total equity and liabilities		106.31	87.06
Summary of Significant Accounting Policies		3	
The accompanying notes are an integral part of the financial statements.			
As per our report of even date			
For S.R. Batliboi & Co. LLP		For and on behalf of the board of directors of	
Chartered Accountants		Thumbworks Technologies Private Limited	
ICAI Firm Registration No. 301003E/E300005			
per Rutushtra Patell		Gaurav Dinesh Hinduja Sashank R Rishyasringa	
Partner		Director Director	
Membership No. 123596		DIN: 01264801 DIN: 06466985	
Place: Mumbai		Place: Bangalore	
Date: September 4, 2021		Date: September 4, 2021	

Thumbworks Technologies Private Limited
Statement of Profit and Loss for the year ended March 31, 2021
(All amount in INR millions, unless otherwise stated)

Particulars	Notes	March 31, 2021	March 31, 2020
INCOME			
Revenue from operations	19	3.42	18.89
Other income	20	1.02	0.87
TOTAL INCOME		4.44	19.76
EXPENSES			
Employee benefit expense	21	327.06	431.99
Finance Cost	22	54.21	26.57
Impairment on financial instruments	23	-	(0.28)
Depreciation	24	1.97	3.46
Other expenses	25	116.01	97.53
TOTAL EXPENSES		499.25	559.27
Profit / (loss) before tax		(494.81)	(539.51)
Tax expense / (benefit) :			
Current tax		-	-
Deferred tax	26	-	-
Profit / (loss) after tax		(494.81)	(539.51)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability/ (asset)		(7.37)	0.60
Income tax effect on above		-	-
Other comprehensive income for the year, net of tax		(7.37)	0.60
Total Comprehensive Income for the year		(502.18)	(538.91)
Earnings per share			
Equity share of face value of INR 10 each			
Basic earnings per share (INR)	27	(49,481.00)	(52,701.96)
Diluted earnings per share (INR)		(49,481.00)	(52,701.96)

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

**For and on behalf of the board of directors of
Thumbworks Technologies Private Limited**

per Rutushtra Patell
Partner
Membership No. 123596
Place: Mumbai
Date: September 4, 2021

Gaurav Dinesh Hinduja Sashank R Rishyasringa
Director Director
DIN: 01264801 DIN: 06466985
Place: Bangalore
Date: September 4, 2021

Thumbworks Technologies Private Limited
Cash Flow statement for the year ended March 31, 2021
(All amount in INR millions, unless otherwise stated)

Particulars	March 31, 2021	March 31, 2020
Operating activities		
Profit / (Loss) before tax	(494.81)	(539.51)
Adjustments to reconcile profit / (loss) before tax to net cash flows:		
Depreciation	1.97	3.46
Loss on sale/write off of fixed assets	0.76	-
Impairment on financial instruments	-	(0.28)
Share based payment to employees	190.11	333.21
Interest on Lease liabilities	0.05	0.26
Interest on borrowings	54.16	26.31
Non cash adjustment made for foreclosure of Lease Assets	0.67	-
Interest on fixed deposits	(0.73)	(0.78)
Operating loss before working capital changes	(247.82)	(177.33)
Working capital changes:		
Increase / (Decrease) in trade payables	17.14	(4.83)
Decrease in financial liabilities	(0.77)	(0.50)
Increase / (Decrease) in other liabilities	2.49	(4.11)
Increase in provisions	17.67	2.85
Decrease / (Increase) in loans and advances	0.22	(0.02)
Increase in financial assets	(18.73)	(12.99)
(Increase) / Decrease in other assets	(0.11)	1.89
Decrease in trade receivables	-	1.12
Income tax received / (paid)	0.10	(6.64)
Net cash flows used in operating activities (A)	(229.81)	(200.56)
Investing activities		
Purchase of property, plant & equipment ('PPE') including intangible assets	(0.37)	(1.25)
Fixed Deposits placed with banks	(0.62)	(0.63)
Interest on fixed deposits	0.73	0.78
Net cash flows used in investing activities (B)	(0.26)	(1.10)
Financing activities		
Repayment of lease liabilities	(0.65)	(1.89)
Interest on Lease liabilities	(0.05)	(0.26)
Proceeds from borrowings	241.97	231.09
Repayment of borrowings	(8.06)	(11.23)
Interest paid on borrowings	-	(26.31)
Net cash flows generated from financing activities (C)	233.21	191.40
Net increase/(decrease) in cash and cash equivalents	3.14	(10.26)
Effect of exchange differences on cash and cash equivalents held in foreign currency	-	-
Cash and cash equivalents at the beginning of the year	0.40	10.66
Cash and cash equivalents at the end	3.54	0.40
Components of Cash and Cash Equivalents		
Balances with scheduled banks	3.54	0.40
Deposits with original maturity of less than 3 months	-	-
Total Cash and cash equivalents	3.54	0.40

Note: The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian accounting standard (Ind AS) - 7 - 'Cash Flow Statements' notified under Section 133 of the Companies Act, 2013, read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

For and on behalf of the board of directors of
Thumbworks Technologies Private Limited

per Rutushtra Patell
Partner
Membership No. 123596
Place: Mumbai
Date: September 4, 2021

Gaurav Dinesh Hinduja **Sashank R Rishyasringa**
Director Director
DIN: 01264801 DIN: 06466985
Place: Bangalore
Date: September 4, 2021

Thumbworks Technologies Private Limited				
Statement of changes in equity for the year ended March 31, 2021				
(All amount in INR millions, unless otherwise stated)				
1. Equity Share capital				
Particulars	Equity Share capital	Preference Share Capital	Total	
Balance as at 31 March 2020	0.10	1.19	1.29	
Issued during the year	-	-	-	
Balance as at 31 March 2021	0.10	1.19	1.29	
2. Other Equity				
Particulars	Reserves and Surplus			Total
	General Reserve	Share Premium Account	Retained Earnings	
Balance as at April 1, 2019	68.80	598.12	(1,001.63)	(334.71)
Add: Loss for the year	-	-	(539.51)	(539.51)
Add: Other comprehensive income	-	-	0.60	0.60
Total Comprehensive Income for the year	-	-	(538.91)	(538.91)
Balance as at March 31, 2020	68.80	598.12	(1,540.54)	(873.62)
Add: Loss for the year	-	-	(494.81)	(494.81)
Add: Other comprehensive income	-	-	(7.37)	(7.37)
Total Comprehensive Income for the year	-	-	(502.18)	(502.18)
Balance as at March 31, 2021	68.80	598.12	(2,042.72)	(1,375.80)
As per our report of even date				
For S.R. Batliboi & Co. LLP		For and on behalf of the board of directors of		
Chartered Accountants		Thumbworks Technologies Private Limited		
ICAI Firm Registration No. 301003E/E300005				
per Rutushtra Patell		Gaurav Dinesh Hinduja	Sashank R Rishyasringa	
Partner		Director	Director	
Membership No. 123596		DIN: 01264801	DIN: 06466985	
Place: Mumbai		Place: Bangalore		
Date: September 4, 2021		Date: September 4, 2021		

Accounting Policies

1 Corporate Information

Thumbworks Technologies Private Limited ('the Company') was incorporated on November 10, 2014. The Company is engaged in the business of development, customization, implementation, maintenance, testing benchmarking of computer software and solutions for personal finance and transaction management services to customers through web and mobile-based platforms.

