

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZERO MASS PRIVATE LIMITED (formerly known as Zero Microfinance and Savings Support Private Limited)

Report on the Financial Statements

Opinion

1. We have audited the accompanying Financial Statements of **Zero Mass Private Limited (formerly known as Zero Microfinance and Savings Support Private Limited)** ('the company'), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. 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 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, 2022, its profit and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report including annexure to Board's report, but does not include the Financial Statements and our auditor's report thereon.



5. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
6. In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Financial Statements

7. 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. 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.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

10. 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.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- a) 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.
 - b) 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 system in place and the operating effectiveness of such controls.
 - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - d) 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.



- e) 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

12. As required by the Companies (Auditor's Report) Order, 2020 ("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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
13. 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, and the Cash Flow Statement 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 the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 financial statements of the company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".
- (g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of Section 197(16) of the Act, since the company is a Private Limited company and hence provisions of Section 197 of the Act are not applicable to the Company.
- (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, 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 No. 25.1 to the Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts having 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;
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons / entities, including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary has, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons / entities, including foreign entities, that the Company has directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



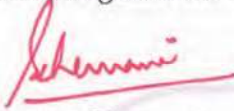
(c) Based on the audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (1) and (2) contain any material misstatement; and

v. The Company has not paid any dividend or declared any dividend during the year.

For M M Nissim & Co LLP

Chartered Accountants

Firm Registration No.: 107122W/W100672



Sanjay Khemani
Partner

Membership No. 044577

ICAI UDIN: 22044577AIGATR9542

Mumbai, April 30, 2022



ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ZERO MASS PRIVATE LIMITED (formerly known as Zero Microfinance and Savings Support Private Limited)

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

Opinion

We have audited the internal financial controls with reference to financial statements of **Zero Mass Private Limited (formerly known as Zero Microfinance and Savings Support Private Limited)** ("the Company") as of March 31, 2022 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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.



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

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control 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 control 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.



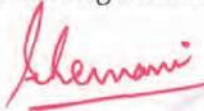
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M M Nissim & Co LLP

Chartered Accountants

Firm Registration No.: 107122W/W100672



Sanjay Khemani

Partner

Membership No. 044577

ICAI UDIN: 22044577AIGATR9542

Mumbai, April 30, 2022




ZERO MASS PRIVATE LIMITED
(formerly known as Zero Microfinance and Savings Support Private Limited)
CIN - U74999MH2007PTC168756
BALANCE SHEET AS AT 31ST MARCH, 2022

	Note No.	As at March 31, 2022 (₹ in Lakhs)	As at March 31, 2021 (₹ in Lakhs)
EQUITY AND LIABILITIES			
Share Capital	3	10.00	10.00
Reserves and surplus	4	3,422.66	2,198.34
		3,432.66	2,208.34
Non - current liabilities			
Long term borrowings	5	-	1,073.29
Long term provisions	6	77.59	66.17
		77.59	1,139.46
Current liabilities			
Short term borrowings	7	1,441.04	661.81
Trade payables	8	1.83	-
- Total outstanding dues of Micro enterprises and small enterprises		955.30	887.39
- Total outstanding dues of creditors other than Micro enterprises and small enterprises			
Other current liabilities	9	2,394.36	2,419.13
Short term provisions	10	27.69	55.87
		4,820.22	4,024.20
TOTAL		8,330.47	7,372.00
ASSETS			
Non current assets			
Property, Plant and Equipment and Intangible Asset	11		
Property, Plant and Equipment		46.81	61.55
Intangible assets		0.87	2.36
Non Current Investments	12	-	2,855.89
Long term loans and advances	13	815.08	461.24
Deferred Tax assets	26.8	72.53	109.14
Current assets			
Current Investments	14	3,130.79	-
Inventories	15	55.94	9.37
Trade receivables	16	0.57	-
Cash and bank balances	17	2,460.89	2,228.22
Short term loans and advances	18	193.59	130.72
Other Current Assets	19	1,553.40	1,513.51
		7,395.18	3,881.82
TOTAL		8,330.47	7,372.00
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

For M M Nissim & Co LLP
Chartered Accountants
Firm Registration No.: 107122W/W100672


Sanjay Khemani
Partner
Membership No.: 044577



For and on Behalf of the Board of Directors
Zero Mass Private Limited
CIN - U74999MH2007PTC168756


Anurag Gupta
Director
DIN - 00473793




Lokanath Panda
Director
DIN - 00784736

Mumbai, 30th April, 2022

Mumbai, 30th April, 2022

ZERO MASS PRIVATE LIMITED*(formerly known as Zero Microfinance and Savings Support Private Limited)*

CIN - U74999MH2007PTC168756

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

	Note No.	Current Year March 31, 2022 (₹ in Lakhs)	Previous Year March 31, 2021 (₹ in Lakhs)
INCOME			
Revenue from operations	20	16,086.24	17,303.38
Other income	21	41.82	591.42
TOTAL INCOME		16,128.06	17,894.80
EXPENSES			
Purchase of Stock-in-trade		197.73	11.82
Change in Inventory of Finished Goods and Stock-in-trade	22	(46.57)	(6.63)
Service fees		10,733.22	11,663.16
Employee benefit expenses	23	2,250.51	1,953.98
Finance costs	24	139.55	224.22
Depreciation/amortisation	11	37.14	27.04
Other expenses	25	1,145.54	951.43
TOTAL EXPENSES		14,457.12	14,825.02
Profit Before Tax		1,670.94	3,069.78
Tax Expenses			
Current Tax		410.00	685.00
Short/ (Excess) Provision of Tax for earlier years		-	(8.98)
Deferred Tax		36.62	130.58
		446.62	806.60
Profit for the year after Tax		1,224.32	2,263.18
Earnings Per Share (Basic / Diluted) - ₹		1,224.32	2,263.18
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements

This is the statement of Profit and Loss referred to in our report of even date attached.

