

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 audit of the consolidated financial statements

Opinion

1. We have audited the consolidated financial statements of Zero Mass Private Limited (hereinafter referred to as the 'Company') and its associate which comprise the consolidated balance sheet as at 31 March 2021, the consolidated profit and loss account, the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its associates as at 31 March 2021, of its consolidated profit and consolidated cash flows for the year then ended.

Basis for opinion

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

Information other than the consolidated financial statements and Auditor's Report thereon

3. The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Company's Annual report is expected to be made available to us after the date of this auditor's report.

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

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

If, based on the work we have performed, 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.

Responsibilities of management and those charged with governance for the consolidated financial statements

4. The Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirement of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and consolidated cash flows of the Company including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the company and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

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

The respective Board of Directors of the company and its associates are responsible for overseeing the financial reporting process of each Company.

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

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the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Company and its associates to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (8) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Company 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 requirement

(A) As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors;

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ZERO MASS 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")

1. 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, 2021 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Company are 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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

3. 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") issued by ICAI and the Standards on Auditing, issued by ICAI 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 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.
4. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. 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

6. 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

7. 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

8. 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, 2021, 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 ICAI.

For M M Nissim & Co LLP

Chartered Accountants

Firm Registration No.: 107122W/W100672

VARUN

PRAKASHCHANDRA

KOTHARI

Digitally signed by VARUN PRAKASHCHANDRA KOTHARI
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PRAKASHCHANDRA KOTHARI
Date: 2021.06.02 20:21:03 +05'30'

Varun P. Kothari

Partner

Membership No.: 115089

ICAI UDIN: 21115089AAAAOG4905

Mumbai, June 2, 2021

M M Nissim & Co (a Registered partnership firm) converted into M M Nissim & Co LLP (a limited liability partnership with LLP identity No. AAT-7548) effective from September 10, 2020.

ZERO MASS PRIVATE LIMITED

(formerly known as Zero Microfinance and Savings Support Private Limited)

CIN - U74999MH2007PTC168756

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

	Note No.	Current Year March 31, 2021 ₹	Previous Year March 31, 2020 ₹
REVENUE			
Revenue from operations	19	1,73,03,38,815	1,33,96,23,424
Other income	20	5,91,42,028	69,45,430
TOTAL		1,78,94,80,843	1,34,65,68,854
EXPENSES			
Purchase of Stock-in-trade		11,81,990	-
Change in Inventory of Finished Goods and Stock-in-trade	21	(6,63,347)	2,89,072
Service fees		1,16,63,16,212	83,82,45,267
Employee benefit expenses	22	19,53,97,870	18,77,05,979
Finance costs	23	2,24,21,550	55,24,610
Depreciation/ amortisation	11	27,03,543	24,84,169
Other expenses	24	9,51,44,439	14,58,38,648
TOTAL		1,48,25,02,257	1,18,00,87,745
Profit Before Tax		30,69,78,586	16,64,81,109
Tax Expenses			
Current Tax		6,85,00,000	5,90,00,000
Short/ (Excess) Provision of Tax for earlier years		(8,98,001)	-
Deferred Tax		1,30,58,137	(1,11,69,887)
		8,06,60,136	4,78,30,113
Profit for the year after Tax		22,63,18,450	11,86,50,996
Share of Profit in Associate		17,15,775	-
Profit/ (Loss) for the year		22,80,34,225	11,86,50,996
Earnings Per Share (Basic / Diluted)		2,280.34	1,186.51
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

VARUN
PRAKASHCHANDRA
KOTHARI

Varun P. Kothari
Partner
Membership No.: 115089

Mumbai, June 2, 2021

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

DIPAK
BAPUSAHEB
GAWANDE
Dipak Gawande
Company Secretary

Mumbai, June 2, 2021

ZERO MASS PRIVATE LIMITED
(formerly known as Zero Microfinance and Savings Support Private Limited)
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

	Current Year	Previous Year
	March 31, 2021 ₹	March 31, 2020 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items:	30,69,78,586	16,64,81,109
Adjustments for:		
Depreciation	27,03,543	24,84,169
Provision for doubtful receivable	2,02,260	-
Provision for employee benefits	28,74,553	41,89,796
Compounding charges	-	9,22,893
Provision for diminution in value of non current investment	-	5,41,41,325
Reversal of provision for diminution in value of non current investment	(5,41,41,325)	-
Bad Debts / Sundry Balances written off	9,72,464	3,68,583
Liability no longer required, written Back	(55,926)	(23,910)
Interest income	(27,16,893)	(32,59,380)
Loss on Sale of Fixed Assets	26,839	-
Taxes paid under Vivad se Vishwas	1,42,78,781	-
Finance Cost	2,24,21,550	52,88,669
Operating Surplus/ (Deficit) before Working Capital changes :	29,35,44,432	23,05,93,254
Working Capital Changes:		
Adjustments For Increase / (Decrease) in Operating Liabilities		
Increase / (Decrease) in Trades Payables	(45,98,087)	3,10,05,238
Increase / (Decrease) in Other Current Liabilities	1,21,85,803	7,01,21,288
Adjustments For (Increase) / Decrease in Operating Assets		
(Increase) / Decrease in Long Term Loans and Advances	7,80,933	7,91,345
(Increase) / Decrease in Other Current Assets	10,02,886	(4,02,47,530)
(Increase) / Decrease in Inventories	(6,63,347)	2,89,072
(Increase) / Decrease in Trade Receivables	(7,11,179)	41,81,955
(Increase) / Decrease in Short Term Loans and Advances	1,18,25,957	(1,05,92,992)
	1,98,22,966	5,55,48,376
Cash generated from operations	31,33,67,398	28,61,41,630
Receipt/ (Payment) of taxes	(6,96,37,545)	(7,25,60,981)
Net cash generated from / (used in) operating activities	24,37,29,853	21,35,80,649
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(44,08,614)	(38,08,383)
Interest income	8,87,084	22,79,520
Proceeds from sale of Fixed Assets	1,75,160	4,602
Investment in shares of A Little World Private Limited	(12,63,49,420)	(15,92,39,190)
(Increase) / Decrease in Other Bank balances	(1,91,05,933)	26,96,260
Net cash generated from / (used in) investing activities	(14,88,01,723)	(15,80,67,191)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of Long Term Borrowings	-	6,49,61,895
(Repayment) of Long Term Borrowings	(4,08,88,922)	(1,54,52,717)
Proceeds of Short Term Borrowings	-	96,00,000
Finance Cost	(2,24,21,550)	(46,38,264)
(Repayment) of Short Term Borrowings	(6,70,19,804)	(40,87,410)
Net cash generated from / (used in) financing activities	(13,03,30,276)	5,03,83,504
Net Increase/ (Decrease) in Cash and Cash equivalents	(3,54,02,146)	10,58,96,962
Cash and Cash Equivalents as at the beginning of the year		
Cash on hand	13,570	15,536
Balances with Banks in Current Account	22,64,00,678	10,24,78,169
Balance with banks in fixed Deposit	33,475	1,80,57,056
	22,64,47,723	12,05,50,761
Cash and Cash Equivalents as at the end of the year		
Cash on hand	3,755	13,570
Balances with Banks in Current Account	18,89,10,409	22,64,00,678
Balance with banks in fixed Deposit	21,31,413	33,475
	19,10,45,577	22,64,47,723

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

VARUN
PRAKASHCHANDRA
KOTHARI

Varun P. Kothari

Partner

Membership No.: 115089

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

DIPAK
BAPUSAHEB
GAWANDE

Dipak Gawande

Company Secretary

Mumbai, June 2, 2021

Mumbai, June 2, 2021

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST
MARCH, 2021**

NOTE 1

BASIS OF CONSOLIDATION

- a The Consolidated financial statements relate to Zero Mass Private Limited and its associate. The Company and its associate constitute the Group.

NOTE 2 - Significant accounting policies

1 *Basis of preparation of consolidated financial statements*

The Consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in Indian under the historical cost convention on the accrual basis. The Group has prepared these Consolidated Financial Statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with paragraph 7 of Companies (Accounts) Rules 2014. GAAP comprises mandatory Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 read with Rule 7 (1) of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per criteria set out in the Schedule III to the Companies Act, 2013.

The significant accounting policies of the company and its associate are largely similar and are set out in the separate financial statements of the holding company. Appropriate disclosures, as applicable, is made of significant deviations from Company's accounting policies, which have not been adjusted. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements.

