
**ONE97 COMMUNICATIONS
RWANDA PRIVATE LTD**

**AUDIT REPORT AND FINANCIAL
STATEMENTS**

**FOR 12 MONTHS PERIOD ENDED
31 MARCH 2021**

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COMPANY INFORMATION

DIRECTORS

Mr. Ajay Shekhar Sharma (w.e.f 07.05.18)
Mr. Giovanni Nkubito (w.e.f 30.01.20)

REGISTERED OFFICE

ONE 97 COMMUNICATIONS RWANDA
PRIVATE LIMITED
Tel: +250781600075
Email: gporw@gpopartners.com
Kigali, Rwanda

INDIPENDENT AUDITOR

GPO PARTNERS RWANDA Ltd
P.O. Box 1902
Kigali, Rwanda

PRINCIPAL BANKER

KCB Bank Rwanda Ltd
Avenue de la Paix
P.O. Box 5620
Kigali, Rwanda

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for 12 months period ended 31 March 2021.

ACTIVITIES

The principal activities of the company are the provision of value-added information services.

RESULTS

Turnover for the year was **FRW nil ("000")** resulting into a Loss of **FRW- 10,376 ("000")** are set out on Page 8.

DIRECTORS

The membership of the board of directors and management during the period ended 31 March, 2021 is set out on page 2.

AUDITORS

GPO Partners Rwanda Ltd, having been appointed during the year, has expressed their willingness to continue in office in accordance with Laws and Regulations of Rwanda.

BY ORDER OF THE BOARD OF DIRECTOR



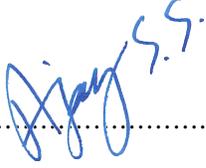
Kigali, 30-June-21 .

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The law No. 07/2009 of 27/04/2009 governing Enterprises in Rwanda requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results of the company for that year. It also requires the directors to ensure the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with International Financial Reporting Standards and in the manner required by the law. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.


.....
Director



Date 30-June-21

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ONE97 COMMUNICATIONS RWANDA PRIVATE LIMITED

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of ONE97 COMMUNICATIONS RWANDA PRIVATE LIMITED which comprise the statement of financial position as at March 31, 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the company as at March 31, 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in accordance with the law governing commercial enterprises in Rwanda.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board of Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements (*in jurisdiction*), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs.), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

GPO Partners Rwanda Ltd

Boulevard de l'Umuganda - Aurore Building - Kacyiru
P.O. Box 1902 - Kigali - Rwanda
Company Code / V.A.T.: 100161492

Audit - Accounting - Tax - Consulting

In preparation 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 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 ISAs 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 ISAs, 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, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- 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 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 organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are all 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 organization 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 the 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 through 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 independent, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other legal and regulatory requirements

As required by the Law Governing Companies N°17/2018 of 13/04/2018, we report to you based on our audit, that:

- i. There are no circumstances that may create threat to our independence as auditor of the ONE 97 COMMUNICATIONS RWANDA PRIVATE LIMITED ;
- ii. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- iii. In our opinion proper books of account have been kept by ONE 97 COMMUNICATIONS RWANDA PRIVATE LIMITED ;so far as appears from our examination of those books; and
- iv. We have no relationship, interest or debt with ONE 97 COMMUNICATIONS RWANDA PRIVATE LIMITED ;
- v. We have communicated to the ONE 97 COMMUNICATIONS RWANDA PRIVATE LIMITED's Board of Directors, through a separate management letter, internal control matters identified in the course of our audit including our recommendations in relation to those matters.

For GPO Partners Rwanda Ltd



Patrick GASHAGAZA

Partner

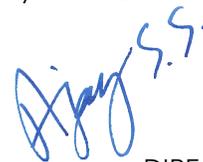
Kigali, 30-June-21

STATEMENT OF FINANCIAL POSITION FOR YEAR ENDED 31 MARCH 2021

	<u>Notes</u>	Year ended 31/03/2021 FRW'000	Year ended 31/03/2020 FRW'000
ASSETS			
Non- current assets			
Property, plant and equipment	3	4	7
Total non- current assets		4	7
Current assets			
Trade and other receivables	4	42,670	41,561
Cash and cash equivalents	5	2,528	8,679
Total current assets		45,198	50,240
Total assets		45,202	50,247
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital	6	145,991	145,991
Retained earnings	7	(106,383)	(95,912)
Profit (Loss) for the period		(10,376)	(11,767)
Total Shareholders' Equity		29,232	38,312
Current liabilities			
Duties and taxes	8	2,085	2,085
Trade and other payables	9	13,885	9,850
Total current liabilities		15,969	11,935
Total equity and liabilities		45,202	50,247