For M M Nissim & Co LLP
Chartered Accountants
Firm Registration No.: 107122W/W100672

Sanjay Khemani
Sanjay Khemani
Partner
Membership No.: 044577



For and on Behalf of the Board of Directors
Zero Mass Private Limited
CIN - U74999MH2007PTC168756

Anurag Gupta
Anurag Gupta
Director
DIN - 00473793



Lokanath Panda
Lokanath Panda
Director
DIN - 00784736

Mumbai, 30th April, 2022

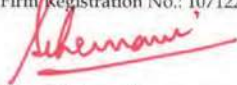
Mumbai, 30th April, 2022

ZERO MASS PRIVATE LIMITED
(formerly known as Zero Microfinance and Savings Support Private Limited)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

	As at March 31, 2022 (₹ in Lakhs)	As at March 31, 2021 (₹ in Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items:	1,670.94	3,069.78
Adjustments for:		
Depreciation	37.14	27.04
Provision for employee benefits	(16.76)	28.75
Provision for doubtful receivable	16.38	2.02
Reversal of provision for diminution in value of non current investment	-	(541.41)
Bad Debts / Sundry Balances written off	1.14	9.72
Liability no longer required, written Back	(0.04)	(0.56)
Interest income	(10.30)	(27.17)
Loss on Sale of Fixed Assets	-	0.27
Settlement of TDS liability of earlier years	-	142.79
Finance Cost	139.55	224.22
Operating Profit before Working Capital changes :	1,838.05	2,935.44
Working Capital Changes:		
Adjustments For Increase / (Decrease) in Operating Liabilities		
Increase / (Decrease) in Trades Payables	69.74	(45.98)
Increase / (Decrease) in Other Current Liabilities	(24.73)	121.86
Adjustments For (Increase) / Decrease in Operating Assets		
(Increase) / Decrease in Long Term Loans and Advances	29.79	7.81
(Increase) / Decrease in Other Current Assets	(74.15)	10.03
(Increase) / Decrease in Inventories	(46.57)	(6.63)
(Increase) / Decrease in Trade Receivables	(1.71)	(7.11)
(Increase) / Decrease in Short Term Loans and Advances	(62.87)	118.26
	(110.50)	198.23
Cash generated from operations	1,727.55	3,133.67
Refund / (Payment) of taxes	(793.63)	(696.38)
Net cash generated from / (used in) operating activities	933.92	2,437.29
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(21.41)	(44.09)
Interest received	28.18	8.87
Proceeds from sale of Fixed Assets	0.50	1.75
Investment in shares of A Little World Private Limited	(274.90)	(1,263.49)
(Increase) / Decrease in Other Bank balances	34.06	(191.06)
Net cash generated from / (used in) investing activities	(233.57)	(1,488.02)
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment) of Long Term Borrowings	(788.45)	(408.89)
Finance Cost	(139.55)	(224.22)
Proceeds/ (Repayment) of Short Term Borrowings (net)	494.38	(670.20)
Net cash generated from / (used in) financing activities	(433.62)	(1,303.30)
Net Increase/ (Decrease) in Cash and Cash equivalents	266.73	(354.03)
Cash and Cash Equivalents as at the beginning of the year		
Cash on hand	0.04	0.14
Balances with Banks in Current Account	1,889.10	2,264.01
Balance with banks in fixed Deposit	21.31	0.33
	1,910.45	2,264.48
Cash and Cash Equivalents as at the end of the year		
Cash on hand	0.10	0.04
Balances with Banks in Current Account	2,000.54	1,889.10
Balance with banks in fixed Deposit	176.54	21.31
	2,177.18	1,910.45

This is the Cash Flow Statement referred to in our report of even date

For M M Nissim & Co LLP
Chartered Accountants
Firm Registration No.: 107122W/W100672


Sanjay Khemani
Partner
Membership No.: 044577



For and on Behalf of the Board of Directors

Zero Mass Private Limited
CIN - U74999MH2007PTC168756


Anurag Gupta
Director
DIN - 00473793




Lokanath Panda
Director
DIN - 00784736

Mumbai, 30th April, 2022

Mumbai, 30th April, 2022

ZERO MASS PRIVATE LIMITED (FORMERLY ZERO MICROFINANCE AND SAVINGS SUPPORT PVT. LTD.)

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2022

NOTE 1

Background

- a Zero Mass Private Limited *formerly known as* Zero Microfinance and Savings Support Pvt. Ltd. ("the Company" or "ZMPL") was incorporated on 20th March, 2007 as a public company with liability limited by guarantee under Section 8 of the Companies Act, 2013 (erstwhile section 25 of the Companies Act 1956) with main object to undertake, carry out, promote and sponsor social and economic development programs as well as for promotion of livelihood of self-help groups and socially and economically disadvantaged, underserved/underprivileged groups, farmers, communities or individuals in urban and rural areas so as to empower them and enhance their quality of life by promoting distribution and expanding outreach of socially and technologically relevant product and services.
- b The company has been converted into a Company limited by shares with effect from 21st January 2016 on surrender of license issued under Section 8 of the Companies Act 2013 (erstwhile Section 25 of the Companies Act 1956) and consequently a fresh Certificate of incorporation dated 21st January 2016 was issued on 1st April 2016.

NOTE 2 - Significant accounting policies

1 Basis of preparation of financial statements

The Financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and in accordance with the relevant provisions of Companies Act, 2013 and based on the accounting principles generally accepted in India and comply with the Accounting Standards ('AS') specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021.

2 Use of estimates

- a The preparation of financial statements in conformity with the generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as of the date of the financial statements, and the reported amounts of income and expenditure during the reported period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements, though such facts/circumstances may have become known after the date of financial statements.



**ZERO MASS PRIVATE LIMITED
(FORMERLY ZERO MICROFINANCE AND SAVINGS SUPPORT PVT.
LTD.)**

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2022

- b Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to the accounting estimates is recognized prospectively in current and future periods.