Principles of consolidation:

- i. The consolidated financial statements have been prepared in accordance with the Accounting Standard- 23 on Accounting for Investments in Associates in Consolidated Financial Statements notified by the Companies (Accounting Standards) Rules, 2006.
- ii. The investment in associates is accounted for in Consolidated Financial Statement under the equity method.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST
MARCH, 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.
- 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 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.

4 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.

**ZERO MASS PRIVATE LIMITED
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST
MARCH, 2021**

- 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.

d Interest:

- i. Interest is recognized on time proportion basis.

5 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 CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST
MARCH, 2021**

6 *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.

7 *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.

8 *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

**ZERO MASS PRIVATE LIMITED
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST
MARCH, 2021**

statement of profit and loss as incurred. The Company has no further obligations under the provident fund plan beyond its monthly contributions.

ii. Defined benefit plan:

Gratuity: Payment of Gratuity to employees is covered by the ZMF Employees Gratuity Fund based on SBI Life - CapAssure Gold product of SBI Life Insurance Company Limited, which is a defined benefit scheme and the company make contributions under the said scheme. The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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.

9 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.

10 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 CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST
MARCH, 2021**

11 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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12 *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.

13 *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.

14 *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.

15 *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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	Current Year March 31, 2021 ₹	Previous Year March 31, 2020 ₹
3 Share capital		
Authorised		
10,00,000 equity shares of Rs 10 each	1,00,00,000	1,00,00,000
Issued, subscribed and paid-up		
1,00,000 equity shares of Rs 10 each	10,00,000	10,00,000
	<u>10,00,000</u>	<u>10,00,000</u>

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 Mar 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1,00,000	10,00,000	1,00,000	10,00,000
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,00,000	10,00,000	1,00,000	10,00,000

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

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	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

4 Reserves and surplus

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

At the commencement of the year	(64,83,904)	(12,51,34,900)
Add: Profit for the year	22,80,34,225	11,86,50,996
Total	<u>22,15,50,321</u>	<u>(64,83,904)</u>

5 Long term borrowings

Unsecured		
-From Banks	28,44,472	1,62,99,207
-From Non Banking Finance Companies	57,75,784	3,32,09,971
-From a related party (A Little World Pvt. Ltd.)	16,48,90,078	22,23,09,882
	<u>17,35,10,334</u>	<u>27,18,19,060</u>

Less: Current Maturities as disclosed under the head "Other current liabilities" (refer note 9)

-From Banks	28,44,472	62,50,792
-From Non Banking Finance Companies	53,67,750	90,29,381
-From a related party (A Little World Pvt. Ltd.)	5,79,69,331	3,96,09,882
	<u>6,61,81,553</u>	<u>5,48,90,055</u>
	<u>10,73,28,781</u>	<u>21,69,29,006</u>

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)	90	246
Rate of Interest (%)	Range between 17.00% to 19.00%	Range between 17.00% to 19.00%
Within one year (Rs.)	82,12,222	1,52,80,173
After one year but not more than 5 years (Rs.)	4,08,034	3,42,29,006
More than 5 years (Rs.)	-	-

(i) Repayment Schedule of a related party (ALW)

Rate of Interest (%)	8%	8%
Within one year (Rs.)	5,79,69,331	3,96,09,882
After one year but not more than 5 years (Rs.)	10,69,20,747	18,27,00,000
More than 5 years (Rs.)	-	-

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	Current Year	Previous Year
	March 31, 2021	March 31, 2020
	₹	₹
6 Long term provisions		
Provision for employees' benefits		
Long Term Leave encashment	66,17,488	46,33,921
	<u>66,17,488</u>	<u>46,33,921</u>
7 Short term borrowings		
Unsecured		
From a Director - Interest free	-	96,00,000
	<u>-</u>	<u>96,00,000</u>
8 Trade payables		
Total outstanding dues of trade payables other than Micro enterprises and small enterprises	8,87,38,540	9,33,36,627
Total outstanding dues of Micro enterprises and small enterprises	-	-
	<u>8,87,38,540</u>	<u>9,33,36,627</u>
9 Other current liabilities		
Current maturities of long-term borrowings (Refer note 5)		
-From Banks	28,44,472	62,50,792
-From Non Banking Finance Companies	53,67,750	90,29,381
-From a related party (A Little World Pvt. Ltd.)	5,79,69,331	3,96,09,882
	<u>6,61,81,553</u>	<u>5,48,90,055</u>
Interest accrued but not due on borrowings	1,12,971	6,50,405
Statutory dues	1,99,93,275	1,98,66,327
Provision for Interest	54,35,455	62,46,956
Other Payables		
- Employees' Benefit	3,54,328	21,63,626
- CSP Balances	20,12,91,896	18,64,08,086
- Provision for Expenses	1,25,00,058	1,21,40,355
- Other Liabilities	22,26,106	23,08,456
	<u>30,80,95,642</u>	<u>28,46,74,266</u>
10 Short term provisions		
Provision for employee's benefits		
Gratuities	54,00,769	42,80,571
Leave encashment	1,85,518	1,28,300
Provision for Lease/Rent Equalisation	-	2,86,430
	<u>55,86,287</u>	<u>46,95,301</u>
12 Non-current Investments		
	Nos.	Face Value
	31-Mar-21	31-Mar-20
		₹
Unquoted in Equity Shares-Non Trade		
In Associates		
A Little World Private Limited	3,54,89,580	1,59,23,919
Less: Provision for diminution in value of investments		-
Add: Share of Profit		17,15,775
		<u>28,73,04,385</u>
		<u>10,50,97,865</u>
Aggregate Book Value of Unquoted Investments		28,73,04,385
		10,50,97,865
13 Long term loans and advances		
<i>(unsecured, considered good)</i>		
To parties other than related parties		
Income tax (net)	4,21,98,820	5,44,42,055
Less : Provision towards TDS Receivable	34,47,527	34,47,527
	<u>3,87,51,293</u>	<u>5,09,94,528</u>
Long Term Security deposit	36,78,578	37,34,869
Deposit with Government Authority	18,671	39,22,358
GST TDS Receivable	73,53,900	41,74,855
	<u>1,10,51,149</u>	<u>1,18,32,082</u>
	<u>4,98,02,442</u>	<u>6,28,26,610</u>

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NOTE 11 : FIXED ASSETS

Particulars	Tangible Assets					Intangible Assets		Grand Total
	Plant and Machinery	Office Equipment	Computers	Furniture and Fixtures	Total	Software	Total	
	₹	₹	₹	₹	₹	₹	₹	₹
	1	2	3	4	(5=1+2+3+4)	6	(7=6)	(10=5+7+9)
Cost								
As at 01.04.2019	2,29,260	19,19,112	32,63,343	25,67,834	79,79,548	-	-	79,79,548
Additions	-	15,62,298	13,46,074	9,00,011	38,08,383	-	-	38,08,383
Disposals	-	-	-	16,874	16,874	-	-	16,874
As at 31.03.2020	2,29,260	34,81,410	46,09,417	34,50,971	1,17,71,057	-	-	1,17,71,057
As at 01.04.2020	2,29,260	34,81,410	46,09,417	34,50,971	1,17,71,057	-	-	1,17,71,057
Additions	-	3,45,328	33,43,857	4,83,429	41,72,614	2,36,000	2,36,000	44,08,614
Disposals	-	16,999	1,85,000	-	2,01,999	-	-	2,01,999
As at 31.03.2021	2,29,260	38,09,739	77,68,274	39,34,400	1,57,41,672	2,36,000	2,36,000	1,59,77,672
Accumulated depreciation								
As at 01.04.2019	45,216	10,37,044	18,22,365	15,07,307	44,11,930	-	-	44,11,930
Additions	1,16,242	6,70,889	13,21,222	3,75,815	24,84,169	-	-	24,84,169
Disposals	-	-	-	12,272	12,272	-	-	12,272
As at 31.03.2020	1,61,458	17,07,933	31,43,587	18,70,850	68,83,827	-	-	68,83,827
As at 01.04.2020	1,61,458	17,07,933	31,43,587	18,70,850	68,83,827	-	-	68,83,827
Additions	42,706	8,64,173	13,28,533	4,68,131	27,03,543	-	-	27,03,543
Disposals	-	-	-	-	-	-	-	-
As at 31.03.2021	2,04,164	25,72,106	44,72,120	23,38,981	95,87,370	-	-	95,87,370
Net book value								
31/03/2020	67,802	17,73,477	14,65,830	15,80,120	48,87,230	-	-	48,87,230
31/03/2021	25,096	12,37,633	32,96,154	15,95,418	61,54,302	2,36,000	2,36,000	63,90,302