The financial statements on pages 8 to 21 were approved by the Board of Directors on 30-June-21 and were signed on its behalf by:

.....
 Director


 DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	<u>Notes</u>	Year ended 31/03/2021 FRW'000	Year ended 31/03/2020 FRW'000
Revenue		-	-
Cost of Sales		-	-
Other income		163	-
Gross Profit		163	-
Administrative Expenses	10	(10,391)	(11,381)
Other Operating Expenses	11	(3)	(5)
Operating Profit		(10,231)	(11,386)
Other income			
Finance Cost	12	(144)	(381)
Profit Before Tax		(10,376)	(11,767)
Tax Expense	13		
Profit for the Period		(10,376)	(11,767)

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Share Capital	Retained earnings	Total
	FRW'000	FRW'000	FRW'000
At 01/04/2020	145,991	(107,679)	38,312
Issue of new shares			
Prior year adjustment		1,296	1,296
Profit or (loss) for the Period		(10,376)	(10,376)
At 31/03/2021	145,991	(116,759)	29,232

	Share Capital	Retained earnings	Total
	FRW'000	FRW'000	FRW'000
At 01/04/2019	145,991	(98,003)	47,989
Issue of new shares			
Prior year adjustment		2,091	2,091
Profit or (loss) for the Period		(11,767)	(11,767)
At 31/03/2020	145,991	(107,679)	38,312



STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 202

	Year ended 31/03/2021 FRW'000	Year ended 31/03/2020 FRW'000
Cash flow from operating activities		
Profit /(loss) before taxation	(10,376)	(11,767)
Adjustments for :		
Depreciation	3	5
Gain on disposal	-	-
Write off (assets)	-	-
Prior year adjustment	1,296	2,091
Operating profit before working capital changes		
Decrease/(increase) in receivables and prepayments	(1,109)	(2,121)
Increase /(Decrease) in duties and tax	-	-
Increase /(Decrease) in trade and other payables	4,035	(3,908)
Net Cash from Operating Activities	(6,151)	(15,700)
Cash from investing Activities		
Sales proceeds	-	-
Net cash used in investing activities	-	-
Cash flow from financing activities		
Issue of Ordinary Shares	-	-
Dividend paid	-	-
Net Cash from Financing Activities	-	-
Net increase/decrease in cash and cash equivalents	(6,151)	(15,700)
Cash and cash equivalents at beginning of year	8,679	24,379
Cash and cash equivalents	2,528	8,679
Represented by :		
Cash on hand	-	-
Balances with banks	2,528	8,679
Total cash and cash equivalents	2,528	8,679

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL

ONE97 COMMUNICATIONS RWANDA PRIVATE LIMITED is a legally registered company operating in Rwanda. It offers digital goods & services to mobile consumers under Paytm brand, mobile advertising, marketing and payments for merchants.

Established on 28/08/2012, ONE97 COMMUNICATIONS RWANDA PRIVATE LIMITED started with a share capital of FRW 500,000 represented by 500 shares of 1000 FRW each. On 31 December 2013, the share capital was increased by FRW 32,000,000 and the total share capital of 32,500,000 was fully paid up. In 2016, the share capital was adjusted by FRW 27,500,000 and the total share capital is FRW 60,000,000 fully paid. In 2019, it was increased by FRW 85,991,000 and the total share capital is FRW 145,991,000 fully paid.

2 SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared on accrual basis and in accordance of generally accepted accounting principles applicable in Rwanda. However, One 97 has started the process of migration to International Financial Reporting System (IFRS).

Basis of preparation

The financial statements are prepared on historical cost basis except for financial instruments which are measured at fair value. The principal accounting policies adopted in the preparation of these financial statements are set out below.

Going concern

The financial statements have been prepared on a going concern basis.

INCOME RECOGNITION

Income is recognized on accruals basis of accounting and is expressed net of sales tax, Value Added Tax and discounts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less depreciation. The cost of purchased property and equipment is the value of consideration given to acquire the assets and the value of other directly attributed costs, which have been incurred in bringing the assets to the location and condition necessary for their intended service.