3 Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule III to the Act. Based on the nature of activities of the Company, the Company has ascertained its operating cycle as 12 months for the purpose of current - non-current classification of assets and liabilities.

4 Inventories

Inventories are valued at lower of cost and net realisable value. The comparison of cost and net realizable is made on an item-by-item basis. Cost of inventory comprises all costs of purchase, duties, taxes and all other costs incurred in bringing the inventory to their present location and condition. Cost is determined under the weighted average purchase price basis in case of traded goods and average production cost basis in case of manufactured goods. Purchase cost for traded goods represents actual purchase price including, local taxes, freight and other expenses directly associated with purchase of such goods. Average production cost is calculated based on the actual cost of raw material including job work charges and custom duties, freight, taxes, clearing and forwarding charges and local taxes.

5 Revenue recognition

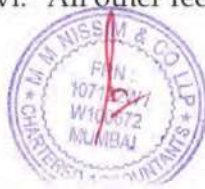
- a Revenue is recognized when there exists no significant uncertainty regarding the ultimate realization on transfer of all significant risks and rewards of ownership to the buyer. Revenue is net of GST.

b Sales:

- i. Sale of photo personalized cards, smart cards and terminal equipment is recognized at the time of dispatch of cards and equipment.

c Fees:

- i. Transaction fees are recognized on receipt of confirmation of such transactions by the banks.
ii. Fees on remittance are recognized on completion of transaction.
iii. Fixed fee is recognized on meeting of specific criteria.
iv. Enrolment fees are recognized on opening of the account by the bank.
v. Maintenance fees are recognized on meeting of specific criteria.
vi. All other fees are recognized on rendering of service.



**ZERO MASS PRIVATE LIMITED
(FORMERLY ZERO MICROFINANCE AND SAVINGS SUPPORT PVT.
LTD.)**

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2022

d Interest:

- i. Interest is recognized on time proportion basis.

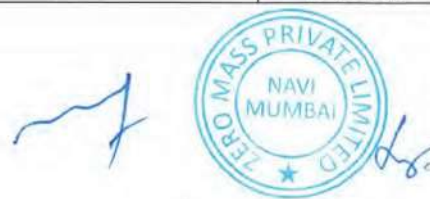
6 Fixed assets and depreciation/ amortisation

- a Fixed assets are stated at cost of acquisition less accumulated depreciation/ amortisation and impairment loss, if any. Cost includes inward freight, duties, taxes (to the extent not recoverable from appropriate authorities) and expenses incidental to the acquisition/ construction of the assets.

b Depreciation

- i. Depreciation on assets is provided using written down value method as per useful life specified in Schedule II to the Companies Act, 2013, except for those mentioned below and depreciation on kits (comprising of mobile phones, printers and scanners) and leasehold improvements is provided using straight-line method as per the management's estimate of economic useful life. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is different as envisaged in the Schedule II, depreciation is provided at a higher rate based on the management's estimate of useful life/remaining life. Depreciation on additions is provided from the date in which the asset is capitalised.
- ii. The fixed asset blocks and related annual depreciation rates, which in management's opinion reflect the estimated useful economic lives of the fixed assets, are:

Asset	Useful Life
<i>Tangible Assets</i>	
Office Equipment	5 Years
Computers	3 Years
Furniture and fixtures	10 Years
Field Equipment	3 Years
<i>Intangible Assets</i>	
Software	5 Years



**ZERO MASS PRIVATE LIMITED
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NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2022

7 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate on the date of the transaction. The difference between the actual rate of settlement and the rate on the date of transaction is charged or credited to statement of profit and loss. Monetary assets and monetary liabilities at the balance sheet date are translated at the exchange rates prevailing on the balance sheet date and the overall net gain or loss on such translation, if any, is charged / credited to statement of profit and loss.

8 Investments in securities

- a Shares acquired with an intention of long-term holding are classified as non current investments and the shares acquired not with the intention to trade are classified as Current Investments.
- b Cost of investments includes charges such as brokerage, transactions charges, stamp duty and service tax. STT is excluded from cost of investments and is charged off to the revenue.
- c Non current investments are stated at cost except where there is diminution other than temporary, for which provision is made for each investment individually.
- d Current investments are carried at lower of cost and fair value in aggregate for each category of investments.
- e No cost is apportioned to bonus shares received free of cost, which are carried at Nil cost.

9 Employee benefits

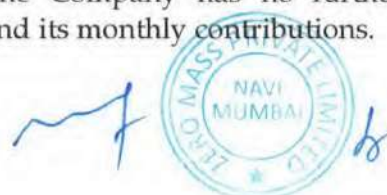
a. Short-term employee benefits

- i. All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period.

b. Post-employment benefits

i. Defined contribution plan:

Contributions payable to Government administered provident fund and other funds scheme, which is a defined contribution scheme, are charged to the statement of profit and loss as incurred. The Company has no further obligations under the provident fund plan beyond its monthly contributions.



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ii. Defined benefit plan:

The company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date, based upon which, the company contributes all the ascertained liabilities to the ZMF Employees' Gratuity Fund (the "Trust"). Trustees administer contributions made to the Trust and contributions are invested in specific investments as permitted by law.

c. Long term employment benefits

- i. The Company's net obligation in respect of compensated absence is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value. The discount rates used for determining the present value of the obligation under long term employment benefits, are based on the market yields on Government securities as at the balance sheet date.

10 Leases

Lease rentals in respect of assets acquired on operating lease are charged off to the statement of profit and loss on a straight line basis over the lease term.

11 Earnings per share ('EPS')

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.



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NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2022

12 Taxes on income

Income tax expense comprises current tax and deferred tax charge or credit.

a Current tax

Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions, in accordance with the Income-tax Act, 1961.

b Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) credit is recognised as an asset to the extent there is convincing evidence that the Company will pay normal income tax during specified period, i.e., the period for which MAT credit is allowed to be carried forward as per prevailing provisions of the Income-tax Act, 1961. In accordance with the recommendation contained in the guidance note issued by ICAI, MAT credit is to be recognised as an asset in the year in which it becomes eligible for set off against normal income tax. The Company reviews MAT credit entitlements at each balance sheet date and writes down the carrying amount to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

c Deferred tax

- i. Deferred tax charge or credit and the corresponding deferred tax liability or asset is recognized for timing differences between the profits/ losses offered for income taxes and profits/ losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.
- ii. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realized.