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	Current Year March 31, 2021 ₹	Previous Year March 31, 2020 ₹
14 Inventories		
Finished goods - traded	9,36,933	2,73,586
	<u>9,36,933</u>	<u>2,73,586</u>
15 Trade receivables <i>(unsecured)</i>		
Receivables outstanding for a period exceeding six months from the due date		
(a) Considered good	-	2,02,260
(b) Doubtful	1,74,51,421	1,72,49,161
Less: Provision for doubtful debts	<u>(1,74,51,421)</u>	<u>(1,72,49,161)</u>
	-	2,02,260
Other receivables		
(a) Considered good	-	2,61,285
	-	2,61,285
	-	4,63,545
16 Cash and bank balances		
Cash and cash equivalents		
- Cash on hand	3,755	13,570
- Balance with banks	18,89,10,409	22,64,00,678
- Balance with banks in fixed Deposit (Maturing within 3 months)	21,31,413	33,475
Other Bank balances		
- Deposits (Maturing more than 3 and less than 12 months)*	2,68,32,413	10,87,490
- Deposits (maturity after 12 months) *	<u>49,44,544</u>	<u>1,15,83,534</u>
	<u>22,28,22,534</u>	<u>23,91,18,747</u>
	* Pledged with Banks as security - Rs. 1,26,19,821/- (Previous year Rs. 1,25,91,024/-)	
17 Short term loans and advances <i>(unsecured, considered good)</i>		
<i>To parties other than related parties</i>		
Advances recoverable in Cash or in Kind	15,05,491	10,88,427
Advance to Employees	39,81,467	41,99,418
Advance to Vendors	21,90,738	11,98,612
Advance for investment in A Little World Private Limited	-	1,35,00,005
Short Term Security deposit	8,56,400	18,61,450
GST Input Tax Credit	<u>53,95,159</u>	<u>39,07,300</u>
	<u>1,39,29,255</u>	<u>2,57,55,212</u>
18 Other current assets <i>(unsecured, considered good)</i>		
Other bank balances		
Unbilled Revenue	13,91,73,472	13,72,61,922
Prepaid Expenses	41,14,380	70,28,816
Interest accrued on Fixed deposits	<u>35,28,981</u>	<u>16,99,172</u>
	<u>14,68,16,833</u>	<u>14,59,89,910</u>

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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

	<i>Current Year</i> March 31, 2021 ₹	<i>Previous Year</i> March 31, 2020 ₹
19 Revenue from operations		
Services		
Transaction Fees	1,21,48,50,294	92,35,06,366
Fixed fees	19,16,95,689	17,34,63,824
Enrollment Fees	3,74,42,446	3,56,17,651
Account Maintenance Fees	28,58,27,355	20,66,58,107
	<u>1,72,98,15,784</u>	<u>1,33,92,45,948</u>
Sale of Products		
CSP Kit (Kiosk)	1,27,224	3,77,476
Sale of M-ATM	3,83,575	-
Sale of Laptop	12,232	-
	<u>5,23,031</u>	<u>3,77,476</u>
20 Other income		
Interest income	27,16,893	32,59,380
Interest on Income Tax Refund	13,31,745	-
Liability, no longer required, written Back	55,926	23,910
Reversal of provision for dimunition in value of non current investment	5,41,41,325	-
Recovery of Expenses	8,74,904	35,86,509
Miscellaneous income	21,235	75,631
	<u>5,91,42,028</u>	<u>69,45,430</u>
21 Change in Inventory Of Finished Goods and stock-in-trade		
Opening stock	2,73,586	5,62,658
Add : Purchases	-	-
Less: Closing stock	<u>(9,36,933)</u>	<u>(2,73,586)</u>
	(6,63,347)	2,89,072
22 Employees' benefit expenses		
Salaries, wages and bonus	16,88,39,144	15,62,93,425
Contribution to provident and other funds	99,68,022	96,11,408
Staff welfare expenses	86,87,779	1,44,98,866
Gratuity	54,00,769	42,80,571
Leave encashment	25,02,156	30,21,709
	<u>19,53,97,870</u>	<u>18,77,05,979</u>
23 Finance Costs		
Bank Charges	8,17,981	2,35,941
Interest on Statutory dues	1,514	4,434
Interest and Finance charges on loan	<u>2,16,02,055</u>	<u>52,84,235</u>
	<u>2,24,21,550</u>	<u>55,24,610</u>

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	<i>Current Year</i> March 31, 2021 ₹	<i>Previous Year</i> March 31, 2020 ₹
24 Other expenses		
Professional and Consultancy charges	2,26,57,596	1,74,49,997
Rent	1,24,91,887	1,46,93,548
Travelling and conveyance	1,88,71,037	3,04,29,154
Legal and Professional fees	3,64,075	10,12,325
Postage and courier expenses	4,81,049	8,56,366
Telecommunication expenses	21,66,854	20,65,607
Electricity charges	16,14,987	23,43,170
Insurance Charges	5,53,021	22,22,714
Repairs and maintenance	29,05,247	28,10,674
Auditors' remuneration		
- Audit fees	26,50,000	28,00,000
- Tax Audit fees	3,50,000	5,00,000
- Taxation and other services	10,50,000	12,55,000
	<u>40,50,000</u>	<u>45,55,000</u>
Printing and stationery	11,12,030	15,06,760
Sundry Balances Write off	9,72,464	3,68,583
Provision for Doubtful Debts	2,02,260	-
Provision for diminution in value of non current investment	-	5,41,41,325
Office expenses	27,25,340	24,06,500
Rates & Taxes	1,87,430	7,28,853
Directors Sitting Fees	8,00,000	7,00,000
GST/Service Tax /VAT Expenses	44,70,342	42,37,069
Miscellaneous expenses	2,57,927	17,54,035
Compounding charges	-	9,22,893
Taxes paid under Vivad se Vishwas	1,42,78,781	-
Donation & CSR Expenses	<u>39,82,112</u>	<u>6,34,076</u>
	<u><u>9,51,44,439</u></u>	<u><u>14,58,38,648</u></u>

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NOTE 26: OTHER ADDITIONAL NOTES / INFORMATION

1 Contingent Liability not provided for:

- a TDS liability and interest liability on non-deduction of tax at source aggregating to ₹ Nil (previous year ₹ 2,59,45,385).
- b Guarantee given to a bank for providing fund based facility of ₹ 2,73,78,700 (Previous year ₹ 2,73,78,700) to CSPs.
- c It is not practicable for the company to estimate the timings of cash outflows, if any, in respect of the above pending matter.

2 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 Company has also carried out actuarial valuation of leave encashment. The disclosure of the relevant details is as under:

Particulars	Gratuity (₹)	
	31-03- 2021	31-03- 2020
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1st April	1,08,64,242	68,48,771
Current Service Cost	23,09,139	16,18,366
Past Service Cost		-
Interest Cost	7,47,460	5,32,834
Actuarial losses (gains)	29,48,105	25,03,236
Benefits paid	1,99,513	(6,38,965)
Closing defined benefit obligation at 31st March	1,66,69,433	1,08,64,242
Change in Plan Assets		
Opening fair value of plan assets at 1st April	65,83,671	52,15,928
Actual Return on Plan assets	6,03,935	3,73,865
Contributions by employer	42,80,571	16,32,843
Benefit Paid	1,99,513	(6,38,965)