DEPRECIATION

Depreciation is calculated to write off the cost of property, plant and equipment on a reducing balance basis, over their estimated useful lives at the following annual rates:

Furniture and Fittings	18.1%
Computer Equipment	40 %

Excess depreciation, representing the additional depreciation following revaluations of property, plant and equipment over depreciation based on historical cost, is transferred annually from revaluation surplus to revenue reserve.

FOREIGN CURRENCIES

Assets and liabilities expressed in foreign currencies are translated into Rwandese Francs at the rates of exchange ruling at the balance sheet date. Transactions during the year are translated at the rates ruling at the dates of the transactions. Gains or losses on exchange are dealt with in the income statement.

RETIREMENT BENEFIT

The company contributes to the statutory Social Security Fund on behalf of its employees. The company's obligations under the scheme are specific contributions legislated from time to time and are currently limited to 5% of the respective employees' gross salaries. The company's contributions are charged to the income statement in the year in which they relate. However there is no employee in company during the current financial year.

BAD AND DOUBTFUL DEBTS

Specific provision is made for all known doubtful debts. Bad debts are written off when all reasonable steps to recover them have been taken without success.

COMPONENTS OF CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash is considered to be cash on hand and in operating bank accounts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit and loss, except to the extent that it relates to items recognised in equity, in which case, the tax is also recognised in equity.

The current tax is provided on the results for the year, adjusted in accordance with tax legislation.

Deferred tax is provided using the liability method for all temporary timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary timing differences can be utilised.

COMPARATIVES

Where necessary, comparative figures have been adjusted to conform to changes in the current year's presentation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. PROPERTY, PLANT & EQUIPMENTS

	Furniture & Fittings	Computers & Accessories	Total
	FRW'000	FRW'000	FRW'000
Cost			
At 01/04/2020	1,535	29,896	31,431
Additions			
Disposal			
Write off			
At 31/03/2021	1,535	29,896	31,431
Depreciation			
At 01/04/2020	1,535	29,889	31,424
Charge for the Period		2,936	2,936
Disposal			
Write off			
At 31/03/2021	1,535	29,892	31,427
NBV At 31/03/2021	-	4	4
NBV At 31/03/2020	-	7	7

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Trade and other receivable	Year ended	Year ended
	31/03/2021	31/03/2020
	FRW'000	FRW'000
Sundry Debtors Related Party (note 4.1)	3,452	2,233
Prepaid Expenses		90
Advance paid to Vendors - Opex Purchase		-
Security Deposit- Rent		-
VAT	11,466	10,578
Unbilled Revenue BS	(0)	908
Advance CIT	27,752	27,752
	<u>42,670</u>	<u>41,561</u>

4.1 Related party transactions	Year ended	Year ended
	31/03/2021	31/03/2020
	FRW'000	FRW'000
One97 Communications Limited	3,452	3,304
One97 Benin SA		
Provisions		(1,071)
	<u>3,452</u>	<u>2,233</u>

4.2 Unbilled Revenue BS	Year ended	Year ended
	31/03/2021	31/03/2020
	FRW'000	FRW'000
Unbilled Revenue BS	908	3,304
Provisions	(908)	(1,071)
	<u>(0)</u>	<u>2,233</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5	Cash and bank balances	Year ended 31/03/2021 FRW'000	Year ended 31/03/2020 FRW'000
	Cash at bank	2,528	8,679
5.1	Cash at bank		
	KCB Bank RWF	517	6,668
	KCB Rwanda USD	2,011	2,011
		2,528	8,679
6	Share Capital	Year ended 31/03/2021 FRW'000	Year ended 31/03/2020 FRW'000
	Authorised:		
	145,991 ordinary shares of FRW 1,000 each	145,991	145,991
	Issued and fully paid:		
	145,991 ordinary shares of FRW 1,000 each	145,991	145,991
7	Retained earnings	Year ended 31/03/2021 FRW'000	Year ended 31/03/2020 FRW'000
	1st April	(95,912)	(82,084)
	Prior year Profit or loss	(11,767)	(15,919)
	Prior year adjustment	1,296	2,091
	31st March	(106,383)	(95,912)
8	Duties and taxes	Year ended 31/03/2021 FRW'000	Year ended 31/03/2020 FRW'000
	VAT Reverse Charge @ 18%	949	949
	WHT Non-Resident @ 15%	1,135	1,135
		2,085	2,085