On September 6, 2018, a majority stake in the Company was acquired by CapFloat Financial Services Private Limited ("Holding Company").

The financial statements for the year ended March 31, 2021 were authorised for issue in accordance with a resolution of the directors on September 04, 2021.

2 Basis of preparation and presentation

a. Basis of preparation

The financial statements for the year ended March 31, 2021 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended from time to time, in this regard.

b. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency. All amounts have been denominated in millions and rounded off to the nearest two decimals, except when otherwise indicated.

d. Presentation of financial statements

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

e. Statement of Compliance

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

f. Current/ Non Current classification of assets and liabilities

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

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

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

3 Significant accounting policies

3.1 Use of estimates, judgments and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgements, accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 3.16 - Significant accounting judgements, estimates and assumptions.

3.2 Revenue from operation

a) Revenue from contract with customers:

The Company derives revenues primarily from origination fee received for referring potential borrower to customer. Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved in writing by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

Origination fee are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 3.3: Financial instruments.

b) Other Income

Other income primarily comprises interest income and gain / loss on investments. Interest income is recognized using the effective interest method.

3.3 Financial instruments

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

3.3.1 Initial recognition

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

3.3.2 Initial measurement

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

A financial asset and a financial liability are offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

3.3.3 Day 1 profit or loss

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain or fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability, when the inputs become observable, or when the instrument is derecognised.

3.3.4 Classification and Subsequent measurement of financial instruments

3.3.4.1. Financial assets

The Company classifies its financial assets into the following measurement categories:

- i. Financial assets to be measured at amortised cost
- ii. Financial assets to be measured at fair value through other comprehensive income
- iii. Financial assets to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

Business Model assessment:

The Company determines its business model at the level that best reflects how it manages Company's of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- d) The expected frequency, value and timing of sales are also important aspects of the Company's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Contractual Cash Flow Test (i.e. SPPI test)

As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the Solely for Payment of Principal and Interest (SPPI) test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimise exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

i) Financial assets measured at amortised cost

These financial assets comprise bank balances, loans, trade receivables, and other financial assets.

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets measured at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income where they have:

- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest (SPPI) on the principal amount outstanding; and
- b) Are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement.

iii) Financial assets measured at fair value through profit and loss

Financial assets that do not meet the criteria for categorisation as at amortised cost or as FVOCI, are measured at FVTPL. Subsequent changes in fair value are recognised in the statement of profit and loss.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

3.3.4.2. Financial Liabilities and Equity Instruments

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

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

Financial Liabilities (Debt securities and other borrowed funds)

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the EIR.

The Company has issued financial instruments with equity conversion rights. When establishing the accounting treatment for these non-derivative instruments, the Company first establishes whether the instrument is a compound instrument and classifies such instrument's components separately as financial liabilities or equity instruments in accordance with Ind AS 32. Disclosures for the Company's issued debt are set out in Note 13: Borrowing - Non Current.

Equity Instruments

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

Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

3.3.5 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2018-19 and 2019-20.

3.3.6 Derecognition of financial assets and financial liabilities

i. Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

- i) The Company has transferred its contractual rights to receive cash flows from the financial asset, or
- ii) It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- i) The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- ii) The Company cannot sell or pledge the original asset other than as security to the eventual recipients
- iii) The Company has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- i) The Company has transferred substantially all the risks and rewards of the asset, or
- ii) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

ii. Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.3.7 Impairment of financial assets

Overview of ECL principles:

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss together with trade receivables and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of lifetime ECL that represent the ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Trade Receivables:

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Guarantee Contracts:

The Company's liability under the financial guarantee contract is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. Such expected payments are estimated by applying a credit conversion factor. The ECLs related to financial guarantee contracts are recognised within Provisions.

3.3.8 Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. any subsequent recoveries against such loans are credited to the statement of profit and loss.

3.3.9 Presentation of allowance for ECL in the balance sheet

Loss allowances for ECL are presented in the balance sheet as follows:

- a) Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- b) Financial guarantee contracts: generally, as a provision;

3.3.10 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.4 Determination of Fair Value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note 36: fair value measurement at fair value on each balance sheet date).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability, or
 - ii) In the absence of a principal market, in the most advantageous market for the asset or liability.
- The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:
Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

3.5 Expenses

3.5.1 Retirement and other employee benefits

Short term employee benefit

All employee benefits including short term compensated absences and performance bonus payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are charged to the Statement of Profit and Loss of the year.

Post-employment employee benefits

a) Defined contribution schemes

Retirement/ Employee benefits in the form of Provident Fund is considered as defined contribution plan. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Company's contributions to the above Plan are charged to the Statement of Profit and Loss.

b) Defined Benefit schemes

Gratuity

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurement are not reclassified to profit or loss in subsequent periods.

Leave encashment

The employees of the Company are entitled to compensated absence and deferred compensation as per the policy of the Company, the liability in respect of which is provided, based on an actuarial valuation carried out by an independent actuary as at the year end. The actuarial valuation has been carried out using the Projected Accrued Benefit Method which is same as the Projected Unit Credit Method in respect of past service..

Actuarial gains and losses comprise experience adjustments and the effects of changes in the actuarial assumptions are recognized immediately in the Statement of Profit and Loss in the year in which they arise.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. Unutilised leave balance that accrues to employees as at the year end is charged to the Statement of Profit and Loss on an undiscounted basis.

3.5.2 Share-based payments

Employees of the Company receive remuneration in the form of share-based payments in consideration of the services rendered. The company shall measure the goods or services received as an equity-settled share-based payment transaction when:

- a) the awards granted are its own equity instruments, or
- b) the entity has no obligation to settle the share-based payment transaction.

The Holding Company has an ESOP program for the employees of its Company as well as employees of its Subsidiary i.e. Thumbworks Technologies as a part of the group HR strategy to provide fair compensation and talent retention. Under the program, the ESOP cost to the extent it pertains to the employees of the Subsidiary is part of expenses to be charged to the Company and the net liability will be settled with the Company either in cash or equity as the case may be. A MOU is entered between the Holding Company and the Subsidiary for the same.

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments liability account.

3.5.3 Other income and expenses

All Other income and expense are recognized in the period they occur.