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Closing fair value of plan assets at 31st March	1,12,68,664	65,83,671
Reconciliation of present value of the obligation and fair value of the plan assets		
Present Value of Funded obligation at 31st March	1,66,69,433	1,08,64,242
Fair Value of Plan assets at 31st March	1,12,68,664	65,83,671
Net Liability/(Asset)	54,00,769	42,80,571
Amount Recognized in the Balance Sheet		
Liabilities	1,66,69,433	1,08,64,242
Assets	1,12,68,664	65,83,671
Net Liability / (Asset) recognized in Balance Sheet	54,00,769	42,80,571
Net Cost recognized in the profit and loss account		
Current Service Cost	23,09,139	16,18,366
Past Service Cost		-
Interest Cost	2,94,503	1,27,035
Expected return on plan assets		-
Adjustment of excess fund balance*		-
Net actuarial losses (Gain) recognized during the year	27,97,127	25,35,170
Total costs of defined benefit plans included in "Company's Contribution to Provident, Gratuity and Other Funds" above	54,00,769	42,80,571
Reconciliation of expected return and actual return on Plan Assets		
Expected Return on Plan Assets	4,52,957	(4,05,799)
Actuarial Gain/ (loss) on Plan Assets	1,50,978	(31,934)
Actual Return on Plan Assets	6,03,935	3,73,865
Investments under Plan Assets of Gratuity Fund as at 31st March 2021 are as follows:		
Category of Assets (% of plan assets)		
SBI Life Insurance Company Limited	100%	100%
Principal Actuarial Assumptions:		
Discount Rate	6.92%	6.88%
Actual / Expected Rate of return on Plan Asset	6.92%	6.88%
Salary Escalation	6%	6%
Attrition Rate	2%	2%

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

	31-03-21	31-03-20	31-03-19	31-03-18	31-03-17
	₹	₹	₹	₹	₹
Defined Benefit Obligation	1,66,69,433	1,08,64,242	68,48,771	50,89,624	40,72,040
Plan Assets	1,12,68,664	65,83,671	52,15,928	37,49,023	21,55,039
(Surplus) / Deficit	54,00,769	42,80,571	16,32,843	13,40,601	19,17,001
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 ₹ 25,02,156 (Previous Year: ₹ 30,21,709) towards leave liability as determined as per actuarial valuation. The relevant details are as under:

Leave salary	31-03-2021	31-03-2020
	₹	₹
Present Value of obligation at 31 st March	68,03,006	47,62,221
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: ₹ 99,68,022 (Previous Year: ₹ 96,11,408).

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST
MARCH, 2021**

3 Segment Reporting

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

4 Related party disclosures

a List of related parties

<i>Key managerial personnel</i>	
Mr. Anurag Gupta	Whole time Director
Mr. Lokanath Panda	Director
Mr. Dipak Gawande	Company Secretary

<i>Associate</i>
A Little World Private Limited with effect from March 24, 2020

b Transactions with related parties

Particulars	Amount in ₹	
	2020- 2021	2019- 2020
Transactions where key managerial personnel have significant influence		
Repayment of loans	-	40,87,411
Reimbursement of expenses	-	28,16,267
Recovery of expenses	-	33,10,763
Transactions with Associate		
Investment in Associate	12,63,49,420	15,92,39,190
Repayment of loans	5,74,19,804	-
Professional and Consultancy Fees	86,00,000	-
Interest paid on Loan taken	1,73,99,222	-
Reimbursement of expenses	-	2,49,250
Recovery of expenses	8,74,904	2,75,746
Transactions with Key managerial personnel		
Remuneration	1,41,63,331	1,38,09,333
Receipt of Loan	-	96,00,000
Repayment of Loan	96,00,000	-
Commission	2,16,22,323	1,67,40,607
Reimbursement of Expenses	14,94,388	13,25,052

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST
MARCH, 2021**

c Year end balances:

	Amount in ₹	
Key managerial personnel		
Advances for Expenses	-	13,93,957
Loan taken	-	96,00,000
Associate		
Trade Receivables	-	2,91,645
Loans	16,48,90,078	22,23,09,882

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

5 Leases

a The Company has taken office premise under operating lease agreement. This agreement is renewable by mutual consent. There is no fixed non-cancellable period.

b Lease payments for the year are ₹ 1,24,91,887 * (Previous year ₹ 1,46,93,548 *)

c Future lease payments are as under:

	Amount in ₹	
Minimum lease payments up to the end of lease period	2020-21	2019-20
Due not later than one year	1,25,42,213	29,72,628
Due later than one year; but not later than five year	1,10,93,556	-

* excluding GST

6 Earnings per share

	Amount in ₹	
Particulars	2020-21	2019-20
Net Profit before tax	30,69,78,586	16,64,81,109
Less: Tax Expenses	8,06,60,136	4,78,30,113
Add: Share of Profit in Associate	17,15,775	-
Net Profit attributable to Equity Shareholders (A)	22,80,34,225	11,86,50,996
Weighted Average Number of Shares (B)	1,00,000	1,00,000
Basic and Diluted Earnings Per Share (A/B) - ₹	2,280.34	1,186.51
Nominal Value per Share - ₹	10	10

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST
MARCH, 2021**

7 Deferred Tax

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

Particulars	Amount in ₹	
	31-03-2021	31-03-2020
Deferred Tax Assets (A)		
On difference between book balance and tax balance of fixed assets	48,10,020	52,44,450
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	17,12,181	7,60,504
Provision for doubtful debts / advances	43,92,174	43,41,269
Provision for diminution in the value of investments	-	1,36,26,289
Total (A)	1,09,14,375	2,39,72,512
Deferred Tax Liabilities (B)	-	-
Net Deferred Tax Assets (A-B)	1,09,14,375	2,39,72,512

8 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 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	2020- 2021	2019- 2020
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	-	-

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST
MARCH, 2021**

9 Additional information required as per Schedule III:

PARTICULARS	2020- 2021	2019- 2020
a Value of Import on CIF basis:	-	-
b Remittances in Foreign Currency:	-	-
c Expenditure in Foreign Currency:	-	-
d Earnings in Foreign Currency:	-	-

10 Goodwill of ₹ 5,41,41,325 (previous year: ₹ 5,41,41,325) arising on the acquisition of investment in A Little World Pvt. Ltd. (associate) has been included in carrying amount on investment in the associate.

11 During the year ended March 31, 2021, the Company has incurred expenditure towards Corporate Social Responsibility (CSR) activities which are as below:

(a) Gross amount required to be spent by the company during the year was ₹34,31,912 (Previous year: ₹ 31,20,521)

(b) Amount spent during the year is ₹ 34,31,912 (Previous year: ₹ 4,89,509).

Amount in ₹				
Sr. No.	Particular	Payment made	Payment yet to be made	Total
1.	Construction/acquisition of any asset	- (-)	- (-)	- (-)
2.	On purposes other than (1) above	34,31,912 (4,89,509)	- (-)	34,31,912 (4,89,509)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2021

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

Signature to Notes "1" to "25"

As per our report of even date attached.

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

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Varun P. Kothari
Partner
Membership No: 115089
Mumbai, June 2, 2021

For and on behalf of the Board of Directors

Anurag
Gupta
Anurag Gupta
Director
DIN - 00473793

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Lokanath
Panda
Lokanath Panda
Director
DIN - 00784736

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DIPAK
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B
GAWANDE
Dipak Gawande
Company Secretary
Mumbai, June 2, 2021

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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 Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone 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, 2021, 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 Standalone 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, 2021, 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and 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 Standalone Financial Statements and our auditor's report thereon.
5. Our opinion on the Standalone 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 Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Standalone 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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of 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 Standalone 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 Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

10. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.
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 Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - 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 Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- e) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

- 12. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the "**Annexure 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 Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls with reference to 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 Standalone Financial Statements – Refer Note No. 25.1 to the Standalone 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.

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

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Varun P. Kothari
Partner
Membership No. 115089
ICAI UDIN: 21115089AAAAOF3491
Mumbai, June 2, 2021

M M Nissim & Co (a Registered partnership firm) converted into M M Nissim & Co LLP (a limited liability partnership with LLP identity No. AAT-7548) effective from September 10, 2020

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

Report on the Order issued under Section 143 (11) of the Companies Act, 2013


- i) In respect of its Fixed Assets:
 - a) The Company has maintained proper records of the fixed assets showing full particulars, including quantitative details and situation of fixed assets;
 - b) The fixed assets have been physically verified by the management at year end, which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancy was noticed on such verification;
 - c) There are no immovable property held by the company during the year and accordingly, provisions of sub clause (c) of clause (i) of Para 3 of the Order are not applicable.
- ii) In our opinion, the physical verification of inventory has been conducted at reasonable intervals by the management during the year. No material discrepancy was noticed on such verification.
- iii) According to information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv) According to information and explanation given to us, the company has not granted loan, provided guarantee/ security. During the year, the company has made investment in the equity shares and has complied with the provisions of section 186 of the Act.
- v) The company has not accepted any deposit from public and hence clause (v) of para 3 of the order is not applicable. We are informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- vi) As per the information and explanations given to us, Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.