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NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2022

13 Intangible Assets

Intangible which are identifiable and future economic benefits are expected to flow to the company are treated as intangible assets in accordance with Accounting Standard 26 issued by Institute of Chartered Accountants of India.

14 Impairment of assets

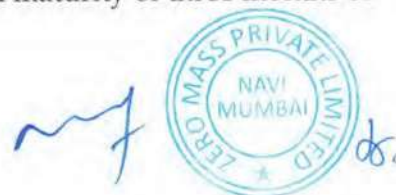
- a In accordance with AS 28 - 'Impairment of Assets', where there is an indication of impairment of the Company's assets, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is an impairment. The recoverable amount of the asset (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use.
- b An impairment loss is recognized whenever the carrying amount of the asset or cash generating unit exceeds its recoverable amount. An impairment loss is recognized in the statement of profit and loss.
- c Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

15 Provisions and contingencies

- a Provision is recognized in the balance sheet when the Company has a present obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount required to settle the obligation. A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.
- b Contingent Assets are neither recognized nor disclosed in the financial statements.

16 Cash and Cash equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at bank and in hand and deposit with bank with an original maturity of three months or less.



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	As at March 31, 2022 (₹ in Lakhs)	As at March 31, 2021 (₹ in Lakhs)
3 Share capital		
Authorised 10,00,000 equity shares of Rs 10 each	100.00	100.00
Issued, subscribed and paid-up 1,00,000 equity shares of Rs 10 each	10.00	10.00
	10.00	10.00

Other Disclosure

(a) Rights, preferences and restrictions attached to equity shares

The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. However, the company has not declared any dividend during the year.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount (in Lakhs)	Number	Amount (in Lakhs)
Shares outstanding at the beginning of the year	1,00,000	10.00	1,00,000	10.00
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,00,000	10.00	1,00,000	10.00

(c) Shareholders holding more than 5 percent of the equity shares

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Anurag Gupta	65,939	65.94	65,939	65.94
Lokanath Panda	8,936	8.94	8,936	8.94
State Bank of India	6,825	6.83	6,825	6.83

(d) Shares held by promoters at the end of the reporting period

Promoter name	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% of Total shares	% Change during the year	No. of Shares	% of Total shares	% Change during the year
Anurag Gupta	65,939	65.94%	-	65,939	65.94%	-
Total	65,939	65.94%	-	65,939	65.94%	-

4 Reserves and surplus

Surplus/(Deficit) in the Statement of Profit and Loss

At the commencement of the year	2,198.34	(64.84)
Add: Profit for the year	1,224.32	2,263.18
Total	3,422.66	2,198.34

5 Long term borrowings

Unsecured

-From Banks	-	28.44
-From Non Banking Finance Companies	-	57.76
-From a related party (A Little World Pvt. Ltd.) (unsecured)	-	1,648.90
-From a body corporate (A Little World Pvt. Ltd.) (unsecured)	946.66	-
	946.66	1,735.10

Less: Current Maturities as disclosed under the head "Short term borrowings" (refer note 7)

-From Banks	-	28.44
-From Non Banking Finance Companies	-	53.68
-From a related party (A Little World Pvt. Ltd.) (unsecured)	-	579.69
-From a body corporate (A Little World Pvt. Ltd.) (unsecured)	946.66	-
	946.66	661.81
	-	1,073.29

Note

(i) Terms of repayment

(a) Borrowings from Banks/ NBFCs/ ALW are unsecured

(i) Repayment Schedule of Banks and NBFCs

Number of installments due (Nos)	NA	90
Rate of Interest (%)	NA	Range between 17.00% to 19.00%
Within one year (Rs.)	-	0.00
After one year but not more than 5 years (Rs.)	-	4.08
More than 5 years (Rs.)	-	-

(i) Repayment Schedule of a body corporate (ALW)

Rate of Interest (%)	8%	8%
Within one year (Rs.)	946.66	579.69
After one year but not more than 5 years (Rs.)	-	1,069.21
More than 5 years (Rs.)	-	-



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	As at March 31, 2022 (₹ in Lakhs)	As at March 31, 2021 (₹ in Lakhs)
6 Long term provisions		
Provision for employees' benefits		
Leave encashment	77.59	66.17
	77.59	66.17
7 Short term borrowings		
-From a Bank* (Secured, loan repayable on demand)	494.38	-
-From Banks (unsecured)	-	28.44
-From Non Banking Finance Companies (unsecured)	-	53.68
-From a related party (A Little World Pvt. Ltd.) (unsecured)	-	579.69
-From a body corporate (A Little World Pvt. Ltd.) (unsecured)	946.66	-
	1,441.04	661.81

*Cash credit facility from a bank is secured against security of charge on the certain trade receivable & unbilled revenue and lien on fixed deposit of ₹ 99.00 Lakhs (Interest rate - 9.10%)

8 Trade payables		
Total outstanding dues of Micro enterprises and small enterprises	1.83	-
Total outstanding dues of trade payables other than Micro enterprises and small enterprises	955.30	887.39
	957.13	887.39

Trade payables ageing schedule

Particulars	Outstanding for following periods as at 31st March, 2022 from due date of payment					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Not yet due	Total
(i)MSME	-	-	-	-	1.83	1.83
(ii)Others	-	-	-	-	952.02	952.02
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	1.90	-	1.38	-	3.28
TOTAL	-	1.90	-	1.38	953.85	957.13

Particulars	Outstanding for following periods as at 31st March, 2021 from due date of payment					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Not yet due	Total
(i)MSME	-	-	-	-	-	-
(ii)Others	-	-	-	-	885.91	885.91
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	0.10	0.95	0.43	-	1.48
TOTAL	-	0.10	0.95	0.43	885.91	887.39