3.5.4 Taxes

Income tax expense comprises of current and deferred income tax. Current / Deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognized directly in equity or in other comprehensive income in which case the related income tax is also recognised accordingly. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority. The Company only off-sets its deferred tax assets against liabilities when there is both a legal right to offset and it is the Company's intention to settle on a net basis.

i) Current Taxes

Current tax is the amount of income taxes payable/ receivable in respect of taxable profit/ loss for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws. Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Interest income / expenses and penalties, if any, related to income tax are included in current tax expense. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred Taxes

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred taxes are recognised as income tax benefits or expenses in the Statement of profit and loss except for tax related to the fair value re-measurement of financial assets classified through other comprehensive income, foreign exchange differences and the net movement on cash flow hedges, which are charged or credited to Other Comprehensive Income (OCI). These exceptions are subsequently reclassified from OCI to the statement of profit and loss together with the respective deferred loss or gain. The Company also recognises the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity.

3.6 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.7 Cash Flow Statement

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

3.8 Property, plant and equipment

Tangible Assets

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of property, plant and equipment are required to be replaced in regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation is calculated on a straight line basis using the rates arrived at based on the useful lives estimated by the management.

The estimated useful lives are, as follows:

Particulars	Useful lives estimated by the Management (Same as specified in Schedule II of the Companies Act, 2013)
Computers & Printers	3 years
Office Equipment	5 years
Furniture and fixtures	10 years

Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

Property and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other operating income in the Statement of profit and loss in the year in which the asset is derecognised.

Derecognition

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

3.9 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, an estimate of the recoverable amount of the asset / cash generating unit (CGU) is made. Recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU).

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting years may no longer exist or may have decreased.

Impairment losses of continuing operations, are recognised in the statement of profit and loss.

3.10 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurement of the lease liability.

The right-of-use assets are also subject to impairment. (Refer to the accounting policies on Impairment of non-financial assets.)

ii) Lease liabilities

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Other Financial Liabilities (Refer Note 16).

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.11 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract.

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

3.12 Goods and services tax paid on acquisition of assets or on incurring expenses:

Expenses and assets are recognised net of the goods and services tax / value added taxes paid, except:

- a) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- b) When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.13 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

3.14 Contingencies and events occurring after the Balance Sheet date

Events occurring after the date of the Balance Sheet, which provide further evidence of conditions that existed at the Balance Sheet date or that arose subsequently, are considered up to the date of approval of accounts by the Board of Directors, where material.

3.15 Foreign currency transaction

Foreign currency transactions are accounted for at the rates prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at the closing exchange rates. Resultant exchange differences, if any, are recognised in the Statement of Profit and Loss and related assets and liabilities are accordingly restated in the Balance Sheet. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency at the Balance Sheet date are reported using exchange rates at the date of the transaction.

3.16 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Key source of estimation uncertainty :

3.16.1 Fair value of financial instruments:

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

3.16.2 Provision and contingent liabilities:

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of its business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgment is required to conclude on these estimates.

3.16.3 Impairment on financial guarantee contract:

The Company estimates impairment provision on financial guarantee contract based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs.

3.16.4 Leases- Estimating the Incremental Borrowing Rate:

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

3.16.5 Defined employee benefit assets and liabilities

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

3.16.6 Impairment of non financial assets:

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Thumbworks Technologies Private Limited
Notes to financial statements for the year ended March 31, 2021
(All amount in INR millions, unless otherwise stated)

4 Property, plant and equipment

Particulars	Computers & Printers	Office Equipment	Furniture & Fixtures	Total
Gross carrying amount				
As at April 1, 2020	5.18	0.41	0.90	6.49
Additions	0.35	0.02	-	0.37
Disposals	0.00	0.41	0.90	1.31
At March 31, 2021	5.53	0.02	-	5.55
Depreciation and impairment:				
At April 1, 2020	3.29	0.20	0.25	3.74
Disposals	0.00	0.24	0.31	0.55
Depreciation charge for the year	1.32	0.05	0.06	1.43
At March 31, 2021	4.61	0.01	-	4.62
Net book value:				
At April 1, 2020	1.90	0.21	0.66	2.74
At March 31, 2021	0.92	0.01	-	0.93

The company has not pledged any item of property, plant and equipment as security.

5 Right-of-use assets

Particulars	Right-of-use Building
Gross carrying amount	
At April 1, 2020	4.48
Additions	-
Disposals	4.48
At March 31, 2021	-
Depreciation and impairment:	
At April 1, 2020	3.26
Disposals	3.80
Depreciation charge for the year	0.54
At March 31, 2021	-
Net book value:	
At March 31, 2020	1.22
At March 31, 2021	-

Thumbworks Technologies Private Limited
Notes to financial statements for the year ended March 31, 2021
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6 Cash & Cash Equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- In current accounts	3.54	0.40
- Deposits with original maturity of less than three months	-	-
	3.54	0.40

7 Bank Balances other than cash and cash equivalents above

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits with remaining maturity for less than 12 months**	13.22	12.60
	13.22	12.60

** Includes INR 13.22 Million (March 31, 2020 INR 12.60 Million) Fixed Deposit lien marked to Banks towards First Loss Default Guarantee.

8 Loans - Current

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured - considered good		
Security Deposits for Premises	-	0.22
	-	0.22

9 Other Financial Assets - Current

Particulars	As at March 31, 2021	As at March 31, 2020
Other Receivables	0.84	0.73
	0.84	0.73

10 Other Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
GST Input Credit	80.83	61.93
Less: Provision for unclaimed credit	(1.51)	(1.51)
Prepaid Expenses	0.42	0.44
Advance to supplier	-	0.15
	79.74	61.01

Thumbworks Technologies Private Limited
Notes to financial statements for the year ended March 31, 2021
(All amount in INR millions, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
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11 Share Capital

I) Equity Share Capital

Authorized:

80,050 (March 31, 2020: 80,050) Equity shares of INR 10/- each

0.80 0.80

0.80 0.80

Issued, subscribed and fully paid up:

10,237 (March 31, 2020: 10,237) Equity shares of INR10/- each

0.10 0.10

0.10 0.10

a. Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Opening Balance	Fresh issue	Buy back	Other	Closing Balance
As at March 31, 2021:					
- Number of shares	10,237	-	-	-	10,237
- Amount (INR in Million)	0.10	-	-	-	0.10

b. Particulars of shareholders holding more than 5% of respective share capital:

Equity Shares

Particulars

	As at March 31, 2021		As at March 31, 2020	
	Number	%	Number	%
Patanjali Narasimha Somayaji	4,634	45.27%	4,634	45.27%
Amit Gangadhar Bhor	4,192	40.95%	4,192	40.95%
CapFloat Financial Services Private Limited	1,411	13.78%	1,411	13.78%

c. Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any, is proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of 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 shareholder

Particulars	As at March 31, 2021	As at March 31, 2020
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II) Instrument entirely Equity in nature

Authorized:

3,323 (March 31, 2020: 3,323) Seed Compulsorily Convertible Cumulative Participant Preference shares of INR 100/- each having coupon rate of 0.001%

0.33 0.33

8,232 (March 31, 2020: 8,232) Series A Compulsorily Convertible Cumulative Participant Preference shares of INR 100/- each having coupon rate of 0.001%

0.82 0.82

450 (March 31, 2020: 450) Series B Compulsorily Convertible Cumulative Participant Preference shares of INR 100/- each having coupon rate of 0.001%