- vii) In respect of Statutory dues:
- a) According to information and explanation given to us, the company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employee's State Insurance, Income Tax, Goods and Services Tax, Custom Duty and other statutory dues applicable to it with appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at March 31, 2021 for a period of more than six months from the date they became payable.
 - b) According to the records of the company, there are no dues outstanding of income-tax, sales-tax, goods and services tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute.
- viii) The company has not defaulted in repayment of any dues to a financial institution or bank. The company has not borrowed any amount by way of debentures.
- ix) The company has not raised any money by way of Initial public offer or further Public offer (Including debt instruments). Moneys raised by way of Term Loan were applied for the purpose for which the loan was obtained.
- x) On the basis of our examination and according to the information and explanations given to us, no material fraud by the company or any material fraud on the company by its officers/employees has been noticed or reported during the year.
- xi) The company is a Private Limited company and hence provisions of section 197 read with Schedule V to the Act are not applicable to the Company.
- xii) The Company is not a Nidhi Company and as such the clause (xii) of Para 3 of the Order is not applicable.
- xiii) On the basis of our examination and according to the information and explanations given to us, we report that all the transaction with the related parties are in compliance with Section 188 of the Act, and the details have been disclosed in the Notes to Standalone Financial Statements as required by the applicable accounting standards.
- xiv) The company has not made any preferential allotment/ private placement of share or fully or partly convertible debentures during the year and accordingly provisions of clause (xiv) of Para 3 of the Order are not applicable.

- xv) According to the information given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and as such the clause (xv) of Para 3 of the Order is not applicable.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, provisions of clause (xvi) of Para 3 of the Order are not applicable.

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

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Varun P. Kothari
Partner
Membership No. 115089
ICAI UDIN: 21115089AAAAOF3491
Mumbai, June 2, 2021

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ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE 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, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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 Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 Standalone 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 Standalone 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 Standalone 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, 2021, 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

VARUN

PRAKASHCHANDRA

KOTHARI

Varun P. Kothari

Partner

Membership No. 115089

ICAI UDIN: 21115089AAAAOF3491

Mumbai, June 2, 2021

Digitally signed by VARUN PRAKASHCHANDRA KOTHARI
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6d136369994200761b, ou=MANAGEMENT, CID = 6748651,
postalCode=400018, st=Maharashtra,
serialNumber=413e01f19a09dd6bb9249a39a3e4dc46aa1903f
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KOTHARI
Date: 2021.06.02 20:17:51 +05'30'

M M Nissim & Co (a Registered partnership firm) converted into M M Nissim & Co LLP (a limited liability partnership with LLP identity No. AAT-7548) effective from September 10, 2020

ZERO MASS PRIVATE LIMITED
(formerly known as Zero Microfinance and Savings Support Private Limited)
CIN - U74999MH2007PTC168756
STANDALONE BALANCE SHEET AS AT 31ST MARCH 2021

	Note No.	Current Year March 31, 2021 ₹	Previous Year March 31, 2020 ₹
EQUITY AND LIABILITIES			
Share Capital	3	10,00,000	10,00,000
Reserves and surplus	4	21,98,34,546	(64,83,904)
		<u>22,08,34,546</u>	<u>(54,83,904)</u>
Non - current liabilities			
Long term borrowings	5	10,73,28,781	21,69,29,006
Long term provisions	6	66,17,488	46,33,921
		<u>11,39,46,269</u>	<u>22,15,62,927</u>
Current liabilities			
Short term borrowings	7	-	96,00,000
Trade payables	8	-	-
- Total outstanding dues of Micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than Micro enterprises and small enterprises		8,87,38,540	9,33,36,627
Other current liabilities	9	30,80,95,642	28,46,74,266
Short term provisions	10	55,86,287	46,95,301
		<u>40,24,20,469</u>	<u>39,23,06,194</u>
TOTAL		<u><u>73,72,01,284</u></u>	<u><u>60,83,85,217</u></u>
ASSETS			
Non current assets			
Property, Plant, Equipment and Software	11	61,54,302	48,87,230
Tangible assets		2,36,000	-
Intangible assets		-	-
Non Current Investments	12	28,55,88,610	10,50,97,865
Long term loans and advances	13	4,98,02,442	6,28,26,610
Deferred Tax Assets (Refer note no. 25.7)		1,09,14,375	2,39,72,512
Current assets			
Inventories	14	9,36,933	2,73,586
Trade receivables	15	-	4,63,545
Cash and bank balances	16	22,28,22,534	23,91,18,747
Short term loans and advances	17	1,39,29,255	2,57,55,212
Other Current Assets	18	14,68,16,833	14,59,89,910
		<u>38,45,05,555</u>	<u>41,16,01,000</u>
TOTAL		<u><u>73,72,01,284</u></u>	<u><u>60,83,85,217</u></u>
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

VARUN
PRAKASHCHANDRA
KOTHARI

Varun P. Kothari
Partner
Membership No.: 115089

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Date: 2021.06.02 20:18:14 +05'30'

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

Anurag Gupta
Anurag Gupta
Director
DIN - 00473793

Digitally signed by Anurag Gupta
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Date: 2021.06.02 19:03:11 +05'30'

Lokanath Panda
Lokanath Panda
Director
DIN - 00784736

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Date: 2021.06.02 19:03:11 +05'30'

DIPAK
BAPUSAHEB
GAWANDE
Dipak Gawande
Company Secretary

Digitally signed by Dipak Bapusaheb Gawande
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Date: 2021.06.02 19:03:11 +05'30'

Mumbai, June 2, 2021

Mumbai, June 2, 2021

ZERO MASS PRIVATE LIMITED

(formerly known as Zero Microfinance and Savings Support Private Limited)

CIN - U74999MH2007PTC168756

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

	Note No.	Current Year March 31, 2021 ₹	Previous Year March 31, 2020 ₹
REVENUE			
Revenue from operations	19	1,73,03,38,815	1,33,96,23,424
Other income	20	5,91,42,028	69,45,430
TOTAL		1,78,94,80,843	1,34,65,68,854
EXPENSES			
Purchase of Stock-in-trade		11,81,990	-
Change in Inventory of Finished Goods and Stock-in-trade	21	(6,63,347)	2,89,072
Service fees		1,16,63,16,212	83,82,45,267
Employee benefit expenses	22	19,53,97,870	18,77,05,979
Finance costs	23	2,24,21,550	55,24,610
Depreciation/amortisation	11	27,03,543	24,84,169
Other expenses	24	9,51,44,439	14,58,38,648
TOTAL		1,48,25,02,257	1,18,00,87,745
Profit Before Tax		30,69,78,586	16,64,81,109
Tax Expenses			
Current Tax		6,85,00,000	5,90,00,000
Short/ (Excess) Provision of Tax for earlier years		(8,98,001)	-
Deferred Tax		1,30,58,137	(1,11,69,887)
		8,06,60,136	4,78,30,113
Profit for the year after Tax		22,63,18,450	11,86,50,996
Earnings Per Share (Basic/ Diluted)		2,263.18	1,186.51
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

VARUN PRAKASHCHANDRA
KOTHARI

Digitally signed by VARUN PRAKASHCHANDRA KOTHARI
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serial=107122W/W100672

Varun P. Kothari
Partner
Membership No.: 115089

Mumbai, June 2, 2021

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

Anurag
Gupta

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serial=107122W/W100672

Anurag Gupta
Director
DIN - 00473793

Mumbai, June 2, 2021

Lokanath
Panda

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c=IN, email=lokanath@zeromass.com,
serial=107122W/W100672

Lokanath Panda
Director
DIN - 00784736

DIPAK
BAPUSAHEB
GAWANDE
Dipak Gawande
Company Secretary

ZERO MASS PRIVATE LIMITED
(formerly known as Zero Microfinance and Savings Support Private Limited)
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