9 Other current liabilities		
Interest accrued but not due on borrowings	-	1.13
Statutory dues	87.26	199.93
Provision for Interest	54.36	54.35
Other Payables		
-Employees' Benefit	5.51	3.54
-CSP Balances	2,151.45	2,012.92
-Provision for Expenses	79.65	125.00
-Other Liabilities	16.13	22.26
	2,394.36	2,419.13

10 Short term provisions		
Provision for employee's benefits		
Gratuity	12.72	54.01
Leave encashment	14.97	1.86
	27.69	55.87

12 Non-current Investments					
	Nos.		Face Value		
	31-Mar-22	31-Mar-21			
Unquoted in Equity Shares-Non Trade					
In Associates					
A Little World Private Limited	-	3,54,89,580	10.00	-	2,855.89
				-	2,855.89
Aggregate Book Value of Unquoted Investments				-	2,855.89

13 Long term loans and advances		
(unsecured, considered good)		
To parties other than related parties		
Income tax (net)	805.62	421.99
Less : Provision towards TDS Receivable	34.48	34.48
	771.14	387.51
Deposit with Government Authority	-	0.19
CST TDS Receivable	43.94	73.54
	43.94	73.73
	815.08	461.24



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ZERO MASS PRIVATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

NOTE 11 : CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSET (₹ in Lakhs)

Particulars	Property, Plant and Equipment						Total	Intangible Assets		Grand Total
	Plant and Machinery	Office Equipment	Computers	Furniture and Fixtures	Software	Total		Software	Total	
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
As at 01.04.2020	2.29	34.81	46.09	34.51	117.70	117.70	-	-	117.70	-
Additions	-	3.45	33.44	4.83	41.72	41.72	2.36	2.36	44.08	2.36
Disposals	-	0.17	1.85	-	2.02	2.02	-	-	2.02	-
As at 31.03.2021	2.29	38.09	77.68	39.34	157.40	157.40	2.36	2.36	159.76	2.36
As at 01.04.2021	2.29	38.09	77.68	39.34	157.40	157.40	2.36	2.36	159.76	2.36
Additions	-	5.58	15.28	0.55	21.41	21.41	-	-	21.41	-
Disposals	-	-	0.50	-	0.50	0.50	-	-	0.50	-
As at 31.03.2022	2.29	43.67	92.46	39.89	178.31	178.31	2.36	2.36	180.67	2.36
Accumulated depreciation										
As at 01.04.2020	1.61	17.08	31.44	18.68	68.81	68.81	-	-	68.81	-
Additions	0.43	8.64	13.29	4.68	27.04	27.04	-	-	27.04	-
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31.03.2021	2.04	25.72	44.73	23.36	95.85	95.85	-	-	95.85	-
As at 01.04.2021	2.04	25.72	44.73	23.36	95.85	95.85	-	-	95.85	-
Additions	0.12	6.89	24.54	4.10	35.65	35.65	1.49	1.49	37.14	1.49
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31.03.2022	2.16	32.61	69.27	27.46	131.50	131.50	1.49	1.49	132.99	1.49
Net carrying value as at										
01/04/2021	0.25	12.37	32.95	15.98	61.55	61.55	2.36	2.36	63.91	2.36
31/03/2022	0.13	11.06	23.19	12.43	46.81	46.81	0.87	0.87	47.68	0.87



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NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2022

			As at March 31, 2022 (₹ in Lakhs)	As at March 31, 2021 (₹ in Lakhs)
14 Current Investments				
	Nos.	Face Value		
	31-Mar-22	31-Mar-21		
Unquoted in Equity Shares-Non Trade				
A Little World Private Limited	3,96,23,538	-	10.00	-
			3,130.79	-
			<u>3,130.79</u>	<u>-</u>
Aggregate Book Value of Unquoted Investments			3,130.79	-
15 Inventories				
Finished goods - traded			55.94	9.37
			<u>55.94</u>	<u>9.37</u>
16 Trade receivables (unsecured)				
Receivables outstanding for a period exceeding six months from the due date				
(a) Considered good			-	-
(b) Doubtful			-	174.51
Less: Provision for doubtful debts			-	(174.51)
			<u>-</u>	<u>-</u>
Other receivables				
(a) Considered good			0.57	-
			<u>0.57</u>	<u>-</u>
			<u>0.57</u>	<u>-</u>
			<u>0.57</u>	<u>-</u>

Trade receivables ageing schedule

Particulars	Outstanding for following periods as at 31st March, 2022 from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed - Considered good	0.57	-	-	-	-	0.57
(ii)Undisputed - Considered doubtful	-	-	-	-	-	-
(iii)Disputed - Considered good	-	-	-	-	-	-
(iv)Disputed - Considered doubtful	-	-	-	-	-	-
Total	0.57	-	-	-	-	0.57

Particulars	Outstanding for following periods as at 31st March, 2021 from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed - Considered good	-	-	-	-	-	-
(ii)Undisputed - Considered doubtful	-	-	-	-	-	-
(iii)Disputed - Considered good	-	-	-	-	-	-
(iv)Disputed - Considered doubtful	-	-	-	-	174.51	174.51
Total	-	-	-	-	174.51	174.51

17 Cash and bank balances

Cash and cash equivalents				
- Cash on hand		0.10	0.04	
- Balance with banks		2,000.54	1,889.10	
- Balance with banks in fixed Deposit (Maturing within 3 months)		176.54	21.31	
Other Bank balances				
- Deposits (Maturing more than 3 and less than 12 months)*		69.53	268.32	
- Deposits (maturity after 12 months)*		214.18	49.45	
		<u>2,460.89</u>	<u>2,228.22</u>	

* Pledged with banks as security - Rs. 283.71 Lakhs (Previous year Rs. 126.20 Lakhs)

18 Short term loans and advances

(unsecured, considered good)