0.05 0.05

1.20 1.20

Issued, subscribed and fully paid up:

3,323 (March 31, 2020: 3,323) Seed Compulsorily Convertible Cumulative Participant Preference shares of INR 100/- each having coupon rate of 0.001%

0.33 0.33

8,232 (March 31, 2020: 8,232) Series A Compulsorily Convertible Cumulative Participant Preference shares of INR 100/- each having coupon rate of 0.001%

0.82 0.82

414 (March 31, 2020: 414) Series B Compulsorily Convertible Cumulative Participant Preference shares of INR 100/- each having coupon rate of 0.001%

0.04 0.04

1.19 1.19

a. Reconciliation of number of Instruments entirely equity in nature and amount outstanding at the beginning and at the end of the reporting year:

Seed Compulsorily Convertible Cumulative Participant Preference shares

Particulars	Opening Balance	Fresh issue	Buy back	Other	Closing Balance
As at March 31, 2021:					
- Number of shares	3,323	-	-	-	3,323
- Amount (INR in Million)	0.33	-	-	-	0.33

Series A Compulsorily Convertible Cumulative Participant Preference shares

Particulars	Opening Balance	Fresh issue	Buy back	Other	Closing Balance
As at March 31, 2021:					
- Number of shares	8,232	-	-	-	8,232
- Amount (INR in Million)	0.82	-	-	-	0.82

Series B Compulsorily Convertible Cumulative Participant Preference shares

Particulars	Opening Balance	Fresh issue	Buy back	Other	Closing Balance
As at March 31, 2021:					
- Number of shares	414	-	-	-	414
- Amount (INR in Million)	0.04	-	-	-	0.04

b. Shareholders holding more than 5% of Instruments entirely equity in nature

Seed CCCPPS

Particulars

	As at March 31, 2021		As at March 31, 2020	
	Number	%	Number	%
CapFloat Financial Services Private Limited	3,323	100.00%	3,323	100.00%

Series A CCCPPS

Particulars

	As at March 31, 2021		As at March 31, 2020	
	Number	%	Number	%
CapFloat Financial Services Private Limited	8,232	100.00%	8,232	100.00%

Series B CCCPPS
Particulars

	As at March 31, 2021		As at March 31, 2020	
	Number	%	Number	%
CapFloat Financial Services Private Limited	414	100.00%	414	100.00%

c. Terms / Rights attached to Instruments entirely equity in nature

1. Seniority:

Seed, Series A and B Compulsorily Convertible Cumulative Participant Preference shares ('CCCPPS') shall be participating, compulsorily convertible shall rank equal to and senior to all other Securities of the Company.

2. Voting Rights:

The holders of the CCCPPS shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the Shareholders of the Company (including the holders of Equity Shares). Each Seed, Series A and Series B CCCPPS shall entitle the holder to the number of votes equal to the number of whole or fractional Equity Shares into which such CCCPPS could then be converted.

3. Terms of Conversion:

Seed CCCPPS: convertible into equity shares at the Seed Conversion Price in effect at the time of conversion
Series A CCCPPS: convertible into equity shares at the Series A Conversion Price in effect at the time of conversion
Series B CCCPPS: convertible into equity shares at the Series B Conversion Price in effect at the time of conversion

The respective CCCPPS will be converted upon the following events whichever is earlier:

- One day prior to expiry of a period of 20 (Twenty) years from the respective dates of issuance of each CCCPPS series;
- prior to filing of prospectus, in connection to an IPO;
- at the option of the holder of the respective CCCPPS;
- on the occurrence of a Liquidation Event.

4. Nature:

The equity shares issued and allotted upon conversion of any or all of the CCCPPS Series shall rank pari-passu with all the other equity shares of the Company.

5. In the event of winding up or liquidation:

In the event of winding up or liquidation of the Company or the occurrence of a Liquidation Event, prior to payments to any class of shareholders including holders of any other preference shares (but pari-passu with the holders of the Seed CCCPPS, the holders of the Series A and B CCCPPS shall be entitled to be repaid an amount that is the sum total of (i) the subscription consideration including premium paid towards subscription of such Series and (ii) all dividend that has accrued in relation to respective CCCPPS but remains unpaid. Thereafter, all the Shareholders (including the Investors) shall be entitled to their pro rata share in the surplus amounts or profits on the basis of their Shareholding Percentage on a Fully Diluted Basis.

d. Shares held by holding / ultimate holding Company and / or their subsidiaries / associates

Holding Company- Capflaot Financial Services Private Limited	As at March 31, 2021		As at March 31, 2020	
	Number	%	Number	%
Equity shares	1,411	40.95%	1,411	40.95%
Seed CCCPPS	3,323	100.00%	3,323	100.00%
Series A CCCPPS	8,232	100.00%	8,232	100.00%
Series B CCCPPS	414	100.00%	414	100.00%

Particulars	As at March 31, 2021	As at March 31, 2020
e. Securities (Compulsorily Convertible Cumulative Participant Preference Shares) convertible into equity shares	11,969	11,969
f. Aggregate number of shares issued for a consideration other than cash during the period of five years immediately preceding the reporting date	-	-
g. No bonus shares have been issued during the year (previous year NIL)	-	-
h. Shares reserved for issue under Employee Stock Option Scheme - Unissued, held with Company	-	-

12 Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Securities Premium Account	598.12	598.12
General reserve	68.80	68.80
Retained Earnings	(2,042.72)	(1,540.54)
	(1,375.80)	(873.62)

Particulars	As at March 31, 2021	As at March 31, 2020
Securities Premium Account		
Balance as per last Balance Sheet	598.12	598.12
	598.12	598.12
General reserve		
Balance as per last Balance Sheet	68.80	68.80
	68.80	68.80
Retained Earnings		
Balance as per last Balance Sheet	(1,540.54)	(1,001.63)
Add: Loss for the year	(502.18)	(538.91)
	(2,042.72)	(1,540.54)
	(1,375.80)	(873.62)

Nature and purpose of Reserves

Securities Premium Reserve:

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

Retained Earning

Retained earnings represents surplus / accumulated earnings of the Company and are available for distribution to shareholders.

Thumbworks Technologies Private Limited
Notes to financial statements for the year ended March 31, 2021
(All amount in INR millions, unless otherwise stated)

13 Borrowing - Non Current

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured		
Term Loans		
- from Related party*	624.36	336.29
	624.36	336.29

* Borrowings taken from CapFloat Financial Services Private Limited at the rate of 12% p.a. repayable at the end of 36 months

The loan from related party is convertible into equity shares, at the option of the holder, at fair value of the company's shares on the date of conversion. However, as per the agreement the value at which conversion will happen will be mutually decided

Particulars of Unsecured borrowings

Lender Name	Tenure (months)	Sanction Amount*	As at March 31, 2021**	As at March 31, 2020**
Unsecured short term borrowings				
CapFloat Financial Services Private Limited	36 Months	581.97	570.20	309.98

*As per the loan agreement, the sanction limit can be increased, as mutually agreed between the borrower and lender.