	Current Year March 31, 2021 ₹	Previous Year March 31, 2020 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items:	30,69,78,586	16,64,81,109
Adjustments for:		
Depreciation	27,03,543	24,84,169
Provision for doubtful receivable	2,02,260	-
Provision for employee benefits	28,74,553	41,89,796
Compounding charges	-	9,22,893
Provision for diminution in value of non current investment	-	5,41,41,325
Reversal of provision for diminution in value of non current investment	(5,41,41,325)	-
Bad Debts / Sundry Balances written off	9,72,464	3,68,583
Liability no longer required, written Back	(55,926)	(23,910)
Interest income	(27,16,893)	(32,59,380)
Loss on Sale of Fixed Assets	26,839	-
Taxes paid under Vivad se Vishwas	1,42,78,781	-
Finance Cost	2,24,21,550	52,88,669
Operating Surplus/ (Deficit) before Working Capital changes :	29,35,44,432	23,05,93,254
Working Capital Changes:		
Adjustments For Increase / (Decrease) in Operating Liabilities		
Increase / (Decrease) in Trades Payables	(45,98,087)	3,10,05,238
Increase / (Decrease) in Other Current Liabilities	1,21,85,803	7,01,21,288
Adjustments For (Increase) / Decrease in Operating Assets		
(Increase) / Decrease in Long Term Loans and Advances	7,80,933	7,91,345
(Increase) / Decrease in Other Current Assets	10,02,886	(4,02,47,530)
(Increase) / Decrease in Inventories	(6,63,347)	2,89,072
(Increase) / Decrease in Trade Receivables	(7,11,179)	41,81,955
(Increase) / Decrease in Short Term Loans and Advances	1,18,25,957	(1,05,92,992)
	1,98,22,966	5,55,48,376
Cash generated from operations	31,33,67,398	28,61,41,630
Receipt/ (Payment) of taxes	(6,96,37,545)	(7,25,60,981)
Net cash generated from / (used in) operating activities	24,37,29,853	21,35,80,649
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(44,08,614)	(38,08,383)
Interest income	8,87,084	22,79,520
Proceeds from sale of Fixed Assets	1,75,160	4,602
Investment in shares of A Little World Private Limited	(12,63,49,420)	(15,92,39,190)
(Increase) / Decrease in Other Bank balances	(1,91,05,933)	26,96,260
Net cash generated from / (used in) investing activities	(14,88,01,723)	(15,80,67,191)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of Long Term Borrowings	-	6,49,61,895
(Repayment) of Long Term Borrowings	(4,08,88,922)	(1,54,52,717)
Proceeds of Short Term Borrowings	-	96,00,000
Finance Cost	(2,24,21,550)	(46,38,264)
(Repayment) of Short Term Borrowings	(6,70,19,804)	(40,87,410)
Net cash generated from / (used in) financing activities	(13,03,30,276)	5,03,83,504
Net Increase/ (Decrease) in Cash and Cash equivalents	(3,54,02,146)	10,58,96,962
Cash and Cash Equivalents as at the beginning of the year		
Cash on hand	13,570	15,536
Balances with Banks in Current Account	22,64,00,678	10,24,78,169
Balance with banks in fixed Deposit	33,475	1,80,57,056
	22,64,47,723	12,05,50,761
Cash and Cash Equivalents as at the end of the year		
Cash on hand	3,755	13,570
Balances with Banks in Current Account	18,89,10,409	22,64,00,678
Balance with banks in fixed Deposit	21,31,413	33,475
	19,10,45,577	22,64,47,723

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

VARUN
PRAKASHCHANDRA
KOTHARI

Varun P. Kothari

Partner

Membership No.: 115089

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

DIPAK
BAPUSAHEB
GAWANDE

Dipak Gawande

Company Secretary

Mumbai, June 2, 2021

Mumbai, June 2, 2021

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

**STANDALONE NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST
MARCH, 2021**

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, which was received by the company on 30th 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 Rule 7 of the Companies (Accounts) Rules, 2014.

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.)**

**STANDALONE NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST
MARCH, 2021**

- 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.

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

**STANDALONE NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST
MARCH, 2021**

vi. All other fees are recognized on rendering of service.

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
<u>Tangible Assets</u>	
Office Equipment	5 Years
Computers	3 Years
Furniture and fixtures	10 Years
Field Equipment	3 Years
<u>Intangible Assets</u>	
Software	5 Years

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

**STANDALONE NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST
MARCH, 2021**

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

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

**STANDALONE NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST
MARCH, 2021**

statement of profit and loss as incurred. The Company has no further obligations under the provident fund plan beyond its monthly contributions.

ii. Defined benefit plan:

Gratuity: Payment of Gratuity to employees is covered by the ZMF Employees Gratuity Fund based on SBI Life - CapAssure Gold product of SBI Life Insurance Company Limited, which is a defined benefit scheme and the company make contributions under the said scheme. The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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.

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

**STANDALONE NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST
MARCH, 2021**

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.

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

**STANDALONE NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST
MARCH, 2021**

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.

ZERO MASS PRIVATE LIMITED

(formerly known as Zero Microfinance and Savings Support Private Limited)

CIN - U74999MH2007PTC168756

STANDALONE NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2021

	Current Year March 31, 2021 ₹	Previous Year March 31, 2020 ₹
3 Share capital		
Authorised 10,00,000 equity shares of Rs 10 each	1,00,00,000	1,00,00,000
Issued, subscribed and paid-up 1,00,000 equity shares of Rs 10 each	10,00,000	10,00,000
	<u>10,00,000</u>	<u>10,00,000</u>

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 Mar 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1,00,000	10,00,000	1,00,000	10,00,000
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,00,000	10,00,000	1,00,000	10,00,000

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

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	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

4 Reserves and surplus

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

At the commencement of the year	(64,83,904)	(12,51,34,900)
Add: Profit for the year	22,63,18,450	11,86,50,996
Total	<u>21,98,34,546</u>	<u>(64,83,904)</u>

5 Long term borrowings

Unsecured		
-From Banks	28,44,472	1,62,99,207
-From Non Banking Finance Companies	57,75,784	3,32,09,971
-From a related party (A Little World Pvt. Ltd.)	16,48,90,078	22,23,09,882
	<u>17,35,10,334</u>	<u>27,18,19,060</u>

Less: Current Maturities as disclosed under the head "Other current liabilities" (refer note 9)

-From Banks	28,44,472	62,50,792
-From Non Banking Finance Companies	53,67,750	90,29,381
-From a related party (A Little World Pvt. Ltd.)	5,79,69,331	3,96,09,882
	<u>6,61,81,553</u>	<u>5,48,90,055</u>
	<u>10,73,28,781</u>	<u>21,69,29,006</u>

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)	90	246
Rate of Interest (%)	Range between 17.00% to 19.00%	Range between 17.00% to 19.00%
Within one year (Rs.)	82,12,222	1,52,80,173
After one year but not more than 5 years (Rs.)	4,08,034	3,42,29,006
More than 5 years (Rs.)	-	-

(i) Repayment Schedule of a related party (ALW)

Rate of Interest (%)	8%	8%
Within one year (Rs.)	5,79,69,331	3,96,09,882
After one year but not more than 5 years (Rs.)	10,69,20,747	18,27,00,000
More than 5 years (Rs.)	-	-

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	Current Year March 31, 2021 ₹	Previous Year March 31, 2020 ₹
6 Long term provisions		
Provision for employees' benefits		
Long Term Leave encashment	66,17,488	46,33,921
	<u>66,17,488</u>	<u>46,33,921</u>
7 Short term borrowings		
Unsecured		
From a Director - Interest free	-	96,00,000
	<u>-</u>	<u>96,00,000</u>
8 Trade payables		
Total outstanding dues of trade payables other than Micro enterprises and small enterprises	8,87,38,540	9,33,36,627
Total outstanding dues of Micro enterprises and small enterprises	-	-
	<u>8,87,38,540</u>	<u>9,33,36,627</u>
9 Other current liabilities		
Current maturities of long-term borrowings (Refer note 5)		
-From Banks	28,44,472	62,50,792
-From Non Banking Finance Companies	53,67,750	90,29,381
-From a related party (A Little World Pvt. Ltd.)	5,79,69,331	3,96,09,882
	<u>6,61,81,553</u>	<u>5,48,90,055</u>
Interest accrued but not due on borrowings	1,12,971	6,50,405
Statutory dues	1,99,93,275	1,98,66,327
Provision for Interest	54,35,455	62,46,956
Other Payables		
- Employees' Benefit	3,54,328	21,63,626
- CSP Balances	20,12,91,896	18,64,08,086
- Provision for Expenses	1,25,00,058	1,21,40,355
- Other Liabilities	22,26,106	23,08,456
	<u>30,80,95,642</u>	<u>28,46,74,266</u>
10 Short term provisions		
Provision for employee's benefits		
Gratuity	54,00,769	42,80,571
Leave encashment	1,85,518	1,28,300
Provision for Lease/Rent Equalisation	-	2,86,430
	<u>55,86,287</u>	<u>46,95,301</u>
12 Non-current Investments		
	Nos.	Face Value
	31-Mar-21	31-Mar-20
		₹
Unquoted in Equity Shares-Non Trade		
In Associates		
A Little World Private Limited	3,54,89,580	1,59,23,919
Less: Provision for diminution in value of investments		-
		<u>28,55,88,610</u>
		<u>10,50,97,865</u>
Aggregate Book Value of Unquoted Investments		28,55,88,610
		10,50,97,865
13 Long term loans and advances		
<i>(unsecured, considered good)</i>		
To parties other than related parties		
Income tax (net)	4,21,98,820	5,44,42,055
Less : Provision towards TDS Receivable	34,47,527	34,47,527
	<u>3,87,51,293</u>	<u>5,09,94,528</u>
Long Term Security deposit	36,78,578	37,34,869
Deposit with Government Authority	18,671	39,22,358
GST TDS Receivable	73,53,900	41,74,855
	<u>1,10,51,149</u>	<u>1,18,32,082</u>
	<u>4,98,02,442</u>	<u>6,28,26,610</u>