To parties other than related parties

Advances recoverable in Cash or in Kind	43.91	15.05
Advance to Employees	11.51	39.81
Advance to Vendors	29.13	21.91
GST Input Tax Credit	109.04	53.95
	<u>193.59</u>	<u>130.72</u>

19 Other current assets

(unsecured, considered good)

Unbilled Revenue	1,422.38	1,391.73
Prepaid Expenses	69.82	41.14
Security deposit	43.79	45.35
Interest accrued on Fixed deposits	17.41	35.29
	<u>1,553.40</u>	<u>1,513.51</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	<i>Current Year</i> March 31, 2022 (₹ in Lakhs)	<i>Previous Year</i> March 31, 2021 (₹ in Lakhs)
20 Revenue from operations		
Services		
Transaction Fees	10,566.78	12,148.50
Fixed fees	1,971.00	1,916.96
Enrollment Fees	129.38	374.42
Account Maintenance Fees	3,267.91	2,858.27
	<u>15,935.07</u>	<u>17,298.15</u>
Sale of Products		
CSP Kit (Kiosk)	0.03	1.27
Sale of M-ATM	151.14	3.84
Sale of Laptop	-	0.12
	<u>151.17</u>	<u>5.23</u>
Total Revenue from operations	<u>16,086.24</u>	<u>17,303.38</u>
21 Other income		
Interest income	10.30	27.17
Interest on Income Tax Refund	-	13.32
Liability, no longer required, written Back	0.04	0.56
Reversal of provision for diminution in value of non current investment	-	541.41
Recovery of Expenses	9.59	8.75
Recovery of e-Agreement charges	21.89	-
Miscellaneous income	-	0.21
	<u>41.82</u>	<u>591.42</u>
22 Change in Inventory Of Finished Goods and stock-in-trade		
Opening stock	9.37	2.74
Less: Closing stock	<u>(55.94)</u>	<u>(9.37)</u>
	(46.57)	(6.63)
23 Employees' benefit expenses		
Salaries and wages	1,886.67	1,688.39
Contribution to provident and other funds	113.85	99.68
Staff welfare expenses	106.16	86.88
Gratuity	58.82	54.01
Leave encashment	85.01	25.02
	<u>2,250.51</u>	<u>1,953.98</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	<i>Current Year</i> March 31, 2022 (₹ in Lakhs)	<i>Previous Year</i> March 31, 2021 (₹ in Lakhs)
24 Finance Costs		
Bank Charges	11.16	8.18
Interest on Statutory dues	0.02	0.02
Interest and Finance charges on loan	<u>128.37</u>	<u>216.02</u>
	<u>139.55</u>	<u>224.22</u>
25 Other expenses		
Professional and Consultancy charges	292.46	226.58
Rent	143.31	124.92
Travelling and conveyance	342.65	188.71
Legal and Professional fees	11.75	3.64
Postage and courier expenses	5.50	4.81
Telecommunication expenses	25.28	21.67
Electricity charges	17.69	16.15
Insurance Charges	0.91	5.53
Repairs and maintenance	33.87	29.05
Auditors' remuneration		
- Audit fees	33.50	26.50
- Tax Audit fees	7.00	3.50
- Taxation and other services	<u>7.55</u>	<u>10.50</u>
	48.05	40.50
Bad Debt Written Off	174.51	-
Less: Reversal of Provision for Doubtful Debts	<u>(174.51)</u>	<u>-</u>
	-	-
Printing and stationery	8.45	11.12
Sundry Balances Write off	1.14	9.72
Provision for Doubtful Debts	16.38	2.02
Office expenses	31.98	27.25
Rates & Taxes	21.05	1.87
Director's Sitting Fees	12.00	8.00
GST Expenses	70.00	44.70
Miscellaneous expenses	11.86	2.58
Settlement of TDS liability of earlier years	-	142.79
Donation & CSR Expenses	<u>51.21</u>	<u>39.82</u>
	<u>1,145.54</u>	<u>951.43</u>



**ZERO MASS PRIVATE LIMITED
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NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2022

NOTE 26: OTHER ADDITIONAL NOTES / INFORMATION

1 Contingent Liability not provided for:

- a Guarantee given to a bank for providing fund based facility of ₹ 273.79 Lakhs (Previous year ₹ 273.79 Lakhs) to CSPs.
- b It is not practicable for the company to estimate the timings of cash outflows, if any, in respect of the above pending matter.

- 2 The Company is holding 49.75% of equity shares of A Little World Private Limited (ALW) and accordingly it was considered as an Associate and hence the investment in the ALW was consolidated in the Consolidated Financial Statements using the equity method.

The Company has entered into a definitive agreement with the erstwhile promoter of the ALW on March 25, 2022. As per the definitive agreement, entire shareholding of the Company in the ALW would be transferred to the erstwhile promoter of ALW for an aggregate consideration of ₹ 3169.88 Lakhs. The definitive agreement restricts the transfer of any resource from the ALW to the Company. The definitive agreement is subject to receipt of applicable approvals/compliance with regulatory guidelines.

Considering that restrictions are imposed in the definitive agreement on transfer of any resource from the ALW to the Company, the Company's ability to derive any benefit from holding of investments in ALW is severely impacted. Due to these restrictions, the Company is unable to exercise significant influence over ALW, which is evident from the fact that the ALW has not yet prepared its financial statements. After considering such restrictions and also considering that investments in the ALW is now held for immediate disposal and also considering the substance of the definitive agreement, the Company has not treated the ALW as its Associate with effect from March 26, 2022 and therefore the same has been classified as Current Investments. The carrying value of the investments in the ALW before accounting for the proportionate share of profit/loss for the current financial year under the equity method is ₹ 2873.04 Lakhs including the share of profit recognized in previous year. Since the share of profit was not required to be recognised in Standalone financial statements under equity method, the same can not be de-recognized.