**The loan amount does not include the accrued interest of INR 54.16 million (March 31, 2020: INR 26.31 million) for the year ended March 31, 2021.

14 Provisions - Non Current

Particulars	As at March 31, 2021	As at March 31, 2020
Provisions for Employee Benefits		
- Gratuity	12.62	4.48
- Leave encashment	9.74	2.29
	22.36	6.77

15 Trade Payables

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	25.52	8.38
	25.52	8.38

***Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2021. The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act 2006 (Act) has been determined to the extent such parties have been identified on the basis of information available with the Company.

16 Other Current Financial Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liabilities	-	1.42
Stock Compensation payable	767.25	577.14
	767.25	578.56

Please refer Note 40 for detailed disclosure on lease arrangement

17 Provisions - Current

Particulars	As at March 31, 2021	As at March 31, 2020
Provisions for Employee Benefits		
- Gratuity	1.29	0.55
- Leave encashment	2.76	0.67
- Sick Leave	1.06	-
-Performance Bonus	7.63	2.07
Other Provisions (Including FLDG)*	24.24	24.24
	36.98	27.53

*The company does not have internal credit grading system for financial guarantee contracts. However, based on historical losses in past years and also future projections, company has assessed all its financial guarantee contract at stage 3. Based on management expectations, the company has provided expected credit loss of 100% on its credit exposure in financial guarantee contracts.

Reconciliation of gross carrying amount

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Opening gross exposure as at 1 April	24.24	24.24
New exposures originated during the year	-	-
Exposure derecognised or matured	-	-
Closing gross exposure as at 31 March	24.24	24.24

Impairment allowance for financial guarantee contracts

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Opening Impairment allowance for financial guarantee contracts as at 1 April	24.24	24.24
Assets derecognised or repaid	-	-
New assets originated	-	-
Closing Impairment allowance for financial guarantee contracts as at 31 March	24.24	24.24

18 Other Current Liabilities

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Statutory liabilities	4.35	1.86
	4.35	1.86

Thumbworks Technologies Private Limited
Notes to financial statements for the year ended March 31, 2021
(All amount in INR millions, unless otherwise stated)

19 Revenue from operations

Particulars	March 31, 2021	March 31, 2020
Referral Fees income	3.42	18.89
Total	3.42	18.89
India	3.42	18.89
Outside India	-	-
Total revenue from contracts with customers	3.42	18.89
Timing of revenue recognition		
Services transferred at a point in time	3.42	18.89
Services transferred over time	-	-
Total revenue from contracts with customers	3.42	18.89

Performance obligation

The company is engaged in the business of referral of loans to financing partners. The key performance obligations are sourcing and credit appraisal of loans sanctioned by financing partner, which are satisfied at the initiation of contract i.e. at a point in time.

20 Other income

Particulars	March 31, 2021	March 31, 2020
Interest income on financial assets at amortised cost		
-Deposits with banks	0.73	0.78
-Security deposits	0.01	0.03
Other non operating income	0.28	0.06
Total	1.02	0.87

21 Employee benefits expenses

Particulars	March 31, 2021	March 31, 2020
Salaries and wages	134.05	94.66
Contribution to provident and other funds	1.40	1.08
Staff welfare expenses	-	1.40
ESOP compensation expense	190.11	333.22
Gratuity expenses (Refer note 32)	1.50	1.63
Total	327.06	431.99

22 Finance costs

Particulars	March 31, 2021	March 31, 2020
On financial liabilities measured at amortised cost		
Interest on borrowings	54.16	26.31
Interest on Lease liabilities	0.05	0.26
Total	54.21	26.57

23 Impairment on financial instruments

Particulars	March 31, 2021	March 31, 2020
(i) Trade receivable*	-	(0.28)
Total	-	(0.28)

* Reversal of impairment allowances includes write off of INR 0.07 million for the year ended March 31, 2020

24 Depreciation

Particulars	March 31, 2021	March 31, 2020
Depreciation on Property, plant and equipment	1.43	1.83
Depreciation of Right of use assets	0.54	1.63
Total	1.97	3.46

25 Other expenses

Particulars	March 31, 2021	March 31, 2020
Auditors Remuneration		
- as auditor	0.70	0.70
- tax audit fees	0.10	0.10
- for reimbursement of expenses	0.01	0.02
Marketing expenses	34.86	45.47
Travelling expenses	-	3.02
Customer onboarding charges*	0.05	4.27
Legal and professional charges*	9.20	4.55
Other technology expenses	69.49	38.45
GST expenses	(0.14)	0.03
Loss on sale/write off of Property, Plant and Equipment	0.76	-
Miscellaneous expenses*	0.98	0.91
Total	116.01	97.53

* The above contains amounts pertaining to prior period totalling to 0.16 million (March 31, 2020: INR 0.16 million) included in current year comprised of Customer onboarding charges NIL (March 31, 2020: INR 0.02 million), communication expenses under head 'Miscellaneous expenses' NIL (March 31, 2020: INR 0.14 million), Legal and Professional charges 0.16 million (March 31,2020: NIL).

Thumbworks Technologies Private Limited
Notes to financial statements for the year ended March 31, 2021
(All amount in INR millions, unless otherwise stated)

26 Taxation

As per Ind AS 12, a deferred tax asset shall be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

After due evaluation of the above requirement, the management has decided to not create any deferred tax asset.

Hence, deferred tax assets have been recognized only to the extent of deferred tax liabilities in the books.

27 Earnings per share (EPS)

The following reflects the profit / (loss) and share data used in basic and diluted EPS computations

Particulars	As at March 31, 2021	As at March 31, 2020
Basic		
Weighted average number of equity shares for computation of Basic EPS (in million)	0.01	0.01
Net profit for calculation of basic EPS (In million)	(494.81)	(539.51)
Basic earning per share (In INR)	(49,481.00)	(52,701.96)
Diluted		
Weighted average number of equity shares for computation of Diluted EPS (in million)	0.02	0.02
Net profit for calculation of Diluted EPS (in million)	(494.81)	(539.51)
Diluted earning per share (In INR) *	(49,481.00)	(52,701.96)
* Since diluted EPS are anti-dilutive hence, diluted EPS is restricted to basic EPS		
Reconciliation of Weighted average number of shares outstanding (in million)		
Weighted average number of equity shares for computation of Basic EPS	0.01	0.01
(Add) Convertible Shares/Debt Securities	0.01	0.01
Weighted average number of equity shares for computation of Diluted EPS	0.02	0.02
Nominal value of each share (in INR)	10	10

28 Contingent liabilities

a. Contingent Liabilities not provided for in respect of:

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

Particulars	As at March 31, 2021	As at March 31, 2020
a. Claims against the company not acknowledged as debt; Income tax matters - appeals by company*	102.84	102.84
b. Other money for which the company is contingently liable Dividend on CCCPPS**	-	-
	102.84	102.84

*The stay of demand has been raised against preferring CIT(A) for assessment year 2017-18. The company has paid an amount of INR 6.20 million under protest for the matter under dispute.