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NOTE 11 : FIXED ASSETS

Particulars	Tangible Assets					Intangible Assets		Grand Total
	Plant and Machinery	Office Equipment	Computers	Furniture and Fixtures	Total	Software	Total	
	₹	₹	₹	₹	₹	₹	₹	
	1	2	3	4	(5=1+2+3+4)	6	(7=6)	(10=5+7+9)
Cost								
As at 01.04.2019	2,29,260	19,19,112	32,63,343	25,67,834	79,79,548	-	-	79,79,548
Additions	-	15,62,298	13,46,074	9,00,011	38,08,383	-	-	38,08,383
Disposals	-	-	-	16,874	16,874	-	-	16,874
As at 31.03.2020	2,29,260	34,81,410	46,09,417	34,50,971	1,17,71,057	-	-	1,17,71,057
As at 01.04.2020	2,29,260	34,81,410	46,09,417	34,50,971	1,17,71,057	-	-	1,17,71,057
Additions	-	3,45,328	33,43,857	4,83,429	41,72,614	2,36,000	2,36,000	44,08,614
Disposals	-	16,999	1,85,000	-	2,01,999	-	-	2,01,999
As at 31.03.2021	2,29,260	38,09,739	77,68,274	39,34,400	1,57,41,672	2,36,000	2,36,000	1,59,77,672
Accumulated depreciation								
As at 01.04.2019	45,216	10,37,044	18,22,365	15,07,307	44,11,930	-	-	44,11,930
Additions	1,16,242	6,70,889	13,21,222	3,75,815	24,84,169	-	-	24,84,169
Disposals	-	-	-	12,272	12,272	-	-	12,272
As at 31.03.2020	1,61,458	17,07,933	31,43,587	18,70,850	68,83,827	-	-	68,83,827
As at 01.04.2020	1,61,458	17,07,933	31,43,587	18,70,850	68,83,827	-	-	68,83,827
Additions	42,706	8,64,173	13,28,533	4,68,131	27,03,543	-	-	27,03,543
Disposals	-	-	-	-	-	-	-	-
As at 31.03.2021	2,04,164	25,72,106	44,72,120	23,38,981	95,87,370	-	-	95,87,370
Net book value								
31/03/2020	67,802	17,73,477	14,65,830	15,80,120	48,87,230	-	-	48,87,230
31/03/2021	25,096	12,37,633	32,96,154	15,95,418	61,54,302	2,36,000	2,36,000	63,90,302

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	<i>Current Year</i> March 31, 2021 ₹	<i>Previous Year</i> March 31, 2020 ₹
19 Revenue from operations		
Services		
Transaction Fees	1,21,48,50,294	92,35,06,366
Fixed fees	19,16,95,689	17,34,63,824
Enrollment Fees	3,74,42,446	3,56,17,651
Account Maintenance Fees	28,58,27,355	20,66,58,107
	<u>1,72,98,15,784</u>	<u>1,33,92,45,948</u>
Sale of Products		
CSP Kit (Kiosk)	1,27,224	3,77,476
Sale of M-ATM	3,83,575	-
Sale of Laptop	12,232	-
	<u>5,23,031</u>	<u>3,77,476</u>
20 Other income		
Interest income	27,16,893	32,59,380
Interest on Income Tax Refund	13,31,745	-
Liability, no longer required, written Back	55,926	23,910
Reversal of provision for dimunition in value of non current investment	5,41,41,325	-
Recovery of Expenses	8,74,904	35,86,509
Miscellaneous income	21,235	75,631
	<u>5,91,42,028</u>	<u>69,45,430</u>
21 Change in Inventory Of Finished Goods and stock-in-trade		
Opening stock	2,73,586	5,62,658
Add : Purchases	-	-
Less: Closing stock	<u>(9,36,933)</u>	<u>(2,73,586)</u>
	(6,63,347)	2,89,072
22 Employees' benefit expenses		
Salaries, wages and bonus	16,88,39,144	15,62,93,425
Contribution to provident and other funds	99,68,022	96,11,408
Staff welfare expenses	86,87,779	1,44,98,866
Gratuity	54,00,769	42,80,571
Leave encashment	25,02,156	30,21,709
	<u>19,53,97,870</u>	<u>18,77,05,979</u>
23 Finance Costs		
Bank Charges	8,17,981	2,35,941
Interest on Statutory dues	1,514	4,434
Interest and Finance charges on loan	2,16,02,055	52,84,235
	<u>2,24,21,550</u>	<u>55,24,610</u>

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	<i>Current Year</i> March 31, 2021 ₹	<i>Previous Year</i> March 31, 2020 ₹
24 Other expenses		
Professional and Consultancy charges	2,26,57,596	1,74,49,997
Rent	1,24,91,887	1,46,93,548
Travelling and conveyance	1,88,71,037	3,04,29,154
Legal and Professional fees	3,64,075	10,12,325
Postage and courier expenses	4,81,049	8,56,366
Telecommunication expenses	21,66,854	20,65,607
Electricity charges	16,14,987	23,43,170
Insurance Charges	5,53,021	22,22,714
Repairs and maintenance	29,05,247	28,10,674
Auditors' remuneration		
- Audit fees	26,50,000	28,00,000
- Tax Audit fees	3,50,000	5,00,000
- Taxation and other services	10,50,000	12,55,000
	<u>40,50,000</u>	<u>45,55,000</u>
Printing and stationery	11,12,030	15,06,760
Sundry Balances Write off	9,72,464	3,68,583
Provision for Doubtful Debts	2,02,260	-
Provision for diminution in value of non current investment	-	5,41,41,325
Office expenses	27,25,340	24,06,500
Rates & Taxes	1,87,430	7,28,853
Directors Sitting Fees	8,00,000	7,00,000
GST/Service Tax /VAT Expenses	44,70,342	42,37,069
Miscellaneous expenses	2,57,927	17,54,035
Compounding charges	-	9,22,893
Taxes paid under Vivad se Vishwas	1,42,78,781	-
Donation & CSR Expenses	<u>39,82,112</u>	<u>6,34,076</u>
	<u><u>9,51,44,439</u></u>	<u><u>14,58,38,648</u></u>

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NOTE 26: OTHER ADDITIONAL NOTES / INFORMATION

1 Contingent Liability not provided for:

- a TDS liability and interest liability on non-deduction of tax at source aggregating to ₹ Nil (previous year ₹ 2,59,45,385).
- b Guarantee given to a bank for providing fund based facility of ₹ 2,73,78,700 (Previous year ₹ 2,73,78,700) to CSPs.
- c It is not practicable for the company to estimate the timings of cash outflows, if any, in respect of the above pending matter.