Since the aggregate consideration from disposal of investments in ALW would be higher than the value to be determined as per the equity method had the ALW been considered as an Associate as on March 31, 2022, the non-recognition of



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NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2022

proportionate share of profit/loss in the current financial year due to the ALW not being considered as an Associate is, in the opinion of the management, in line with substance of the transaction and true depiction of the value of investments and fair presentation of the investments in ALW in the financial statements.

3 Disclosure pursuant to Accounting Standard - 15 "Employee Benefits"

a Defined benefit plans:

General Description:

i. Gratuity Defined Benefit Plan

The Company has carried out actuarial valuation of gratuity liability which is a defined benefit plan using the Projected unit credit method. The disclosures of the relevant details are as under:

Particulars	Gratuity (₹ in Lakhs)	
	31-03-2022	31-03-2021
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1st April	166.69	108.64
Current Service Cost	30.34	23.09
Past Service Cost	-	-
Interest Cost	11.54	7.49
Actuarial losses (gains)	24.41	29.48
Benefits paid	4.85	2.00
Closing defined benefit obligation at 31st March	228.13	166.70
Change in Plan Assets		
Opening fair value of plan assets at 1st April	112.69	65.84
Actual Return on Plan assets	7.46	6.04
Contributions by employer	100.11	42.81
Benefit Paid	4.85	2.00
Closing fair value of plan assets at 31st March	215.41	112.69
Reconciliation of present value of the obligation and fair value of the plan assets		
Present Value of Funded obligation at 31st March	228.13	166.70
Fair Value of Plan assets at 31st March	215.41	112.69
Net Liability/(Asset)	12.72	54.01
Amount Recognized in the Balance Sheet		
Liabilities	228.13	166.70



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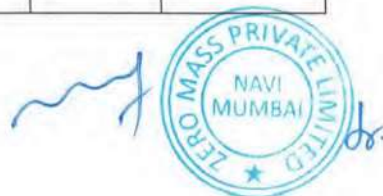
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Assets	215.41	112.69
Net Liability / (Asset) recognized in Balance Sheet	12.72	54.01
Net Cost recognized in the profit and loss account		
Current Service Cost	30.34	23.09
Past Service Cost	-	-
Interest Cost	11.54	7.49
Expected return on plan assets	(7.80)	(4.53)
Adjustment of excess fund balance*	-	-
Net actuarial losses (Gain) recognized during the year	24.74	27.97
Total costs of defined benefit plans included in "Company's Contribution to Provident, Gratuity and Other Funds" above	58.82	54.01
Reconciliation of expected return and actual return on Plan Assets		
Expected Return on Plan Assets	7.80	4.53
Actuarial Gain/ (loss) on Plan Assets	-0.33	1.51
Actual Return on Plan Assets	7.46	6.04
Investments under Plan Assets of Gratuity Fund as at 31st March 2022 are as follows:		
Category of Assets (% of plan assets)		
Specific Investments	100%	100%
Principal Actuarial Assumptions:		
Discount Rate	6.90%	6.92%
Actual / Expected Rate of return on Plan Asset	6.90%	6.92%
Salary Escalation	6%	6%
Attrition Rate	For Service 4 years and below : 15.00% p.a. and For Service 5 years and above : 10.00% p.a.	2%

ii. Amounts for the Current & Previous Periods are as follows:

	31-03-22	31-03-21	31-03-20	31-03-19	31-03-18
	₹ in Lakhs				
Defined Benefit Obligation	228.13	166.70	108.64	68.49	50.90



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Plan Assets	215.41	112.69	65.84	52.16	37.49
(Surplus) / Deficit	12.72	54.01	42.80	16.33	13.41
Experience Adjustments on plan liabilities (Gain) / Loss	Not Available*				
Experience Adjustments on plan assets (Gain) / Loss	Not Available*				
*The management has relied on the overall actuarial valuation conducted by the Actuary. However, experience adjustments on plan assets and liabilities are not readily available and hence not disclosed.					

iii. Leave Salary (Long term employment benefit)

The Company has provided ₹ 85.01 Lakhs (Previous Year: ₹ 25.02 Lakhs) towards leave liability as determined as per actuarial valuation. The relevant details are as under:

Leave salary	31-03-2022	31-03-2021
	₹ in Lakhs	
Present Value of obligation at 31 st March	92.56	68.03
No specific disclosures have been made in respect of 'other long term employee benefits being Leave salary in terms of Para 132 of Accounting Standard 15 on "Employee Benefits"		

b Defined contribution Plan

Contribution to provident fund and other funds

Employer's Contribution to Provident Fund and other funds is recognised as expense: ₹ 113.85 Lakhs (Previous Year: ₹ 99.68 Lakhs).

4 Segment Reporting

The company operates in only one segment, namely providing Business Correspondent's services to banks and its operations are entirely based within India, accordingly, in the opinion of management, no separate business/ geographical segment information is considered necessary.



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NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2022

5 Related party disclosures

a List of related parties

<i>Key managerial personnel</i>	
Mr. Anurag Gupta	Director
Mr. Lokanath Panda	Whole time Director
Mr. Dipak Gawande	Company Secretary (Upto January 15, 2022)
<i>Associate</i>	
A Little World Private Limited (Upto March 25, 2022)	

b Transactions with related parties

Particulars	Amount in ₹ in Lakhs	
	2021- 2022	2020- 2021
Transactions with Associate		
Investment in Associate	274.91	1,263.49
Repayment of loans	695.95	574.20
Professional and Consultancy Fees paid	167.44	86.00
Interest paid on Loan taken	102.78	173.99
Reimbursement of expenses	0.39	-
Recovery of expenses	9.11	8.75
Transactions with Key managerial personnel		
Remuneration	155.29	141.63
Repayment of Loan	-	96.00
Commission paid	197.52	216.22
Reimbursement of Expenses	15.81	14.94

c Year end balances:

Associate	Amount in ₹ in Lakhs	
Loans payable	-	1,648.90
Investments	-	2,855.89

Amount written off/adjusted against above: ₹Nil (Previous year ₹Nil)