**Dividend on CCCPPS is disclosed as NIL due to rounding off

29 During the year, the Company has incurred a loss of Rs. 502.18 million and the accumulated losses of as at March 31, 2021 stand at Rs. 2,042.72 million (March 31, 2020 : Rs.1,540.54 million). The Company is a technology start-up and losses in the initial years of incorporation are primarily attributable to the nature of its business.

The Company was acquired by CapFloat Financial Services Private Limited ("Holding Company") in September 2018 and since then the Holding Company has been providing financial and operating support to the Company. Accordingly, despite the losses, the Company has been able to meet its obligations in the ordinary course of business. The acquisition has helped the Holding Company and the Company to increase their business synergies which has in turn improved the business projections for both companies. The Holding Company is also in the process of raising capital which will further enhance its ability to support the Company.

Considering the Letter of Support provided by the Holding Company, pursuant to which, the Holding Company has undertaken to provide necessary financial support to the Company to fulfil its obligations for the foreseeable future and in consideration of the business scenario explained above, these financial statements have been prepared assuming that the Company will continue as a going concern.

30 During the year ended 31 March 2019, the Company discontinued lending partnerships with Visu Leasing and Finance Private Limited and DMI Finance Private Limited with effect from 14 September 2018 and 29 December 2018 respectively. While the Company will not offer loans financed by these partners, it continues to be liable for first loss default guarantee ('FLDG') for the loans disbursed through these partners in the past and outstanding as on Balance Sheet date. Accordingly, a provision has been carried in the books to cover any FLDG demand against non-performing loans on Balance Sheet date for Visu Leasing and Finance Private Limited.

31 Expenditure in foreign currency

Particulars	March 31, 2021	March 31, 2020
Other technology expenses	3.21	2.98
Total	3.21	2.98

Thumbworks Technologies Private Limited

Notes to financial statements for the year ended March 31, 2021

(All amount in INR millions, unless otherwise stated)

32 Employee benefit obligations

i) Defined contribution plan

During the year, the Company has recognised the following amounts in the Statement of profit and loss:

Particulars	March 31, 2021	March 31, 2020
Employers' Contribution to Employee's Provident Fund*	1.39	1.08
	1.39	1.08

*Provident fund is a defined contribution plan. The contribution towards provident fund has been deposited with Regional Provident Fund Commissioner and is charged to Statement of Profit and Loss.

ii) Defined benefit plan

The company provides for gratuity for its employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is an unfunded plan

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

a) Change in bond yields -

A decrease in government bond yields will increase plan liabilities.

b) Inflation risk -

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

c) Life expectancy -

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

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Table showing change in the present value of projected benefit obligation

Particulars	As at March 31, 2021	As at March 31, 2020
Change in benefit obligations		
Present value of benefit obligation at the beginning of the year	5.03	4.00
Interest on defined benefit obligation	0.33	0.31
Current Service cost	1.18	1.32
Liability Transferred In/Acquisition	-	-
Benefit Paid From the Fund	-	-
Actuarial (Gains) on Obligations - Due to Change in Financial Assumptions	3.80	0.37
Actuarial (Gains) on Obligations - Due to Change in Demographic Assumptions	(0.22)	0.07
Actuarial Losses on Obligations - Due to Experience	3.79	(1.04)
Liability at the end of the year	13.91	5.03

Amount recognized in the Balance Sheet

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of unfunded defined benefit obligation	13.91	5.03
Amount not recognized due to asset limit	-	-
Net defined benefit liability / (asset) recognized in balance sheet	13.91	5.03
Current	1.29	0.55
Non-current	12.62	4.48

Expenses recognized in the Statement of Profit and Loss

Particulars	March 31, 2021	March 31, 2020
Current service cost	1.18	1.32
Interest on net defined benefit liability / (asset)	0.33	0.31
Total expense charged to profit and loss account	1.51	1.63

Expenses recognized in the Other comprehensive income (OCI)

Particulars	March 31, 2021	March 31, 2020
Opening amount recognized in OCI outside profit and loss account	(1.81)	(1.21)
<u>Remeasurements during the period due to</u>		-
Changes in financial assumptions	3.80	0.37
Changes in demographic assumptions	(0.22)	0.07
Experience adjustments	3.79	(1.04)
Closing amount recognized in OCI outside profit and loss account	5.56	(1.81)

The actuarial assumptions used to determine benefit obligations as at March 31, 2021 and March 31, 2020 are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount Rate	6.25%	6.50%
Salary escalation rate	12%	1% until year 1 inclusive then 12% until year 2 inclusive, then 7%
Rate of Employee Turnover	16%	
<u>Age</u>		
21-30		NA
31-40		NA
21-40		15%
41-50		10%
51-57		5%

Balance sheet reconciliation

Particulars	As at March 31, 2021	As at March 31, 2020
Opening net liability	5.03	4.00
Expenses recognized in Statement of Profit and Loss	1.51	1.63
Expenses / (Income) recognized in Other comprehensive income	7.37	(0.60)
Employer's Contribution	-	-
Closing net liability recognized in the Balance Sheet	13.91	5.03

Cash Flow Projection

Expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date

Particulars	As at March 31, 2021	As at March 31, 2020
Expected benefits for year 1	1.29	0.55
Expected benefits for year 2	1.41	0.48
Expected benefits for year 3	1.49	0.50
Expected benefits for year 4	1.59	0.54
Expected benefits for year 5	1.60	0.49
Expected benefits for year 6	1.52	0.47
Expected benefits for year 7	1.42	0.43
Expected benefits for year 8	1.51	0.77
Expected benefits for year 9	1.16	0.35
Expected benefits for year 10 and above	9.58	4.55

Sensitivity analysis

Particulars	As at March 31, 2021	As at March 31, 2020
Projected benefit obligation on current assumptions		
Delta effect of +0.5% change in rate of discounting	13.68	(0.18)
Delta effect of -0.5% change in rate of discounting	14.61	0.20
Delta effect of +0.5% change in rate of salary increase	14.38	0.16
Delta effect of -0.5% change in rate of salary increase	13.46	(0.15)

Compensated absences :

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of unfunded obligation	12.50	2.97
Expenses recognised in the Statement of Profit and Loss*	10.37	2.51
Discount Rate	6.25%	6.50%
Salary escalation rate	12%	1% until year 1 inclusive, then 12% until year 2 inclusive, then 7%

* Includes leave encashment paid during the year INR 0.84 million (March 31, 2020 INR 0.44 million)

Thumbworks Technologies Private Limited
Notes to financial statements for the year ended March 31, 2021
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33 Change in liabilities arising from financing activities

Particulars	As at March 31, 2020	Cash Flows	Other	As at March 31, 2021
Borrowing from related party	336.29	288.07	-	624.36
Total	336.29	288.07	-	624.36

Particulars	As at April 1, 2019	Cash Flows	Other	As at March 31, 2020
Borrowing from related party	116.45	219.84	-	336.29
Total	116.45	219.84	-	336.29