2 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 Company has also carried out actuarial valuation of leave encashment. The disclosure of the relevant details are as under:

Particulars	Gratuity (₹)	
	31-03- 2021	31-03- 2020
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation at 1st April	1,08,64,242	68,48,771
Current Service Cost	23,09,139	16,18,366
Past Service Cost		-
Interest Cost	7,47,460	5,32,834
Actuarial losses (gains)	29,48,105	25,03,236
Benefits paid	1,99,513	(6,38,965)
Closing defined benefit obligation at 31st March	1,66,69,433	1,08,64,242
Change in Plan Assets		
Opening fair value of plan assets at 1st April	65,83,671	52,15,928
Actual Return on Plan assets	6,03,935	3,73,865
Contributions by employer	42,80,571	16,32,843

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Benefit Paid	1,99,513	(6,38,965)
Closing fair value of plan assets at 31st March	1,12,68,664	65,83,671
Reconciliation of present value of the obligation and fair value of the plan assets		
Present Value of Funded obligation at 31st March	1,66,69,433	1,08,64,242
Fair Value of Plan assets at 31st March	1,12,68,664	65,83,671
Net Liability/(Asset)	54,00,769	42,80,571
Amount Recognized in the Balance Sheet		
Liabilities	1,66,69,433	1,08,64,242
Assets	1,12,68,664	65,83,671
Net Liability / (Asset) recognized in Balance Sheet	54,00,769	42,80,571
Net Cost recognized in the profit and loss account		
Current Service Cost	23,09,139	16,18,366
Past Service Cost		-
Interest Cost	2,94,503	1,27,035
Expected return on plan assets		-
Adjustment of excess fund balance*		-
Net actuarial losses (Gain) recognized during the year	27,97,127	25,35,170
Total costs of defined benefit plans included in "Company's Contribution to Provident, Gratuity and Other Funds" above	54,00,769	42,80,571
Reconciliation of expected return and actual return on Plan Assets		
Expected Return on Plan Assets	4,52,957	(4,05,799)
Actuarial Gain/ (loss) on Plan Assets	1,50,978	(31,934)
Actual Return on Plan Assets	6,03,935	3,73,865
Investments under Plan Assets of Gratuity Fund as at 31st March 2021 are as follows:		
Category of Assets (% of plan assets)		
SBI Life Insurance Company Limited	100%	100%
Principal Actuarial Assumptions:		
Discount Rate	6.92%	6.88%
Actual / Expected Rate of return on Plan Asset	6.92%	6.88%
Salary Escalation	6%	6%
Attrition Rate	2%	2%

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

	31-03-21	31-03-20	31-03-19	31-03-18	31-03-17
	₹	₹	₹	₹	₹
Defined Benefit Obligation	1,66,69,433	1,08,64,242	68,48,771	50,89,624	40,72,040
Plan Assets	1,12,68,664	65,83,671	52,15,928	37,49,023	21,55,039
(Surplus) / Deficit	54,00,769	42,80,571	16,32,843	13,40,601	19,17,001
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 ₹ 25,02,156 (Previous Year: ₹ 30,21,709) towards leave liability as determined as per actuarial valuation. The relevant details are as under:

Leave salary	31-03-2021	31-03-2020
	₹	₹
Present Value of obligation at 31 st March	68,03,006	47,62,221
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: ₹ 99,68,022 (Previous Year: ₹ 96,11,408).

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3 Segment Reporting

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

4 Related party disclosures

a List of related parties

<i>Key managerial personnel</i>	
Mr. Anurag Gupta	Whole time Director
Mr. Lokanath Panda	Director
Mr. Dipak Gawande	Company Secretary

<i>Associate</i>
A Little World Private Limited with effect from March 24, 2020

b Transactions with related parties

Particulars	Amount in ₹	
	2020- 2021	2019- 2020
Transactions where key managerial personnel have significant influence		
Repayment of loans	-	40,87,411
Reimbursement of expenses	-	28,16,267
Recovery of expenses	-	33,10,763
Transactions with Associate		
Investment in Associate	12,63,49,420	15,92,39,190
Repayment of loans	5,74,19,804	-
Professional and Consultancy Fees	86,00,000	-
Interest paid on Loan taken	1,73,99,222	-
Reimbursement of expenses	-	2,49,250
Recovery of expenses	8,74,904	2,75,746
Transactions with Key managerial personnel		
Remuneration	1,41,63,331	1,38,09,333
Receipt of Loan	-	96,00,000
Repayment of Loan	96,00,000	-
Commission	2,16,22,323	1,67,40,607
Reimbursement of Expenses	14,94,388	13,25,052

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c Year end balances:

	Amount in ₹	
Key managerial personnel		
Advances for Expenses	-	13,93,957
Loan taken	-	96,00,000
Associate		
Trade Receivables	-	2,91,645
Loans	16,48,90,078	22,23,09,882

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

5 Leases

a The Company has taken office premise under operating lease agreement. This agreement is renewable by mutual consent. There is no fixed non-cancellable period.

b Lease payments for the year are ₹ 1,24,91,887 * (Previous year ₹ 1,46,93,548 *)

c Future lease payments are as under:

	Amount in ₹	
Minimum lease payments up to the end of lease period	2020-21	2019-20
Due not later than one year	1,25,42,213	29,72,628
Due later than one year; but not later than five year	1,10,93,556	-

* excluding GST

6 Earnings per share

	Amount in ₹	
Particulars	2020-21	2019-20
Net Profit before tax	30,69,78,586	16,64,81,109
Less: Tax Expenses	8,06,60,136	4,78,30,113
Net Profit attributable to Equity Shareholders (A)	22,63,18,450	11,86,50,996
Weighted Average Number of Shares (B)	1,00,000	1,00,000
Basic and Diluted Earnings Per Share (A/B) - ₹	2,263.18	1,186.51
Nominal Value per Share - ₹	10	10

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7 *Deferred Tax*

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

Particulars	Amount in ₹	
	31-03-2021	31-03-2020
Deferred Tax Assets (A)		
On difference between book balance and tax balance of fixed assets	48,10,020	52,44,450
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	17,12,181	7,60,504
Provision for doubtful debts / advances	43,92,174	43,41,269
Provision for diminution in the value of investments	-	1,36,26,289
Total (A)	1,09,14,375	2,39,72,512
Deferred Tax Liabilities (B)	-	-
Net Deferred Tax Assets (A-B)	1,09,14,375	2,39,72,512

8 *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 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	2020- 2021	2019- 2020
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	-	-

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interest specified under the MSMED		
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-

9 Additional information required as per Schedule III:

PARTICULARS	2020- 2021	2019- 2020
a Value of Import on CIF basis:	-	-
b Remittances in Foreign Currency:	-	-
c Expenditure in Foreign Currency:	-	-
d Earnings in Foreign Currency:	-	-

10 During the year ended March 31, 2021, the Company has incurred expenditure towards Corporate Social Responsibility (CSR) activities which are as below:

- (a) Gross amount required to be spent by the company during the year was ₹34,31,912 (Previous year: ₹ 31,20,521)
- (b) Amount spent during the year is ₹ 34,31,912 (Previous year: ₹ 4,89,509).

Amount in ₹				
Sr. No.	Particular	Payment made	Payment yet to be made	Total
1.	Construction/acquisition of any asset	- (-)	- (-)	- (-)
2.	On purposes other than (1) above	34,31,912 (4,89,509)	- (-)	34,31,912 (4,89,509)

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

Signature to Notes "1" to "25"

As per our report of even date attached.

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

**VARUN
PRAKASHCHANDR
A KOTHARI**

Digitally signed by VARUN PRAKASHCHANDRA KOTHARI
DN: c=IN, ou=M M NISSIM AND CO LLP,
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PRAKASHCHANDRA KOTHARI
Date: 2021.06.02 20:19:18 +05'30'

Varun P. Kothari
Partner
Membership No: 115089
Mumbai, June 2, 2021

For and on behalf of the Board of Directors

**Anurag
Gupta**
Anurag Gupta
Director
DIN - 00473793

Digitally signed by Anurag Gupta
DN: c=IN, ou=Personal, id=9304,
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8751, cn=Anurag Gupta
Date: 2021.06.02 18:29:29 +05'30'

**Lokanath
Panda**
Lokanath Panda
Director
DIN - 00784736

Digitally signed by Lokanath Panda
DN: c=IN, ou=Personal, id=2584,
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732, cn=Lokanath Panda
Date: 2021.06.02 19:44:23 +05'30'

**DIPAK
BAPUSAHE
B
GAWANDE**
Dipak Gawande
Company Secretary
Mumbai, June 2, 2021

Digitally signed by DIPAK BAPUSAHE
GAWANDE
DN: c=IN, ou=Maharashtra,
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BAPUSAHE GAWANDE,
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Date: 2021.06.02 19:27:46 +05'30'