6 Leases

a The Company has taken office premise under operating lease agreement. This agreement is renewable by mutual consent.

b Lease payments for the year are ₹ 143.31 Lakhs * (Previous year ₹ 124.92 Lakhs*)



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NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2022

c Future lease payments are as under:

	Amount in ₹ in Lakhs	
Minimum lease payments up to the end of lease period	2021-22	2020-21
Due not later than one year	0.93	125.42
Due later than one year; but not later than five year	Nil	110.94

* excluding GST

7 Earnings per share

	Amount in ₹ in Lakhs	
Particulars	2021-22	2020-21
Net Profit before tax	1,670.94	3,069.79
Less: Tax Expenses	446.62	806.60
Net Profit attributable to Equity Shareholders (A)	1,224.32	2,263.18
Weighted Average Number of Shares (B)	1,00,000	1,00,000
Basic and Diluted Earnings Per Share (A/B) - ₹	1,224.32	2,263.18
Nominal Value per Share - ₹	10	10

8 Deferred Tax

The major components of the Company's deferred tax assets and liabilities are as under:

	Amount in ₹ in Lakhs	
Particulars	31-03-2022	31-03-2021
Deferred Tax Assets (A)		
On difference between book balance and tax balance of fixed assets	45.11	48.10
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	23.30	17.12
Provision for doubtful debts / advances	4.12	43.92
Total (A)	72.53	109.14
Deferred Tax Liabilities (B)	-	-
Net Deferred Tax Assets (A-B)	72.53	109.14

9 Dues to Micro, Small and Medium Enterprises

a Under the Micro, Small and Medium Enterprise Development Act, 2006 certain disclosures are required to be made relating to micro and small enterprises. The



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Company has taken necessary steps to seek relevant information from its suppliers about the coverage under the Act.

- b On the basis of the information and records available with the Management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities.

Particulars	2021- 2022	2020- 2021
Principal amount due as at the year end	-	-
Interest due on the principal amount unpaid at the year end to any supplier	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-

10 Additional information required as per Schedule III:

PARTICULARS	2021- 2022	2020- 2021
a Value of Import on CIF basis:	-	-
b Remittances in Foreign Currency:	-	-
c Expenditure in Foreign Currency:	-	-
d Earnings in Foreign Currency:	-	-

- 11 During the year ended March 31, 2022, the Company has incurred expenditure towards Corporate Social Responsibility (CSR) activities which are as below:

Sr. No.	Particular	2021- 2022 (₹ in Lakhs)	2020- 2021 (₹ in Lakhs)
1	Amount required to be spent by the company during the year	43.46	34.32
	Amount of expenditure incurred	51.21	34.32
	Shortfall at the end of the year	Nil	Nil



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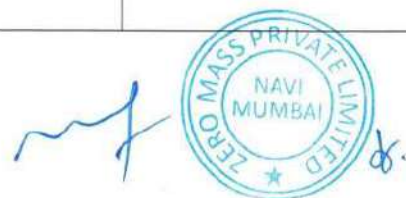
NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2022

4	Total of previous years shortfall	Nil	Nil
5	Reason for shortfall	Nil	Nil
6	Nature of CSR activities	Harvesters and other farm equipment to needy farmers which will be covered under Rural Development of the Schedule VII of the Companies Act, 2013	Knowledge on wheels for Education of Rural students
7	Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard (1)	Nil	Nil
8	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	Nil	Nil

12 Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Sl. No.	Particulars	Numerator	Denominator	31-03-2022	31-03-2021	Variance	Reason for Variance
1	Current Ratio	Current assets	Current liabilities	1.53	0.96	59.05%	Increase in Current Investment
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.42	0.79	46.57%	Decrease in Borrowings
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	1.15	1.68	-31.92%	Decrease in Net Profit
4	Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	0.43	2.11	-79.44%	Decrease in Net profit



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NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2022

5	Trade receivables turnover ratio	Revenue	Average Trade Receivable	28,221.47	3,729.18	656.77%	Decrease in Trade receivables
6	Trade payables turnover ratio	Purchases	Average Trade Payables	0.21	0.01	-1551.2%	Increase in trade payables
7	Net capital turnover ratio	Revenue	Working Capital	6.25	(121.53)	105.14%	Increase in Revenue
8	Net profit ratio	Net Profit	Revenue	0.08	0.13	-39.98%	Decrease in Net profit
9	Return on capital employed (ROCE)	EBIT	Capital Employed	0.51	0.98	-47.77%	Decrease in Earnings
10	Return on Investment (ROI)	EBITDA	Total Investment	0.38	0.84	-55.15%	Decrease in Investment

13 Disclosure under Rule 11 (e) of the Companies (Audit and Auditors) Rules, 2014

The Company has not advanced or lent or invested any fund from any source whatsoever to or in any other person or entity including any foreign entity (Intermediaries) with an understanding, in whatsoever manner, with the Intermediary that the Intermediaries shall, on behalf of the Company whether directly or indirectly, lend to or invest in other person or entity (Ultimate Beneficiaries), identified in any manner whatsoever by the Company or to provide guarantee or security or the like on behalf of Ultimate Beneficiaries.

Similarly, the Company has not received any funds from any person or entity including foreign entity with an understanding in whatsoever manner that the Company shall, whether directly or indirectly, lend or invest on behalf of the Company in other persons or entity identified in any manner whatsoever by such person or entity or provide guarantee or security or the like in any other person on behalf of such other persons or entity.



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NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2022

14 Previous year figures have been regrouped wherever considered necessary to make them comparable with the current year.

Signature to Notes "1" to "26"

As per our report of even date attached.

For **M M Nissim & Co LLP**
Chartered Accountants
Firm Registration No: 107122W/W100672



Sanjay Khemani
Partner
Membership No: 044577
Mumbai, April 30, 2022



For and on behalf of the Board of Directors



Anurag Gupta
Director
DIN - 00473793
Mumbai, April 30, 2022



Lokanath Panda
Director
DIN - 00784736