34 Related party disclosures

Relationship	Name of the party
Holding Company	CapFloat Financial Services Private Limited
Associates / Enterprises owned or significantly influenced by key management personnel or their relatives	Gaurav Sashank Bangalore Financial Ventures Pvt Ltd

Key Management Personnel

Name	Designation
Gaurav Hinduja	Executive Director
Sashank Rishyasringa	Executive Director
Patanjali Somayaji	Executive Director (Resigned on 23rd Feb 2021)

Related Party transactions during the year:

Particulars	Holding Company		Key Management Personnel	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Transactions				
Remuneration to Directors / Key managerial personnel*	-	-	7.15	14.96
Referral Fees income	3.42	18.88	-	-
Interest Expense	54.16	26.31	-	-
Recharge for ESOP expenses	190.11	333.22	-	-
Balances				
<u>Balance outstanding as at the year end:</u>				
Stock Compensation payable	767.25	577.14	-	-
Borrowings	624.36	336.29	-	-

* Salaries include bonus but does not include stock compensation expense and reimbursement

Compensation of key management personnel

Particulars	March 31, 2021	March 31, 2020
Short-term employee benefits	7.15	14.96
Post-employment benefits (note b)	-	-
Other long term benefits	-	-
Termination benefits	-	-
Share-based payments	75.73	295.18
Total	82.88	310.14

Note:

- Related parties have been identified on the basis of the declaration received by the management and other records available.
- Provisions for gratuity and compensated absences are made for the Company as a whole and the amounts pertaining to the key managerial personnel are not specifically identified and hence are not included above.
- The Company enters into transactions, arrangements and agreements involving related parties in the ordinary course of business under the same commercial and market terms, interest and commission rates that apply to non-related parties.

Thumbworks Technologies Private Limited**Statement of changes in equity for the year ended March 31, 2021**

(All amount in INR millions, unless otherwise stated)

35 Employee Stock Option Scheme (ESOS)**CapFloat ESOP scheme**

CapFloat Financial Services Private Limited, the holding company of Thumbworks Technologies, has an ESOP program for its employees and to its subsidiary employees as a part of the group HR strategy to provide fair compensation and talent retention. Under the program, the ESOP cost is part of subsidiary expenses as to the extent it pertains to the employees of the subsidiary and the net liability will be settled with the company either in cash or equity as the case may be. A MOU is entered between the holding and the subsidiary for the same.

On Feb 1, 2014, the board of directors approved the Equity Settled ESOP Scheme 2014 (Scheme 2014) for issue of stock options . The shares reserved for issuance under Scheme 2014 as at 31st March 2021 was 368465. Apart from this, 86,792 shares are owned by Capital Float Employee Welfare Trust and 115,692 shares are held by employees of the company and its subsidiary pursuant to exercise of grants as at March 31, 2021.

The company provides share-based payment schemes to its employees. For the year ended March 31, 2021 following Employee Stock Option Plans (ESOPs) were in existence. The relevant details of the schemes and the grants are as below:

Details of all grants in operation during the year ended March 31, 2021 are as given below:

Particulars	# Grant I	Grant II	Grant III	Grant IV	Grant IV
Date/Date range of grant	Sep'18 to Mar'19	Sep'18 to Mar'19	May'19 to Nov'19	Apr'20	Apr'20
No. of options approved	1,99,149	30,719	6,574	628	3,235
No. of options granted	1,99,149	30,719	6,574	628	3,235
Exercise price per option (in INR)	10	250	800	800	800
Method of settlement	Equity	Equity	Equity	Equity	Equity
Vesting period	4 years	4 years	4 years	1 year	4 years
Fair Value per Option on grant date (INR)	3,785.71	3,545.71	3,199.34	3,299.45	3,351.35

Grant letters for this issuance have infinite exercise period.

Vesting conditions:

The Options would vest only if the Option Grantee continues to be in employment of the Company on the date that they are due to vest. No options would vest in case employment is severed and in such case the date of resignation / termination shall be considered for reckoning the period of vesting.

The expense recognised for employee services received during the year is shown in the following table:

Particulars	March 31, 2021	March 31, 2020
Expense arising from equity-settled share-based payment transactions	190.11	333.22
	190.11	333.22

Method used for accounting for shared based payment plan.

The Company uses fair value to account for the compensation cost of stock options to employees of the Company.

(iii) Movement in the options outstanding under the Employees Stock Option Plan for the year ended March 31, 2021

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant IV
Options outstanding at April 1, 2020	199,149	24,350	6,246	-	-
Adjustments to opening balance	-	(4,089.00)	-	-	-
Granted during the year	-	-	-	628	3,235
Forfeited during the year	-	45	-	6	49
Exercised during the year	-	63	-	-	-
Expired / lapsed during the year	-	-	-	-	-
Outstanding at March 31, 2021	199,149	20,153	6,246	622	3,186
Weighted average share price at the time of exercise		3,994			

(iv) Fair Value methodology

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model, for options granted during the financial year:

Grant	Grant I	Grant II	Grant III	Grant IV	Grant IV	Grant IV
Grant Period	Sep'18 to Mar'19	Sep'18 to Mar'19	May'19 to Nov'19	Apr'20 to Feb'21	Apr'20 to Feb'21	Apr'20 to Feb'21
Fair Valuation	11-Sep-18	11-Sep-18	1-Nov-19	1-Apr-20	1-Apr-20	17-Nov-20
Exercise price (Rs) per share	10	250	800	800	800	800
Risk free interest rate	8.23%	8.23%	6.37%	5.85%	6.21%	6.42%
Expected life (years)	5.5 - 7.01	5.5 - 7.01	5.5 - 7.01	4.5	4.5 - 6.00	5.13 - 6.63
Expected volatility	NIL	NIL	NIL	NIL	NIL	NIL
Dividend yield	NIL	NIL	NIL	NIL	NIL	NIL
Price of the underlying share in the market at the time of the option grant (Rs.) - adjusted for bonus/stock splits	3,795.71	3,795.71	3,999.34	3,914.30	3,914.30	3,914.30

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36 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

Fair value hierarchy

Quoted price in active markets (Level 1):

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual fund units that have a quoted price. The mutual fund units are valued using the closing net assets value.

Observable inputs (Level 2):

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The company does not have any financial instruments which are level 2.

Unobservable inputs (Level 3):

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Financial instruments by category

Particulars	Measurement category	Fair value hierarchy	As at March 31, 2021	As at March 31, 2020
Financial assets				
Cash and cash equivalents	Amortised Cost	Level 1	3.54	0.40
Bank balance other than above	Amortised Cost	Level 1	13.22	12.60
Loans	Amortised Cost	Level 3	-	0.22
Other financial assets	Amortised Cost	Level 3	0.84	0.73
Total Financial assets			17.60	13.95

Particulars	Measurement category	Fair value hierarchy	0-Jan-00	0-Jan-00
Financial liabilities				
Trade payables	Amortised Cost	Level 3	25.52	8.38
Non current borrowing	Amortised Cost	Level 3	624.36	336.29
Other financial liabilities	Amortised Cost	Level 3	767.25	578.56
			1,417.13	923.23

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments other than those with carrying amounts that are approximates of fair value. This table does not include the fair values of non-financial assets and non-financial liabilities.