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9	Trade and other payable	Year ended 31/03/2021 FRW'000	Year ended 31/03/2020 FRW'000
	Provision for Rent	-	1,081
	Provision for audit expenses	1,864	1,941
	Provision for Legal & Professional	4,395	6,533
	Provision for content expenses	-	215
	Sundry Creditors (Related Party)	7,626	80
		<u>13,885</u>	<u>9,850</u>
10	Administrative Expenses	Year ended 31/03/2021 FRW'000	Year ended 31/03/2020 FRW'000
	Audit Expenses	1,754	1,821
	Legal & Professional Charges	8,551	9,441
	Other expenses	86	120
		<u>10,391</u>	<u>11,381</u>
11	Other operating expenses	Year ended 31/03/2021 FRW'000	Year ended 31/03/2020 FRW'000
	Depreciation charge	3	5
		<u>3</u>	<u>5</u>
12	Finance cost	Year ended 31/03/2021 FRW'000	Year ended 31/03/2020 FRW'000
	Exchange rate fluctuation	143	356
	Bank Charges	1	25
		<u>144</u>	<u>381</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Tax expense	Year ended 31/03/2021 FRW'000	Year ended 31/03/2020 FRW'000
Profit Before Tax	(10,376)	(11,767)
Add back		
Depreciation charge as per accounts	3	5
Depreciation charge as per tax legislation	_____	_____
Total expenses to be added back	3	5
Losses Brought forward	_____	_____
Taxable amount	<u>(10,536)</u>	<u>(11,762)</u>
Income Tax @ 30%		
Advance CIT- FY 2014	(17,048)	(17,048)
Advance Tax FY 2015	<u>(10,705)</u>	<u>(10,705)</u>
Tax	<u>_____</u>	<u>-</u>

14. Going concern

The financial statements have been prepared on a going concern basis. The company has the continuing support of its parent company and the shareholders and is negotiating on a number of contracts with customers to explore the market of Rwanda.

The parent company One97 Communications Singapore Private Limited has indicated its willingness to continue financial and technical support. The directors are confident that future operations of One97 Rwanda Limited will be successful.

The directors assess the Company's future performance and financial position on a going concern basis and have no reason to believe that the Company will not be a going concern in the year ahead. In addition, the directors have a reasonable expectation that the Company will have adequate resources to continue in operation for the foreseeable future. For this reason, 2020 financial statements have been prepared on the basis of accounting policies applicable to a going concern.

The directors of the company are implementing a number of measures to improve the liquidity, profitability and to wipe off the negative shareholders' funds of the Company by implementing strategies to enhance revenue and control costs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Event after the reporting date

Accounting standards require the consideration of conditions that existed as at the reporting date. As the World Health Organization (WHO) did not declare the COVID-19 outbreak to be a public health emergency until January 2020, any significant changes in business and economic events due to COVID-19 would be considered a non-adjusting subsequent event for entities whose year-end is on December 31, 2020 or earlier.

The implications of this virus are far reaching. It's impacting the daily operations and economics of many businesses. With the concerns over spreading illness, Rwandan Government have implemented protective measures including: restrictions on the movement of people, cancellation of conferences and large meetings, work-from-home arrangements for personnel, closures of facilities, head offices, operating branches, and limits on non-essential travel. All the above measures are respected by ONE97 COMMUNICATIONS RWANDA PRIVATE LIMITED.

This pandemic has led to widespread economic uncertainty and volatility in financial markets. The measures taken across the globe to try to slow the spread of COVID-19 are impacting both the supply and demand for many goods and services. Although fiscal and monetary policy measures are also being implemented to prop up the economy, many still believe there is a possibility of a global recession.

This uncertainty may have implications on financial reporting.

The management of ONE97 COMMUNICATIONS RWANDA PRIVATE LIMITED will continue to assess any possible impact of the COVID-19 pandemic on its business activities. Except for the possible impact of COVID-19 pandemic outbreak occurs after the reporting date, the directors are not aware of events after the reporting date that require disclosure in or adjustments to the financial statements as at the date of this reporting.

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