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying value	Fair Value	Carrying value	Fair Value
	Financial liabilities			
Non current borrowing	624.36	624.36	336.29	336.29
Total	624.36	624.36	336.29	336.29

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended March 31, 2021 and March 31, 2020;

The management assessed that cash and cash equivalents, bank balances other than cash and cash equivalent, other current financial assets, trade payables, share based payment obligation and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Valuation techniques

Non Current borrowing

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

Thumbworks Technologies Private Limited**Notes to financial statements for the year ended March 31, 2021**

(All amount in INR millions, unless otherwise stated)

37 Financial risk management

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial services company, it is exposed to risks that are particular to the environment within which it operates and primarily includes credit, liquidity and market risks. The Board of Directors of the Company are responsible for the overall risk management approach and for approving the risk management strategies and principles.

I. Credit risk

Credit risk is the risk that the Company will incur a loss because its counterparties fail to discharge their contractual obligations. The Company is exposed to credit risk arising from its operating activities which include providing guarantee for first-loss given default. Apart from this, the company is also exposed to credit risk on trade receivables, deposits with banks and other financial assets.

Major classes of financial instruments on which the company is exposed to credit risk are discussed below:

(a) Financial guarantee (FLDG):

The company does not have internal credit grading system for financial guarantee contracts. However, based on historical losses in past years and also future projections, the company has provided expected credit loss of 100% on its credit exposure in financial guarantee contracts.

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Total exposure to financial guarantee contracts	24.24	24.24

(b) Other assets

The Company maintains exposure in cash and bank balances and other financial assets. Investments of surplus funds are made only with approved banks. Further, individual risk limits are set for each counterparty based on financial position, credit rating and past experience. Concentration of exposures are actively monitored by the Company to manage credit risk.

II. Liquidity risk

The principal sources of liquidity of the Company are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Company believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

Particulars	On	Less than	3 to 12	1 to 3	> 3 years	Total
	demand	3 months	months	years		
As at March 31, 2021						
Trade payables	25.52	-	-	-	-	25.52
Non current borrowing	-	-	73.08	642.51	-	715.59
Other financial liabilities	767.25	-	-	-	-	767.25
	792.77	-	73.08	642.51	-	1,508.36

As at March 31, 2020

Trade payables	8.38	-	-	-	-	8.38
Non current borrowing	-	10.19	32.46	102.21	336.29	481.15
Other financial liabilities	577.14	0.49	0.98	-	-	578.61
	585.52	10.68	33.44	102.21	336.29	1,068.14

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 3 years	> 3 years	Total
As at March 31, 2021						
Financial guarantee contracts	24.24	-	-	-	-	24.24
	24.24	-	-	-	-	24.24
As at March 31, 2020						
Financial guarantee contracts	23.59	0.65	-	-	-	24.24
	23.59	0.65	-	-	-	24.24

38 Capital management

The company's objective when managing capital are to

- Safeguard their ability to continue as going concern, so that they can continue to provide returns for the share holders and benefits for the other stake holders, and
- Maintain an optimal capital structure to reduce the cost of capital

The company manages its capital structure and makes adjustment in light of changes in economic conditions and the requirement of financial covenants. To maintain or adjust the capital structure, the company may obtain the loan from Holding Company or issue new shares.

39 Events after reporting date

The COVID-19 pandemic has continued to affect several countries across the world, including India. The pandemic and consequent lockdowns imposed by the Central and State Governments considerably impacted the Company's business operations during the year ended March 31, 2021. Apart from other adverse effects, the pandemic resulted in a significantly lower business acquisition for the large part of the year.

The management has, at the time of approving the financial statements, assessed the potential impact of the COVID-19 on the Company business and financial metrics, including its ability to continue as a going concern (Refer Note 29 for going concern). Based on the current assessment, management is of the view that the impact of COVID-19 on the carrying value of its assets and liabilities is not likely to be material and hence no impairment or other provision is considered necessary as at March 31, 2021. The management believes that the factors considered in such assessment are reasonable under the circumstances. However, given the dynamic nature of the pandemic, estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic. In the event the impacts are more severe or prolonged than currently anticipated, this will have a corresponding impact on the carrying value of financial assets, the financial position and performance of the Company.

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Notes to financial statements for the year ended March 31, 2021
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40 Leases

The company had entered into a lease arrangement for office premises on April 26, 2018 for a tenure of 36 months. The Company is restricted from assigning or subleasing the leased asset under the terms of lease. There are no other significant short term or long term lease arrangements. During the year, the Company has vacated the said office premises.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening net carrying balance	1.22	2.85
Depreciation	(0.54)	(1.63)
Disposals	(0.68)	-
Closing net carrying balance	-	1.22

Set out below are the carrying amounts of lease liabilities (included under Other financial liability) and the movements during the year:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	1.42	3.05
Accretion of interest	0.05	0.26
Payments	(0.65)	(1.89)
Deletions	(0.82)	-
Closing Balance	-	1.42

The effective interest rate for lease liabilities is 12.80%

Maturity analysis of undiscounted lease liability

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

Particulars	As at March 31, 2021	As at March 31, 2020
Less than 3 months	-	0.49
3 to 12 months	-	0.98
1 to 3 years	-	-
Total undiscounted lease liabilities	-	1.47

Amounts recognized in the Statement of Profit and Loss	March 31, 2021	March 31, 2020
Depreciation on right of use assets	0.54	1.63
Interest expense on lease liability	0.05	0.26
Rental expense relating to short term leases.	-	-
	0.59	1.89

The Company had total cash outflows for leases of INR 0.65 (in millions) for the year ended March 31, 2021 and INR 1.89 (in millions) in March 31, 2020.

Thumbworks Technologies Private Limited
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41 Segment information

Since the Company has only one reportable business segment "business of financing" as the primary segment and it operates in a single geographical segment within India, no disclosure is required to be given as per Ind AS108 "Operating segment" as notified under Section 133 of the Companies Act, 2013 ('the Act') read together with Companies (Accounts) Rules 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

Information about geographical area

Particulars	As at March 31, 2021	As at March 31, 2020
In India		
Property, plant and equipment	0.93	2.74
Right of Use Assets	-	1.22
Income Tax Assets (net)	8.04	8.14
Outside India	-	-
Total	8.97	12.10

Revenue from major customer:

Revenue from major customers located in India was 96.14% and 3.86% (31 March 2020: 99.93% and 0.07%)

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

**For and on behalf of the Board of Directors of
Thumbworks Technologies Private Limited**

per Rutushtra Patell

Partner

Membership No. 123596

Place: Mumbai

Date: September 4, 2021

Gaurav Dinesh Hinduja

Director

DIN : 01264801

Place: Bangalore

Date: September 4, 2021

Sashank R Rishyashringa

Director

DIN : 06466985